

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

Consolidated Financial Statements

for the Nine Months Ended September 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.

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Independent Auditors' Review Report

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

Introduction

We have audited the balance sheet of HOLY STONE ENTERPRISE CO., LTD. and its subsidiaries as of September 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months ended September 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 nine months ended September 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 nine months ended September 30, 2025 and 2024 were NT\$2,721,446 thousand and NT\$3,001,915 thousand, respectively, representing 17.43% and 19.13% of the total consolidated assets; total liabilities were NT\$533,614 thousand and NT\$663,067 thousand, respectively, representing 9.58% and 12.02% of the total consolidated liabilities; the consolidated income or loss for the three and nine months ended September 30, 2025 and 2024 were \$76,307 thousand, \$170,583 thousand, \$69,085 thousand, and \$257,664 thousand, representing 23.68%, 50.57%, 10% and 33.20% 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\$436,406 thousand and NT\$439,427 thousand for the nine months ended September 30, 2025 and 2024, respectively, and the shares of profit or loss recognized using the equity method in affiliated companies were NT\$3,938 thousand, NT\$2,251 thousand, NT\$11,612 thousand and NT\$15,222 thousand for the three and nine months ended September 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 September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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
November 5, 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
September 30, 2025 and December 31 & September 30, 2024

Unit: thousands of New Taiwan Dollars

Assets		2025.9.30		2024.12.31		2024.9.30		Liabilities and Equity		2025.9.30		2024.12.31		2024.9.30	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current Assets:								Current Liabilities:							
1100	Cash and cash equivalents (Note 6(1))	\$ 4,394,536	29	4,502,178	29	4,335,042	28	2100	Short-term borrowings (Note 6(12))	\$ 2,026,357	13	1,225,898	8	1,099,489	7
1110	Current financial assets at fair value through profit or loss (Note 6(2))	767,502	5	607,137	4	552,577	4	2130	Current contract liabilities (Note 6(21))	40,772	-	86,225	1	81,501	1
1150	Notes and accounts receivable, net (Notes 6(4)(21) and 7)	3,661,070	23	3,087,159	20	3,058,338	19	2170	Accounts payable	743,083	5	928,352	6	1,029,792	6
1200	Other receivables, net (Note 6(5))	53,240	-	57,834	-	43,602	-	2180	Accounts payable to related parties (Note 7)	52,166	-	61,104	-	41,223	-
1220	Current tax assets	36,988	-	39,183	-	35,654	-	2200	Other payables (Note 6(13))	871,394	6	853,166	5	811,925	5
130X	Inventories (Note 6(6))	2,050,660	14	2,574,693	16	2,586,937	16	2230	Current tax liabilities	128,144	1	61,521	-	102,031	1
1410	Prepayments and other current assets	72,171	-	43,668	-	98,459	1	2280	Current lease liabilities (Note 6(15))	19,075	-	17,179	-	17,827	-
	Total Current Assets	11,036,167	71	10,911,852	69	10,710,609	68	2322	Long-term borrowings, current portion (Note 6(14))	667,052	4	557,500	3	490,000	3
Non-current Assets:									Total current liabilities	4,548,043	29	3,790,945	23	3,673,788	23
1510	Non-current financial assets at fair value through profit or loss (Note 6(2))	49,459	-	49,033	-	75,606	1	2540	Long-term borrowings (Note 6(14))	887,779	6	1,510,833	10	1,698,333	11
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(3))	54,170	-	51,697	-	54,402	-	2570	Deferred tax liabilities	92,131	1	92,131	1	83,689	1
1550	Investments accounted for using the equity method (Note 6(7))	436,406	3	443,036	3	439,427	3	2580	Non-current lease liabilities (Notes 6(15))	17,377	-	22,397	-	25,233	-
1600	Property, plant and equipment (Note 6(9))	3,884,763	26	4,230,542	28	4,088,218	26	2640	Net defined benefit liability - non-current	22,428	-	27,428	-	34,820	-
1755	Right-of-use assets (Note 6(10))	35,376	-	38,340	-	41,813	-	2670	Other non-current liabilities - other	2,430	-	2,615	-	2,525	-
1780	Intangible assets (Note 6(11))	1,747	-	3,030	-	2,788	-		Total Non-current Liabilities	1,022,145	7	1,655,404	11	1,844,600	12
1840	Deferred tax assets	56,933	-	56,952	-	61,202	-		Total Liabilities	5,570,188	36	5,446,349	34	5,518,388	35
1915	Prepayments for business facilities	13,471	-	1,039	-	179,333	2		Equity Attributable to Owners of the Parent (Note 4(2) and 6(8)(18)):						
1990	Other non-current assets- others (Note 8)	46,562	-	40,199	-	39,761	-	3110	Ordinary share	1,658,903	11	1,658,903	11	1,658,903	11
	Total Non-current Assets	4,578,887	29	4,913,868	31	4,982,550	32	3200	Capital surplus	3,160,066	20	3,160,144	20	3,160,058	20
									Retained earnings:						
								3310	Legal reserve	1,821,073	12	1,723,213	11	1,723,213	11
								3320	Special reserve	94,768	1	143,624	1	143,624	1
								3350	Unappropriated retained earnings	3,219,005	21	3,391,970	21	3,158,633	20
									Total retained earnings	5,134,846	34	5,258,807	33	5,025,470	32
									Other equities:						
								3410	Exchange differences on translation of foreign financial statements	(86,074)	(1)	(12,734)	-	(21,824)	-
								3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(78,963)	(1)	(82,034)	(1)	(79,046)	(1)
									Total other equities	(165,037)	(2)	(94,768)	(1)	(100,870)	(1)
									Total Equity Attributable to Owners of the Parent Company	9,788,778	63	9,983,086	63	9,743,561	62
								36XX	Non-controlling interests	256,088	1	396,285	3	431,210	3
									Total Equity	10,044,866	64	10,379,371	66	10,174,771	65
									Total Liabilities and Shareholders' Equity	\$ 15,615,054	100	15,825,720	100	15,693,159	100
	Total Assets	\$ 15,615,054	100	15,825,720	100	15,693,159	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
Consolidated Statements of Comprehensive Income
For the three and nine months ended September 30, 2025 and 2024

