

**Phihong Technology Co., Ltd. and
Subsidiaries**

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Phihong Technology Co., Ltd.

Introduction

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

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the carrying amount of the Group's investments accounted for by using equity method of NT\$68,669 thousand and NT\$80,519 thousand as of June 30, 2025 and 2024, respectively, and the comprehensive (loss) gain from the investments of NT\$(605) thousand and NT\$6,861 thousand for the three months ended June 30, 2025 and 2024, and NT\$(2,711) thousand and NT\$5,594 thousand for the six months ended June 30, 2025 and 2024, respectively, were based on these investees' unreviewed financial statements.

Qualified Conclusion

Based on our reviews and the report of the other auditors (refer to the Other Matter section), except for adjustments if any, as might have been determined to be necessary had the financial statements of equity-method investees as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024. in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of some subsidiaries included in the consolidated financial statements of the Group, but such financial statements were reviewed by other auditors. Our conclusion, insofar as it relates to the amounts included for subsidiaries, is based solely on the reports of other auditors. As of June 30, 2025 and 2024, the total assets of these subsidiaries were NT\$3,649,345 thousand and NT\$4,245,405 thousand, representing 24.26% and 27.80%, respectively, of the consolidated total assets, and for the six months ended June 30, 2025 and 2024, the total amount of operating revenues of these subsidiaries were NT\$1,380,395 thousand and NT\$1,888,158 thousand, representing 29.53% and 38.20%, respectively, of the consolidated operating revenues.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chih-Yi Chang and Kuo-Tyan Hong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 12, 2025