Unit: thousands of New Taiwan Dollars

	For the Three months ended				For the Nine months ended			
	September 30				September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue (Note 6(21))	\$ 3,432,980	100	3,411,230	100	10,107,065	100	9,590,040	100
5000 Operating costs (Note 6(6)(15)(16)(22), 7 and 12)	2,808,398	82	2,829,380	83	8,171,583	81	7,984,979	83
Gross profit	624,582	18	581,850	17	1,935,482	19	1,605,061	17
Operating expenses								
6100 Selling and administrative expenses (Notes 6(15)(16)(22) and 12)	290,835	8	300,668	9	844,479	8	835,530	9
6300 Research and development expenses (Note 6(15)(16)(22) and 12)	62,892	2	88,025	2	203,604	2	260,386	3
6450 Expected credit loss (gain) (Note 6(4))	2,740	-	(1,458)	-	2,171	-	1,691	-
Total operating expenses	356,467	10	387,235	11	1,050,254	10	1,097,607	12
Operating profit	268,115	8	194,615	6	885,228	9	507,454	5
Non-operating incomes and expenses:								
7020 Other gains and losses (Note 6(23))	83,172	2	220,030	6	68,938	1	419,028	5
7050 Financial costs (Note 6(15))	(27,983)	-	(19,309)	-	(74,154)	(1)	(49,017)	-
7060 Share of profit (loss) of associates accounted for using the equity method	3,938	-	2,251	-	11,612	-	15,222	-
7100 Interest revenue	8,868	-	8,623	-	31,791	-	28,106	-
Total non-operating income and expenses	67,995	2	211,595	6	38,187	-	413,339	5
Profit before tax	336,110	10	406,210	12	923,415	9	920,793	10
7950 Less: Income tax expense (Note 6(17))	71,257	2	75,216	2	165,344	1	189,719	2
Profit	264,853	8	330,994	10	758,071	8	731,074	8
8300 Other comprehensive income, net of tax:								
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6(18))	5,538	-	(2,366)	-	3,145	-	(2,711)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	5,538	-	(2,366)	-	3,145	-	(2,711)	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361 Exchange differences on translation of foreign financial statements (Note 6(18))	51,879	1	8,707	-	(70,269)	(1)	47,786	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
Total components of other comprehensive income (loss) that will be reclassified to profit or loss	51,879	1	8,707	-	(70,269)	(1)	47,786	-
8300 Other comprehensive income, net of tax	57,417	1	6,341	-	(67,124)	(1)	45,075	-
8500 Total comprehensive income in the current period	\$ 322,270	9	337,335	10	690,947	7	776,149	8
Profit attributable to:								
8610 Owners of parent	\$ 279,898	8	298,488	9	788,362	8	745,257	8
8620 Non-controlling interests	(15,045)	-	32,506	1	(30,291)	-	(14,183)	-
Profit	\$ 264,853	8	330,994	10	758,071	8	731,074	8
Comprehensive income attributable to:								
8710 Owners of parent	\$ 334,444	9	302,075	9	718,167	7	788,011	8
8720 Non-controlling interests	(12,174)	-	35,260	1	(27,220)	-	(11,862)	-
Total comprehensive income	\$ 322,270	9	337,335	10	690,947	7	776,149	8
Earnings per share (Unit: NTD) (Note 6(20))								
9750 Basic earnings per share	\$ 1.68		1.80		4.75		4.49	
9850 Diluted earnings per share	\$ 1.67		1.79		4.71		4.45	

(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 Nine Months Ended September 30, 2025 and 2024

Unit: thousands of New Taiwan Dollars

Equity attributable to owners of the parent company

	Retained earnings					Other equity		Total equity attributable to shareholders of the parent	Non-controlling interests	Total 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			
Balance at January 1, 2024	\$ 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	-	-	-	-	745,257	-	-	745,257	(14,183)	731,074
Other comprehensive income	-	-	-	-	-	45,465	(2,711)	42,754	2,321	45,075
Total comprehensive income (loss)	-	-	-	-	745,257	45,465	(2,711)	788,011	(11,862)	776,149
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	-	(49,834)	-	-	-	-	-	(49,834)	55,500	5,666
Changes in non-controlling interests	-	-	-	-	-	-	-	-	186,964	186,964
Balance at September 30, 2024	\$ 1,658,903	3,160,058	1,723,213	143,624	3,158,633	(21,824)	(79,046)	9,743,561	431,210	10,174,771
Balance at January 1, 2025	\$ 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	-	-	-	-	788,362	-	-	788,362	(30,291)	758,071
Other comprehensive income	-	-	-	-	-	(73,340)	3,145	(70,195)	3,071	(67,124)
Total comprehensive income (loss)	-	-	-	-	788,362	(73,340)	3,145	718,167	(27,220)	690,947
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	-	(78)	-	-	-	-	-	(78)	404	326
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(113,381)	(113,381)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	74	-	(74)	-	-	-
Balance at September 30, 2025	\$ 1,658,903	3,160,066	1,821,073	94,768	3,219,005	(86,074)	(78,963)	9,788,778	256,088	10,044,866

(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 Nine Months Ended September 30, 2025 and 2024

Unit: thousands of New Taiwan Dollars

	For the Nine months ended September 30	
	2025	2024
Cash flows from operating activities:		
Net income before income tax	\$ 923,415	920,793
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	544,201	549,824
Amortization expense	1,829	2,295
Expected credit loss (gain)	2,171	1,691
Net loss (gain) on financial assets at fair value through profit or loss	(70,025)	(110,355)
Interest expense	74,154	49,017
Interest revenue	(31,791)	(28,106)
Dividend revenue	(7,604)	(8,814)
Share-based payment remuneration cost	326	2,390
Share of profit of associates accounted for using the equity method	(11,612)	(15,222)
Loss (gain) from disposal and retirement of property, plant and equipment	(413)	(239,326)
Others	(2)	(11)
Total adjustments to reconcile profit	501,234	203,383
Changes in operating assets and liabilities:		
Changes in operating assets:		
Current financial assets at fair value through profit or loss	(105,932)	(75,699)
Notes and accounts receivable	(575,551)	(291,253)
Other receivables	2,922	8,465
Inventories	524,033	540,824
Prepayments and other current assets	(28,503)	(39,105)
Total changes in operating assets	(183,031)	143,232
Changes in operating liabilities:		
Contract liability	(45,453)	(25,770)
Accounts payable	(185,269)	227,389
Accounts payable to related parties	(8,938)	10,983
Other payables	12,419	(30,377)
Net defined benefit liability	(5,000)	(11,170)
Total changes in operating liabilities	(232,241)	171,055
Net changes in operating assets and liabilities	(415,272)	314,287
Total adjustments	85,962	517,670
Cash inflow from operating activities	1,009,377	1,438,463
Interest received	33,763	27,913
Dividends received	7,304	7,686
Interest paid	(70,835)	(49,205)
Income taxes paid	(96,491)	(113,517)
Net cash inflow from operating activities	883,118	1,311,340
Cash flow from investing activities:		
Disposal of financial assets at fair value through other comprehensive income or loss	88	-
Acquisition of property, plant and equipment	(183,560)	(131,664)
Proceeds from disposal of property, plant and equipment	459	442,198
Acquisition of intangible assets	(528)	(7)
Increase in other non-current assets	(6,601)	(555)
Increase in prepayments for business facilities	(12,432)	(33,625)
Dividends received	18,116	7,839
Net cash outflow from investing activities	(184,458)	284,186
Cash flow from financing activities:		
Increase (decrease) in short-term borrowings	800,459	(4,171)
Proceeds from long-term borrowings	-	500,000
Repayments of long-term borrowings	(513,502)	(220,000)
Payment of lease liabilities	(16,356)	(16,151)
Increase in other non-current liabilities	-	14
Cash dividends paid	(912,397)	(829,452)
Changes in non-controlling interests	(113,381)	190,239
Net cash inflow (outflow) from financing activities	(755,177)	(379,521)
Effect of exchange rate changes on cash and cash equivalents	(51,125)	38,788
Increase of cash and cash equivalent in the current period	(107,642)	1,254,793
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	\$ 4,394,536	4,335,042

(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 Nine Months Ended September 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 November 5, 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)

The newly pronounced or revised standards	Major amendments	The effective date pronounced by the IASB
IFRS No. 18 “Presentation and Disclosure in Financial Statements”	<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"> • More structured income statement: Under existing standards, companies use different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new standard adopts a more structured income statement, introduces a newly defined subtotal of “operating income,” and stipulates that all income, expenses and losses are classified into three new different categories based on the company’s main operating activities. • Management Performance 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. • 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. 	<p style="text-align: center;">January 1, 2027</p> <p>Note: The Financial Supervisory Commission (FSC) announced on September 25, 2025 that IFRS 18 will take effect starting from January 1, 2028, with early adoption permitted.</p>

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”
- Amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

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

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
			2025.9.30	2024.12.31	2024.9.30	
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. (Uholy, Taiwan)	General investment	100.00%	100.00%	100.00%	Note 2
The Company	Martek Co., Ltd. (Martek, Taiwan)	Wholesale of Household Appliance, Wholesale of Precision Instruments, and Wholesale of Computing and Business Machinery Equipment	100.00%	100.00%	100.00%	Note 2
The Company	Holy Stone Industry India Private Limited (HSI, India)	Electronic parts and components business	100.00%	100.00%	100.00%	Note 2
The Company	Jung Chan Investments Co., Ltd. (JCI, Taiwan)	General investment	100.00%	100.00%	100.00%	Note 2
HSH	Holy Stone Investments Co., Ltd. (HSIC, Hong Kong)	General investment	100.00%	100.00%	100.00%	-

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

Name of Investors	Name of subsidiaries	Main Business	Shareholding ratio			Descriptions
			2025.9.30	2024.12.31	2024.9.30	
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	- %	- %	- %	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 (ShanHai) 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, England)	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 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 Smartthings 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%	4.33%	Note 1, 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
			2025.9.30	2024.12.31	2024.9.30	
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 nine months ended September 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.

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.

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

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>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Cash on hand	\$ 864	867	1,015
Demand deposits	2,729,081	2,425,160	2,433,104
Term deposits	1,664,591	2,076,151	1,900,923
	<u>\$ 4,394,536</u>	<u>4,502,178</u>	<u>4,335,042</u>

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

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Current:			
Domestic stock	\$ 454,525	362,449	337,425
Global depositary receipt	29,760	22,662	19,238
Beneficiary certificate	283,217	222,026	195,914
Total	<u>\$ 767,502</u>	<u>607,137</u>	<u>552,577</u>

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

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Non-current:			
Foreign investments in listed shares	\$ 5,266	4,669	4,537
Domestic investments in listed shares	44,193	44,364	71,069
Total	<u>\$ 49,459</u>	<u>49,033</u>	<u>75,606</u>

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

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Domestic and foreign stock	<u>\$ 54,170</u>	<u>51,697</u>	<u>54,402</u>

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

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

- Please refer to Note 6(24) for more information on credit risk and market risk.
- The aforesaid financial assets are not pledged as collateral.

(IV) Notes and accounts receivable

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Receivable notes	\$ 126,614	147,254	154,207
Accounts receivable	3,591,142	2,994,951	2,972,045
Less: loss provision	(56,686)	(55,046)	(67,914)
	<u>\$ 3,661,070</u>	<u>3,087,159</u>	<u>3,058,338</u>

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.

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

An analysis of the expected credit losses on the Group's notes and accounts receivable is as follows:

	2025.9.30		
	Carrying amount of notes and accounts receivable	Weighted-average rate of expected credit loss	Allowance for lifetime expected credit loss
Not overdue	\$ 3,662,340	0%~10%	12,389
1 to 30 days	9,314	1%~40%	723
31 to 60 days	5,210	1%~80%	2,682
Overdue for over 61 days	40,892	50%~100%	40,892
	\$ 3,717,756		56,686
	2024.12.31		
	Carrying amount of notes and accounts receivable	Weighted-average rate of expected credit loss	Allowance for lifetime expected credit loss
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
	\$ 3,142,205		55,046
	2024.9.30		
	Carrying amount of notes and accounts receivable	Weighted-average rate of expected credit loss	Allowance for lifetime expected credit loss
Not overdue	\$ 3,059,946	0%~10%	14,345
1 to 30 days	11,155	1%~40%	1,040
31 to 60 days	3,783	1%~100%	1,161
Overdue for over 61 days	51,368	50%~100%	51,368
	\$ 3,126,252		67,914

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:

	For the Nine months ended September 30	
	2025	2024
Balance at January 1	\$ 55,046	64,255
Impairment loss recognized	2,171	1,691
Foreign currency translation gains and losses	(531)	1,968
Balance at September 30	\$ 56,686	67,914

The aforesaid financial assets are not pledged as collateral.

(V) Other receivables

	2025.9.30	2024.12.31	2024.9.30
Tax refund receivable	\$ 41,867	48,881	37,297
Interest receivable	2,791	4,763	2,929
Other	8,582	4,190	3,376
	\$ 53,240	57,834	43,602

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

	2025.9.30	2024.12.31	2024.9.30
Raw materials	\$ 195,816	205,951	230,900
Materials	18,817	24,662	22,657
Work in progress	196,214	222,213	208,331
Semi-Finished products	93,811	73,171	90,151
Finished good	584,985	604,067	572,302
Merchandise	961,017	1,444,629	1,462,596
	\$ 2,050,660	2,574,693	2,586,937

For the three months ended September 30, 2025 and nine months ended September 30, 2025, the factors that caused the net realizable value of inventories was lower than cost, resulting in an increase in net realizable value and a decrease in operating costs of NT\$9,500 thousand and NT\$12,637 thousand, respectively.

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

For the three months ended September 30, 2024 and nine months ended September 30, 2024, the factors that caused the net realizable value of inventories was lower than cost, resulting in an increase in net realizable value and a decrease in operating costs of NT\$7,163 thousand and NT\$1,638 thousand, respectively.

The Group's inventories are not pledged as collateral.