Notice to Readers

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

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

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 4,785,601	32	\$ 4,302,601	29	\$ 5,119,913	34
Financial assets at amortized cost - current (Notes 8 and 31)	706,125	5	525,917	3	274,779	2
Contract assets - current (Note 23)	3,662	-	5,349	-	9,399	-
Trade receivables (Note 9)	1,821,889	12	2,131,918	14	1,864,431	12
Trade receivables from related parties (Notes 9 and 30)	4,070	-	14,247	-	2,499	-
Other receivables	258,688	2	116,752	1	50,224	-
Current tax assets	76,996	-	84,340	1	67,905	-
Inventories (Note 10)	1,897,504	13	2,043,603	14	2,375,192	16
Non-current assets held for sale	-	-	24,850	-	9,313	-
Other current assets	<u>310,610</u>	<u>2</u>	<u>299,539</u>	<u>2</u>	<u>345,217</u>	<u>2</u>
Total current assets	<u>9,865,145</u>	<u>66</u>	<u>9,549,116</u>	<u>64</u>	<u>10,118,872</u>	<u>66</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	147,666	1	134,368	1	146,070	1
Investments accounted for using equity method (Note 12)	68,669	1	71,381	1	80,519	1
Property, plant and equipment (Note 13)	4,097,889	27	4,322,817	29	4,070,125	27
Right-of-use assets (Note 14)	305,336	2	355,381	2	349,728	2
Investment properties (Note 15)	317,040	2	361,320	2	305,443	2
Other intangible assets (Note 16)	53,509	-	63,233	-	59,806	-
Deferred tax assets	128,723	1	83,395	1	60,463	-
Other non-current assets	<u>60,836</u>	<u>-</u>	<u>62,139</u>	<u>-</u>	<u>81,386</u>	<u>1</u>
Total non-current assets	<u>5,179,668</u>	<u>34</u>	<u>5,454,034</u>	<u>36</u>	<u>5,153,540</u>	<u>34</u>
TOTAL	<u>\$ 15,044,813</u>	<u>100</u>	<u>\$ 15,003,150</u>	<u>100</u>	<u>\$ 15,272,412</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	\$ 548,453	4	\$ 182,654	1	\$ 670,346	4
Contract liabilities - current (Notes 23 and 30)	217,737	1	202,188	2	370,007	2
Trade payables	1,813,032	12	1,995,831	13	1,962,833	13
Other payables (Note 19)	891,152	6	1,024,829	7	895,128	6
Current tax liabilities	30,509	-	60,092	1	84,499	1
Provisions - current (Note 20)	207,076	1	191,498	1	-	-
Lease liabilities - current (Note 14)	39,233	-	44,852	-	32,413	-
Current portion of long-term borrowings (Notes 17 and 18)	864,566	6	14,867	-	43,017	-
Other current liabilities (Note 19)	<u>87,798</u>	<u>1</u>	<u>159,723</u>	<u>1</u>	<u>240,283</u>	<u>2</u>
Total current liabilities	<u>4,699,556</u>	<u>31</u>	<u>3,876,534</u>	<u>26</u>	<u>4,298,526</u>	<u>28</u>
NON-CURRENT LIABILITIES						
Contract liabilities - non-current (Note 23)	73,215	1	87,549	1	-	-
Bonds payable (Note 18)	-	-	699,499	5	699,294	5
Long-term borrowings (Note 17)	1,498,667	10	156,100	1	163,533	1
Provisions - non-current (Note 20)	16,946	-	16,599	-	-	-
Deferred tax liabilities	20,055	-	33,226	-	38,028	-
Lease liabilities - non-current (Note 14)	60,974	1	75,965	-	53,377	-
Net defined benefit liabilities - non-current	18,912	-	19,971	-	29,126	-
Other non-current liabilities	<u>19,138</u>	<u>-</u>	<u>22,076</u>	<u>-</u>	<u>89,314</u>	<u>1</u>
Total non-current liabilities	<u>1,707,907</u>	<u>12</u>	<u>1,110,985</u>	<u>7</u>	<u>1,072,672</u>	<u>7</u>
Total liabilities	<u>6,407,463</u>	<u>43</u>	<u>4,987,519</u>	<u>33</u>	<u>5,371,198</u>	<u>35</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)						
Ordinary shares	<u>4,312,084</u>	<u>29</u>	<u>4,312,084</u>	<u>29</u>	<u>4,312,084</u>	<u>28</u>
Capital surplus	<u>4,579,383</u>	<u>30</u>	<u>4,579,383</u>	<u>31</u>	<u>4,579,383</u>	<u>30</u>
Retained earnings						
Legal reserve	353,186	2	331,904	2	331,904	2
Special reserve	230,859	2	367,518	2	367,518	3
Unappropriated earnings	<u>45,884</u>	<u>-</u>	<u>399,371</u>	<u>3</u>	<u>298,891</u>	<u>2</u>
Total retained earnings	<u>629,929</u>	<u>4</u>	<u>1,098,793</u>	<u>7</u>	<u>998,313</u>	<u>7</u>
Other equity						
Exchange differences on translating of the financial statements of foreign operations	(638,309)	(4)	106,577	1	83,019	1
Unrealized valuation loss on financial assets at fair value through other comprehensive income	<u>(87,115)</u>	<u>(1)</u>	<u>(81,206)</u>	<u>(1)</u>	<u>(71,585)</u>	<u>(1)</u>
Total other equity	<u>(725,424)</u>	<u>(5)</u>	<u>25,371</u>	<u>-</u>	<u>11,434</u>	<u>-</u>
Treasury share	<u>(158,622)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity attributable to owners of the Company	8,637,350	57	10,015,631	67	9,901,214	65
Total equity	<u>8,637,350</u>	<u>57</u>	<u>10,015,631</u>	<u>67</u>	<u>9,901,214</u>	<u>65</u>
TOTAL	<u>\$ 15,044,813</u>	<u>100</u>	<u>\$ 15,003,150</u>	<u>100</u>	<u>\$ 15,272,412</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 12, 2025)