(VII) Investment valued by equity method

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

	2025.9.30	2024.12.31	2024.9.30
Associate	\$ 436,406	443,036	439,427

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 0.14% of its ownership interest in HSHC from June to September 2024, the proceeds of which amounted to NT\$4,714 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:

	For the Nine months ended September 30	
	2025	2024
Carrying amount of disposal of ownership interest in subsidiaries	\$ -	(607)
Consideration received from non-controlling interests	-	4,714
Capital surplus - difference between the market value and the book value of the ownership interest in the subsidiary	\$ -	4,107

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

(IX) Property, plant and equipment

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

	<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>
Cost:						
Balance at January 1, 2025	\$ 761,642	2,930,967	5,305,574	760,694	428,074	10,186,951
Addition	-	4,556	11,294	10,414	159,786	186,050
Reclassification	-	25,534	431,173	23,796	(480,503)	-
Disposal	-	-	(41,324)	(15,200)	-	(56,524)
Effects of changes in exchange rates	(604)	(8,151)	(1,641)	(1,656)	-	(12,052)
Balance at September 30, 2025	<u>\$ 761,038</u>	<u>2,952,906</u>	<u>5,705,076</u>	<u>778,048</u>	<u>107,357</u>	<u>10,304,425</u>
Balance at January 1, 2024	\$ 919,930	2,957,894	4,942,332	753,130	484,351	10,057,637
Addition	-	1,773	981	7,719	118,249	128,722
Reclassification	-	43,788	330,081	31,398	(405,267)	-
Disposal	(156,522)	(77,506)	(22,636)	(38,931)	-	(295,595)
Effects of changes in exchange rates	765	7,973	2,100	1,624	-	12,462
Balance at September 30, 2024	<u>\$ 764,173</u>	<u>2,933,922</u>	<u>5,252,858</u>	<u>754,940</u>	<u>197,333</u>	<u>9,903,226</u>
Accumulated depreciation:						
Balance at January 1, 2025	\$ -	1,040,511	4,254,481	661,417	-	5,956,409
Depreciation in the current period	-	88,421	395,373	44,139	-	527,933
Disposal	-	-	(41,285)	(15,193)	-	(56,478)
Effects of changes in exchange rates	-	(5,525)	(1,376)	(1,301)	-	(8,202)
Balance at September 30, 2025	<u>\$ -</u>	<u>1,123,407</u>	<u>4,607,193</u>	<u>689,062</u>	<u>-</u>	<u>6,419,662</u>
Balance at January 1, 2024	\$ -	934,295	3,807,811	623,691	-	5,365,797
Depreciation in the current period	-	108,749	365,804	59,226	-	533,779
Reclassification	-	(4,305)	(1,625)	5,930	-	-
Disposal	-	(31,630)	(22,627)	(38,459)	-	(92,716)
Effects of changes in exchange rates	-	5,084	1,740	1,324	-	8,148
Balance at September 30, 2024	<u>\$ -</u>	<u>1,012,193</u>	<u>4,151,103</u>	<u>651,712</u>	<u>-</u>	<u>5,815,008</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 September 30, 2025	<u>\$ 761,038</u>	<u>1,829,499</u>	<u>1,097,883</u>	<u>88,986</u>	<u>107,357</u>	<u>3,884,763</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 September 30, 2024	<u>\$ 764,173</u>	<u>1,921,729</u>	<u>1,101,755</u>	<u>103,228</u>	<u>197,333</u>	<u>4,088,218</u>

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

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

(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	13,432	1,225	14,657
Decrease	(546)	-	(546)
Effects of changes in exchange rates	(3,085)	78	(3,007)
Balance at September 30, 2025	<u>\$ 148,821</u>	<u>3,135</u>	<u>151,956</u>
Balance at January 1, 2024	\$ 133,268	2,088	135,356
Increase	12,487	83	12,570
Decrease	(4,529)	(330)	(4,859)
Effects of changes in exchange rates	3,141	42	3,183
Balance at September 30, 2024	<u>\$ 144,367</u>	<u>1,883</u>	<u>146,250</u>
Depreciation of right-of-use assets:			
Balance at January 1, 2025	\$ 100,917	1,595	102,512
Depreciation in the current period	15,931	337	16,268
Decrease	(273)	-	(273)
Effects of changes in exchange rates	(2,006)	79	(1,927)
Balance at September 30, 2025	<u>\$ 114,569</u>	<u>2,011</u>	<u>116,580</u>
Balance at January 1, 2024	\$ 88,113	1,378	89,491
Depreciation in the current period	15,680	365	16,045
Decrease	(3,123)	(247)	(3,370)
Effects of changes in exchange rates	2,235	36	2,271
Balance at September 30, 2024	<u>\$ 102,905</u>	<u>1,532</u>	<u>104,437</u>
Book value:			
Balance at January 1, 2025	<u>\$ 38,103</u>	<u>237</u>	<u>38,340</u>
Balance at September 30, 2025	<u>\$ 34,252</u>	<u>1,124</u>	<u>35,376</u>
Balance at January 1, 2024	<u>\$ 45,155</u>	<u>710</u>	<u>45,865</u>
Balance at September 30, 2024	<u>\$ 41,462</u>	<u>351</u>	<u>41,813</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>Goodwills</u>	<u>Other</u>	<u>Total</u>
Costs:			
Balance at January 1, 2025	\$ 541,940	58,436	600,376
Intangible assets acquired separately	-	528	528
Derecognition	(541,940)	-	(541,940)
Effects of changes in exchange rates	-	2,496	2,496
Balance at September 30, 2025	<u>\$ -</u>	<u>61,460</u>	<u>61,460</u>
Balance at January 1, 2024	\$ 541,940	61,414	603,354
Intangible assets acquired separately	-	7	7
Effects of changes in exchange rates	-	1,768	1,768
Balance at September 30, 2024	<u>\$ 541,940</u>	<u>63,189</u>	<u>605,129</u>
Accumulated amortization and impairment loss:			
Balance at January 1, 2025	\$ 541,940	55,406	597,346
Amortization for current period	-	1,799	1,799
Derecognition	(541,940)	-	(541,940)
Effects of changes in exchange rates	-	2,508	2,508
Balance at September 30, 2025	<u>\$ -</u>	<u>59,713</u>	<u>59,713</u>
Balance at January 1, 2024	\$ 541,940	56,467	598,407
Amortization for current period	-	2,265	2,265
Effects of changes in exchange rates	-	1,669	1,669
Balance at September 30, 2024	<u>\$ 541,940</u>	<u>60,401</u>	<u>602,341</u>
Book value:			
Balance at January 1, 2025	<u>\$ -</u>	<u>3,030</u>	<u>3,030</u>
Balance at September 30, 2025	<u>\$ -</u>	<u>1,747</u>	<u>1,747</u>
Balance at January 1, 2024	<u>\$ -</u>	<u>4,947</u>	<u>4,947</u>
Balance at September 30, 2024	<u>\$ -</u>	<u>2,788</u>	<u>2,788</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>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Unsecured bank loan	\$ 2,026,357	1,225,898	1,099,489
Quota not used	\$ 3,862,664	4,587,907	4,501,321
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>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Employee bonuses payable	\$ 279,718	268,635	244,148
Remuneration payable to directors	21,455	25,857	21,210
Accounts payable, equipment	49,663	47,173	56,586
Accrued wages and bonus	168,911	202,639	120,638
Labor and health insurance	21,305	22,992	20,279
Other	330,342	285,870	349,064
	<u>\$ 871,394</u>	<u>853,166</u>	<u>811,925</u>

(XIV) Long-term borrowings

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Unsecured bank loan	\$ 1,554,831	2,068,333	2,188,333
Less: Current portions	(667,052)	(557,500)	(490,000)
Total	<u>\$ 887,779</u>	<u>1,510,833</u>	<u>1,698,333</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%~1.82%</u>

1. Issuance and repayment of loans

The Group's issuance of long-term borrowings from January 1 to September 30, 2025 and 2024 were NT\$0 thousand and NT\$500,000 thousand, respectively, and the repayments were NT\$513,502 thousand and NT\$220,000 thousand, respectively.

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

(XV) Lease liabilities

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

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Current	<u>\$ 19,075</u>	<u>17,179</u>	<u>17,827</u>
Non-current	<u>\$ 17,377</u>	<u>22,397</u>	<u>25,233</u>

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

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

	<u>For the Three months ended September 30</u>		<u>For the Nine months ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest expense on lease liabilities	<u>\$ 189</u>	<u>180</u>	<u>584</u>	<u>588</u>
Short-term and low-value lease expenses	<u>\$ 3,053</u>	<u>3,867</u>	<u>9,957</u>	<u>11,477</u>

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

	<u>For the Nine months ended September 30</u>	
	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	<u>\$ 26,897</u>	<u>28,216</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 September 30</u>		<u>For the Nine months ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating cost	\$ 404	393	1,217	1,142
Operating expenses	533	539	1,601	1,670
Total	<u>\$ 937</u>	<u>932</u>	<u>2,818</u>	<u>2,812</u>

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

2. Defined contribution plans

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

	For the Three months ended September 30		For the Nine months ended September 30	
	2025	2024	2025	2024
Operating cost	\$ 6,943	5,986	20,044	17,339
Operating expenses	8,753	13,232	27,641	31,526
Total	<u>\$ 15,696</u>	<u>19,218</u>	<u>47,685</u>	<u>48,865</u>

(XVII) Income Tax

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

	For the Three months ended September 30		For the Nine months ended September 30	
	2025	2024	2025	2024
Current period income tax expense				
Recognized during the period	\$ 71,257	75,216	165,344	189,719
Deferred income tax expense	-	-	-	-
Income tax expenses	<u>\$ 71,257</u>	<u>75,216</u>	<u>165,344</u>	<u>189,719</u>

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

(XVIII) Capital and other components of equity

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

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

1. Capital reserve

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

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
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	73,725	73,803	73,717
Expired options	130,146	130,146	130,146
	<u>\$ 3,160,066</u>	<u>3,160,144</u>	<u>3,160,058</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)
- (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.

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

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.

2.1. 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.

2.2. Special reserve

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

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

2.3. 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:

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

3. Other components of equity (net after tax)

	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ (12,734)	(82,034)	(94,768)
Exchange differences on translation of net assets of foreign operations:			
The Company	(73,340)	-	(73,340)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
Subsidiary	-	3,145	3,145
Disposal of equity instruments at fair value through other comprehensive income:			
Subsidiary	-	(74)	(74)
Balance at September 30, 2025	<u>\$ (86,074)</u>	<u>(78,963)</u>	<u>(165,037)</u>
Balance at January 1, 2024	\$ (67,289)	(76,335)	(143,624)
Exchange differences on translation of net assets of foreign operations:			
The Company	45,465	-	45,465
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
Subsidiary	-	(2,711)	(2,711)
Balance at September 30, 2024	<u>\$ (21,824)</u>	<u>(79,046)</u>	<u>(100,870)</u>

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 nine months ended September 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:

	For the Three months ended September 30		For the Nine months ended September 30	
	2025	2024	2025	2024
Earnings per share				
Net profit attributable to the Company	\$ 279,898	298,488	788,362	745,257
Weighted-average number of common shares outstanding (in thousand shares)	165,890	165,890	165,890	165,890
Earnings per share (NT\$)	\$ 1.68	1.80	4.75	4.49
Diluted earnings per share				
Net profit attributable to the Company	\$ 279,898	298,488	788,362	745,257
Net income attributable to ordinary equity holders of the Company (after adjustments to the effect of dilutive potential ordinary shares)	\$ 279,898	298,488	788,362	745,257
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)	1,217	1,220	1,546	1,498
Weighted-average number of common shares outstanding (after adjustments to the effect of dilutive potential ordinary shares) (in thousand shares)	167,107	167,110	167,436	167,388
Diluted earnings per share (NT\$)	\$ 1.67	1.79	4.71	4.45

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

(XXI) Revenue from contracts with customers

1. Revenue breakdown

For the Three months ended September 2025			
	Electronic Segment	Others	Total
Core products/services:			
Passive Components	\$ 1,373,713	-	1,373,713
Active Components	904,288	-	904,288
System on Module	495,177	-	495,177
Others	513,349	146,453	659,802
	\$ 3,286,527	146,453	3,432,980

For the Three months ended September 2024			
	Electronic Segment	Others	Total
Core products/services:			
Passive Components	\$ 1,389,226	-	1,389,226
Active Components	807,031	-	807,031
System on Module	495,496	-	495,496
Others	358,575	360,902	719,477
	\$ 3,050,328	360,902	3,411,230

For the Nine months ended September 2025			
	Electronic Segment	Others	Total
Core products/services:			
Passive Components	\$ 4,280,302	-	4,280,302
Active Components	2,286,300	-	2,286,300
System on Module	1,437,364	-	1,437,364
Others	1,334,858	768,241	2,103,099
	\$ 9,338,824	768,241	10,107,065

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

	For the Nine months ended September 2024		
	Electronic Segment	Others	Total
Core products/services:			
Passive Components	\$ 3,741,230	-	3,741,230
Active Components	2,102,127	-	2,102,127
System on Module	1,666,605	-	1,666,605
Others	956,608	1,123,470	2,080,078
	\$ 8,466,570	1,123,470	9,590,040

2. Contract balance

	2025.9.30	2024.12.31	2024.9.30
Receivable notes	\$ 126,614	147,254	154,207
Accounts receivable	3,591,142	2,994,951	2,972,045
Less: loss provision	(56,686)	(55,046)	(67,914)
Total	\$ 3,661,070	3,087,159	3,058,338
Contract liability	\$ 40,772	86,225	81,501

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\$67,908 thousand and NT\$94,605 thousand for the nine months ended September 30, 2025 and 2024.

(XXII) Remuneration to employee, 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

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

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 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 nine months ended September 30, 2025 and 2024, the Company accrued employee remuneration of NT\$44,237 thousand, NT\$44,773 thousand, NT\$118,002 thousand, and NT\$111,350 thousand, respectively, and directors' remuneration of NT\$8,043 thousand, NT\$8,529 thousand, NT\$21,455 thousand, and NT\$21,210 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:

	For the Three months ended		For the Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Dividend revenue	\$ 1,167	623	2,634	2,576
Net gain (loss) on financial assets at fair value through profit or loss	64,808	(31,586)	70,025	117,498
Proceeds from disposal of property, plant and equipment	399	239,458	413	239,326
Net gain (loss) on foreign exchange	13,869	3,638	(63,528)	37,649
Others	2,929	7,897	59,394	21,979
	\$ 83,172	220,030	68,938	419,028

(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:

	Book value	Contract cash flows	Within 1 year	1-5 years	Over 5 years
September 30, 2025					
Non-derivative financial liabilities					
Short-term borrowings	\$ 2,026,357	2,049,083	2,049,083	-	-
Accounts payable	743,083	743,083	743,083	-	-
Accounts payable to related parties	52,166	52,166	52,166	-	-
Other payables	871,394	871,394	871,394	-	-
Lease liabilities	36,452	37,223	19,588	17,635	-
Long-term borrowings	1,554,831	1,580,674	684,250	896,424	-
	\$ 5,284,283	5,333,623	4,419,564	914,059	-

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>
December 31, 2024					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,225,898	1,233,892	1,233,892	-	-
Accounts payable	928,352	928,352	928,352	-	-
Accounts payable to related parties	61,104	61,104	61,104	-	-
Other payables	853,166	853,166	853,166	-	-
Lease liabilities	39,576	40,588	17,733	22,855	-
Long-term borrowings	2,068,333	2,115,568	583,012	1,532,556	-
	\$ 5,176,429	5,232,670	3,677,259	1,555,411	-
September 30, 2024					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,099,489	1,107,483	1,107,483	-	-
Accounts payable	1,029,792	1,029,792	1,029,792	-	-
Accounts payable to related parties	41,223	41,223	41,223	-	-
Other payables	811,925	811,925	811,925	-	-
Lease liabilities	43,060	44,210	18,432	25,778	-
Long-term borrowings	2,188,333	2,242,814	517,125	1,725,689	-
	\$ 5,213,822	5,277,447	3,525,980	1,751,467	-

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>2025.9.30</u>			<u>2024.12.31</u>			<u>2024.9.30</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	\$	86,818	30.4450	2,643,165	63,264	32.7850	2,074,121	67,570	31.6500	2,138,593
EUR		1,428	35.7700	51,095	923	34.1400	31,507	1,107	35.3800	39,171
HKD		16,184	3.9130	63,328	18,660	4.2220	78,783	20,636	4.0750	84,092
GBP		129	40.9700	5,291	37	41.1900	1,541	-	-	-
JPY		415,765	0.2058	85,564	374,378	0.2099	78,582	498,149	0.2223	110,739
CNY		5,381	4.2710	22,980	15,044	4.4780	67,369	22,978	4.5230	103,928
<u>Non-monetary items</u>										
USD		3,477	30.4450	105,854	4,589	32.7850	150,449	4,590	31.6500	145,273

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

	2025.9.30			2024.12.31			2024.9.30		
	Foreign currency	Exchange rate (NT\$)	NTD	Foreign currency	Exchange rate (NT\$)	NTD	Foreign currency	Exchange rate (NT\$)	NTD
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	\$ 75,326	30.4450	2,293,313	46,780	32.7850	1,533,682	47,125	31.6500	1,491,518
EUR	-	-	-	247	34.1400	8,441	87	35.3800	3,090
HKD	795	3.9130	3,111	632	4.2220	2,668	768	4.0750	3,129
GBP	286	40.9700	11,711	290	41.1900	11,928	673	42.4300	28,558
JPY	93,257	0.2058	19,192	81,942	0.2099	17,200	38,863	0.2223	8,639

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 September 30, 2025, and 2024, the net income would decrease by NT\$27,205 thousand and NT\$47,079 thousand for the nine months ended September 30, 2025, and 2024, respectively, if the New Taiwan dollar depreciated or appreciated by 5% against the USD, EUR, JPY, HKD, GBP, and CNY. The analysis is performed on the same basis as for the 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 nine months ended September 30, 2025 and 2024, foreign currency exchange gains and losses (including realized and unrealized) were NT\$(63,528) thousand and NT\$37,649 thousand, respectively.

3. Fair value information

(1) Types of financial instruments and associated fair value

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

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

	2024.12.31				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Lease liabilities	39,576	-	-	-	-
Long-term borrowings	2,068,333	-	-	-	-
Sub-total	5,176,429	-	-	-	-
Total	\$ 5,176,429	-	-	-	-
	2024.9.30				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Current financial assets at fair value through profit or loss	\$ 628,183	557,114	-	71,069	628,183
Financial assets at fair value through other comprehensive income	54,402	-	-	54,402	54,402
Financial assets at amortization					
Cash and cash equivalent	4,335,042	-	-	-	-
Notes and accounts receivable - Net	3,058,338	-	-	-	-
Other receivables	43,602	-	-	-	-
Sub-total	7,436,982	-	-	-	-
Total	\$ 8,119,567	557,114	-	125,471	682,585
Financial liabilities at amortized cost					
Short-term borrowings	\$1,099,489	-	-	-	-
Accounts payable	1,029,792	-	-	-	-
Accounts payable to related parties	41,223	-	-	-	-
Other payables	811,925	-	-	-	-
Lease liabilities	43,060	-	-	-	-
Long-term borrowings	2,188,333	-	-	-	-
Sub-total	5,213,822	-	-	-	-
Total	\$ 5,213,822	-	-	-	-

(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.

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

(2.2) Financial assets and financial liabilities at amortization

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

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

(3.1) Non-derivative financial instruments

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

If obtaining frequently and timely transparent offers from stock exchange, 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).

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

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

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

(4) Table of movement of Level 3

	<u>Measured at fair value through profit or loss</u>	<u>Measured at fair value through other comprehensive income or loss</u>
January 1, 2025	\$ 44,364	51,697
Total gain or loss		
Recognized in profit or loss	(171)	-
Recognized in other comprehensive income	-	3,145
Disposal	-	(88)
Other	-	(584)
September 30, 2025	<u>\$ 44,193</u>	<u>54,170</u>
January 1, 2024	\$ 76,363	56,877
Total gain or loss		
Recognized in profit or loss	(5,294)	-
Recognized in other comprehensive income	-	(2,711)
Other	-	236
September 30, 2024	<u>\$ 71,069</u>	<u>54,402</u>

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

	<u>For the Nine months ended</u> <u>September 30</u>	
	<u>2025</u>	<u>2024</u>
Total gain or loss		
Recognized in profit or loss (recorded as "other gains and losses, net")	\$ (171)	(5,294)
Recognized in other comprehensive income (recorded as "unrealized valuation gains (losses) on financial assets at fair value through profit or loss".	3,145	(2,711)

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

(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.

(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 nine months ended September 30, 2025 and 2024 were as follows:

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

	<u>2025.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u>			<u>2025.9.30</u>
			<u>Acquisition</u>	<u>Exchange rate change</u>	<u>Other</u>	
Short-term borrowings	\$ 1,225,898	800,459	-	-	-	2,026,357
Long-term borrowings (including current portion)	2,068,333	(513,502)	-	-	-	1,554,831
Lease liabilities	39,576	(16,356)	14,657	(1,150)	(275)	36,452
Other non-current liabilities	2,615	-	-	(185)	-	2,430
Total liabilities arising from financing activities	<u>\$ 3,336,422</u>	<u>270,601</u>	<u>14,657</u>	<u>(1,335)</u>	<u>(275)</u>	<u>3,620,070</u>

	<u>2024.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u>			<u>2024.9.30</u>
			<u>Acquisition</u>	<u>Exchange rate change</u>	<u>Other</u>	
Short-term borrowings	\$ 1,103,660	(4,171)	-	-	-	1,099,489
Long-term borrowings (including current portion)	1,908,333	280,000	-	-	-	2,188,333
Lease liabilities	47,074	(16,151)	12,570	1,067	(1,500)	43,060
Other non-current liabilities	2,511	14	-	-	-	2,525
Total liabilities arising from financing activities	<u>\$ 3,061,578</u>	<u>259,692</u>	<u>12,570</u>	<u>1,067</u>	<u>(1,500)</u>	<u>3,333,407</u>

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

VII. Related party transactions

(I) Related parties

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

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

(II) Important transactions with related parties

1. Purchases and payables to related parties

	Purchase				Payables to related parties		
	For the Three months ended September 30		For the Nine months ended September 30		2025.9.30	2024.12.31	2024.9.30
	2025	2024	2025	2024			
Associate	\$ 64,303	54,917	216,959	180,854	52,166	61,104	41,223

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 September 30, 2025, December 31 and September 30, 2024, the Group and its affiliates had other receivables (included in notes and accounts receivable, net) amounting to NT\$836 thousand, NT\$799 thousand and NT\$714 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 September 30		For the Nine months ended September 30	
	2025	2024	2025	2024
	Short-term employee benefits	\$ 13,801	8,695	35,727

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

VIII. Pledged Assets

Book values for the pledged assets are as follows:

<u>Asset</u>	<u>Object of guarantee</u>	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Term deposits	Guarantees for purchase tax and commodity tax	\$ 33,344	24,277	24,245

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:

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Acquisition of property, plant and equipment	\$ 24,365	-	56,759

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

XI. Material Subsequent Events: N/A.

XII. Other

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

By function By nature	For the Three months ended September 30					
	2025			2024		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits						
Salary	122,130	189,714	311,844	112,032	197,574	309,606
Labor and health insurance	13,732	14,497	28,229	12,432	13,730	26,162
Pension	7,347	9,286	16,633	6,379	13,771	20,150
Remuneration to directors	-	8,912	8,912	-	9,346	9,346
Other employee benefit	4,207	4,635	8,842	3,612	4,922	8,534
Depreciation	172,761	16,222	188,983	160,201	16,092	176,293
Amortization	-	593	593	-	676	676

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

By nature	By function		For the Three months ended September 30			
	2025			2024		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits						
Salary	354,946	545,820	900,766	315,461	548,850	864,311
Labor and health insurance	40,918	41,261	82,179	36,384	39,729	76,113
Pension	21,261	29,242	50,503	18,481	33,196	51,677
Remuneration to directors	-	24,328	24,328	-	24,634	24,634
Other employee benefit	12,335	13,490	25,825	9,929	13,307	23,236
Depreciation	496,360	47,841	544,201	498,882	50,942	549,824
Amortization	-	1,829	1,829	-	2,295	2,295

(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 nine months ended September 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.

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)	1,957,755	89,680	82,320	41,160	-	0.84%	4,894,389	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.

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

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/ thousand 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	Taishin 1699 Money Market Fund	-	Current financial assets at fair value through profit or loss - Beneficiary certificate	7,031	100,000	-	100,000	-
The Company	AMUNDI PI US S/T BD	-	"	138	34,090	-	34,090	-
The Company	BARINGS GLOB HIY BOND-TGUSDA	-	"	8	35,250	-	35,250	-
The Company	Shares of Taiwan Semiconductor Manufacturing Co., Ltd.	-	Current financial assets at fair value through profit or loss - Domestic stock	100	130,500	-	130,500	-
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	109,620	-	109,620	-
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.	-	Current financial assets at fair value through profit or loss - Domestic stock	82	107,010	-	107,010	-

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	(488,866)	(6.09) %	120 days from the following month	-	-	282,446	9.52%	Note
Holy Stone Enterprise (Hong Kong) Co., Ltd.	The Company	The Company is the ultimate parent company	Purchase	488,866	24.70 %	120 days from the following month	-	-	(282,446)	(57.57)%	Note
The Company	Holy Stone International Trading (Shanghai) Co., Ltd	Third-tier subsidiary of the Company	Sales	(1,001,517)	(12.48) %	150 days from the following month	-	-	165,374	5.57%	Note
Holy Stone International Trading (Shanghai) Co., Ltd	The Company	The Company is the ultimate parent company	Purchase	1,001,517	92.25 %	150 days from the following month	-	-	(165,374)	(88.82)%	Note
The Company	Infortech (CHINA) Co., Ltd.	Third-tier subsidiary of the Company	Sales	(192,587)	(2.40) %	120 days from the invoiced month	-	-	23,047	0.78%	Note

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

Buyer/Seller	Related Party	Nature of Relationships	Transaction Details				The status and reasons of the transaction terms different from common transactions		Note/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	Percentage to total purchase (sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage to total notes and accounts receivable (payable)	
Infortech (CHINA) Co., Ltd.	The Company	The Company is the ultimate parent company	Purchase	192,587	85.51 %	120 days from the invoiced month	-	-	(23,047)	(91.57)%	Note
EPM	The Company	The Company is the ultimate parent company	Sales	(340,425)	(100.00) %	Cash settlement of the current month	-	-	51,197	100.00%	Note
The Company	EPM	Third-tier subsidiary of the Company	Purchase	305,861	6.55 %	Cash settlement of the current month	-	-	(51,197)	(6.64)%	Note
eGalax_eMPIA	The Company	Affiliated enterprises of the Company	Sales	(216,959)	(31.27) %	30 days from the invoiced month	-	-	52,166	36.32%	-
The Company	eGalax_eMPIA	Affiliated enterprises of the Company	Purchase	216,959	4.65 %	30 days from the invoiced month	-	-	(52,166)	(6.77)%	-
Holy Stone Enterprise (Hong Kong) Co., Ltd.	The Company	The Company is the ultimate parent company	Sales	(845,367)	(42.17) %	30 days from the invoiced month	-	-	246,578	28.70%	Note
The Company	Holy Stone Enterprise (Hong Kong) Co., Ltd.	Subsidiary of the Company	Purchase	845,367	18.12 %	30 days from the invoiced month	-	-	(246,578)	(32.00)%	Note

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

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

Company 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	282,446	2.57	-	-	18,950	-
The Company	Holy Stone International Trading (Shanghai) Co., Ltd	Third-tier subsidiary of the Company	165,374	8.22	-	-	125,485	-
Holy Stone Enterprise (Hong Kong) Co., Ltd.	The Company	The Company is the ultimate parent company	246,578	4.56	-	-	115,885	-

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)

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	488,866	120 days from the following month	4.84%
0	The Company	HSHK	1	Accounts receivable	282,446	120 days from the following month	1.81%
0	The Company	HSITC	1	Sales	1,001,517	150 days from the following month	9.91%
0	The Company	HSITC	1	Accounts receivable	165,374	150 days from the following month	1.06%
0	The Company	He Chi	1	Sales	192,587	120 days from the invoiced month	1.91%
0	The Company	He Chi	1	Accounts receivable	23,047	120 days from the invoiced month	0.15%
1	EPM	The Company	2	Sales	340,425	Cash settlement of the current month	3.37%
1	EPM	The Company	2	Accounts receivable	51,197	Cash settlement of the current month	0.33%
2	HSHK	The Company	2	Sales	845,367	30 days from the invoiced month	8.36%
2	HSHK	The Company	2	Accounts receivable	246,578	30 days from the invoiced month	1.58%

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 parent company.

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 nine months ended September 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%	512,648	32,994	32,994	Subsidiary of the Company
The Company	Holy Stone Holdings Co., Ltd.	Samoa	General investment	2,078,392	2,078,392	30,000	100.00%	710,060	1,093	637	Subsidiary of the Company
The Company	UHOLY Investment Co., Ltd.	Taipei City	General investment	622,500	622,500	54,000	100.00%	695,249	55,237	56,533	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%	113,945	4,117	4,117	Subsidiary of the Company
The Company	Jung Chan Investments Co., Ltd.	Taipei City	General investment	340,000	340,000	36,000	100.00%	436,069	35,235	35,235	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 Industry India Private Limited	India	Electronic parts and components business	29,260	29,260	7,400	100.00%	24,261	(114)	(114)	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%	122,535	81,670	3,334	The investee accounted for under the equity method
Holy Stone Holdings Co., Ltd.	Holy Stone Investments Co., Ltd	Hong Kong	General investment	213,115	229,495	7,000	100.00%	486,194	(6,780)	(6,780)	Subsidiary of Holy Stone Holdings Co., Ltd.
Holy Stone Holdings Co., Ltd.	Holypaq Corporation	British Cayman Islands	General investment	36,534	39,342	1,200	100.00%	815	-	-	Subsidiary of Holy Stone Holdings Co., Ltd.
Holy Stone Holdings Co., Ltd.	Green Glory Holdings Ltd.	Samoa	General investment	37,771	40,674	1,310	100.00%	44,979	2,975	2,975	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	100,842	102,851	1	100.00%	118,349	582	582	Subsidiary of Holy Stone Holdings Co., Ltd.
Holy Stone Holdings Co., Ltd.	Holy Stone (Singapore) Pte. Ltd	Singapore	Electronic retail business	3,045	3,279	100	100.00%	2,977	278	278	Subsidiary of Holy Stone Holdings Co., Ltd.
Green Glory Holdings Ltd.	Milestone Global Technology Ltd.	USA	Development and sales of electronic products	15,223	16,393	500	100.00%	30,254	2,274	2,274	Subsidiary of Green Glory Holdings
Green Glory Holdings Ltd.	Holystone (Europe) Ltd.	England	Electronic retail business	20,912	22,519	350	100.00%	14,641	748	748	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%	73,981	(73,795)	(24,802)	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%	313,871	81,670	8,278	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%	62,550	23,759	7,926	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%	9,818	(4,071)	(4,071)	Subsidiary of Holy Stone Healthcare Co., Ltd.
Holy Young BioMedical Co., Ltd.	MDT INT'L SA	Switzerland	Medical equipment development and marketing and biotechnology services	78,768	78,768	2,550	100.00%	102,352	3,447	3,447	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	105,076	95,851	2,400	100.00%	8,451	(3,497)	(3,497)	Second-tier subsidiary of Holy Stone Healthcare Co., Ltd.
Global Search Holdings Ltd.	AIHOL Corporation	USA	Medicine research and development and patent filing	41,710	41,112	11,350	100.00%	893	(512)	(512)	Second-tier subsidiary of Holy Stone Healthcare Co., Ltd.
Jung Chan Investments Co., Ltd.	OHGA Smarthings Co., Ltd	New Taipei City	Manufacture of electrical and audio-visual products and sale of medical devices	-	334,806	-	-	-	544	386	Subsidiary of Jung Chan Investments Co., Ltd.
Jung Chan Investments Co., Ltd.	Holy Stone Healthcare Co., Ltd.	Taipei City	Wholesale of drugs and medical goods	121,547	121,547	6,326	4.33%	11,172	(73,795)	(3,195)	The investee accounted for using the equity method by Jung Chan Investments Co., Ltd.

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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.	Herzteck Incorporation	Hsinchu County	Wholesale of electronic materials, and Telecom Instruments	100,000	100,000	10,000	100.00%	102,029	(2,297)	(2,297)	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%	3,825	23,759	484	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 (Note 2)	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	122,084	(2)	109,906	-	-	109,906	9,783	100.00%	9,783	373,936	-
Infotech (CHINA) Co., Ltd.	Sales of electronic parts and components	63,935	(2)	63,935	-	-	63,935	(16,474)	100.00%	(16,474)	109,328	-

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 investment amount of outflow in China from Taiwan at the end of the period	Investment amount approved by Investment Commission, MOEA	Upper Limit on Investment in China by Investment Commission, MOEA
204,286	216,464	5,873,267

3. Significant transactions:

For the significant transactions between the Group and its investees in China for the nine months ended September 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 Adjustment are as follows:

	For the Three months ended September 30, 2025			
	Electronic Segment	Others	Adjustment and eliminations	Total
Income:				
Income from external customers	<u>\$ 3,286,527</u>	<u>146,453</u>	<u>-</u>	<u>3,432,980</u>
Reportable segment profit or loss	<u>\$ 285,043</u>	<u>51,067</u>	<u>-</u>	<u>336,110</u>
	For the Three months ended September 30, 2024			
	Electronic Segment	Others	Adjustment and eliminations	Total
Income:				
Income from external customers	<u>\$ 3,050,328</u>	<u>360,902</u>	<u>-</u>	<u>3,411,230</u>
Reportable segment profit or loss	<u>\$ 322,622</u>	<u>83,588</u>	<u>-</u>	<u>406,210</u>
	For the Nine months ended September 30, 2025			
	Electronic Segment	Others	Adjustment and eliminations	Total
Income:				
Income from external customers	<u>\$ 9,338,824</u>	<u>768,241</u>	<u>-</u>	<u>10,107,065</u>
Reportable segment profit or loss	<u>\$ 861,189</u>	<u>62,226</u>	<u>-</u>	<u>923,415</u>
	For the Nine months ended September 30, 2024			
	Electronic Segment	Others	Adjustment and eliminations	Total
Income:				
Income from external customers	<u>\$ 8,466,570</u>	<u>1,123,470</u>	<u>-</u>	<u>9,590,040</u>
Reportable segment profit or loss	<u>\$ 819,834</u>	<u>100,959</u>	<u>-</u>	<u>920,793</u>