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Notes 23, 30 and 35)	\$ 2,416,095	100	\$ 2,600,492	100	\$ 4,674,355	100	\$ 4,942,791	100
OPERATING COSTS (Notes 10 and 30)	<u>1,981,594</u>	<u>82</u>	<u>1,897,072</u>	<u>73</u>	<u>3,811,727</u>	<u>81</u>	<u>3,525,842</u>	<u>71</u>
GROSS PROFIT	<u>434,501</u>	<u>18</u>	<u>703,420</u>	<u>27</u>	<u>862,628</u>	<u>19</u>	<u>1,416,949</u>	<u>29</u>
OPERATING EXPENSES								
Selling and marketing expenses	225,113	9	294,670	11	475,127	10	561,225	11
General and administrative expenses	221,818	9	248,201	10	441,117	10	472,406	10
Research and development expenses	212,037	9	227,331	9	428,923	9	452,608	9
Expected credit loss (gain)	<u>(1,051)</u>	<u>-</u>	<u>(13,088)</u>	<u>(1)</u>	<u>3,157</u>	<u>-</u>	<u>(16,471)</u>	<u>-</u>
Total operating expenses	<u>657,917</u>	<u>27</u>	<u>757,114</u>	<u>29</u>	<u>1,348,324</u>	<u>29</u>	<u>1,469,768</u>	<u>30</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(223,416)</u>	<u>(9)</u>	<u>(53,694)</u>	<u>(2)</u>	<u>(485,696)</u>	<u>(10)</u>	<u>(52,819)</u>	<u>(1)</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 24)	38,624	1	39,938	2	66,437	1	75,022	2
Other income (Note 24)	35,038	1	69,421	3	70,300	2	101,873	2
Other gains and losses (Note 24)	(202,904)	(8)	28,492	1	(129,264)	(3)	83,956	2
Finance costs (Note 24)	(23,788)	(1)	(12,620)	(1)	(40,682)	(1)	(27,565)	(1)
Share of profit or loss of associates (Note 12)	<u>(605)</u>	<u>-</u>	<u>3,132</u>	<u>-</u>	<u>(2,711)</u>	<u>-</u>	<u>5,594</u>	<u>-</u>
Total non-operating income and expenses	<u>(153,635)</u>	<u>(7)</u>	<u>128,363</u>	<u>5</u>	<u>(35,920)</u>	<u>(1)</u>	<u>238,880</u>	<u>5</u>
(LOSS) PROFIT BEFORE INCOME TAX	(377,051)	(16)	74,669	3	(521,616)	(11)	186,061	4
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 25)	<u>49,075</u>	<u>2</u>	<u>(29,463)</u>	<u>(1)</u>	<u>52,752</u>	<u>1</u>	<u>(73,718)</u>	<u>(2)</u>
NET (LOSS) PROFIT FOR THE PERIOD	<u>(327,976)</u>	<u>(14)</u>	<u>45,206</u>	<u>2</u>	<u>(468,864)</u>	<u>(10)</u>	<u>112,343</u>	<u>2</u>
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income (Note 22)	3,476	-	(5,395)	-	(5,909)	-	2,467	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method (Note 12)	-	-	3,729	-	-	-	-	-

(Continued)

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating of the financial statements of foreign operations (Note 22)	\$ (850,256)	(35)	\$ 96,940	3	\$ (744,886)	(16)	\$ 369,444	8
Other comprehensive income (loss) for the period	(846,780)	(35)	95,274	3	(750,795)	(16)	371,911	8
TOTAL COMPREHENSIVE INCOME	<u>\$ (1,174,756)</u>	<u>(49)</u>	<u>\$ 140,480</u>	<u>5</u>	<u>\$ (1,219,659)</u>	<u>(26)</u>	<u>\$ 484,254</u>	<u>10</u>
NET (LOSS) PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ (327,976)	(14)	\$ 45,206	2	\$ (468,864)	(10)	\$ 112,343	2
Non-controlling interests	-	-	-	-	-	-	-	-
	<u>\$ (327,976)</u>	<u>(14)</u>	<u>\$ 45,206</u>	<u>2</u>	<u>\$ (468,864)</u>	<u>(10)</u>	<u>\$ 112,343</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME (LOSS)								
ATTRIBUTABLE TO:								
Owners of the Company	\$ (1,174,756)	(49)	\$ 140,525	5	\$ (1,219,659)	(26)	\$ 484,704	10
Non-controlling interests	-	-	(45)	-	-	-	(450)	-
	<u>\$ (1,174,756)</u>	<u>(49)</u>	<u>\$ 140,480</u>	<u>5</u>	<u>\$ (1,219,659)</u>	<u>(26)</u>	<u>\$ 484,254</u>	<u>10</u>
EARNINGS (LOSS) PER SHARE (Note 26)								
Basic earnings (loss) per share	<u>\$ (0.77)</u>		<u>\$ 0.10</u>		<u>\$ (1.10)</u>		<u>\$ 0.26</u>	
Diluted earnings per share			<u>\$ 0.10</u>				<u>\$ 0.26</u>	

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

(With Deloitte & Touche review report dated August 12, 2025)

(Concluded)

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Ordinary Shares	Capital Surplus	Retained Earnings			Unappropriat ed Earnings	Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2024	\$ 4,312,084	\$ 4,579,383	\$ 305,119	\$ 313,005	\$ 267,846	\$ (293,466)	\$ (74,052)	\$ -	\$ 9,409,919	\$ (9,683)	\$ 9,400,236	
Appropriation of 2023 earnings												
Legal reserve (Note 22)	-	-	26,785	-	(26,785)	-	-	-	-	-	-	
Special reserve (Note 22)	-	-	-	54,513	(54,513)	-	-	-	-	-	-	
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	6,591	-	-	6,591	10,133	16,724	
Net profit for the six months ended June 30, 2024	-	-	-	-	112,343	-	-	-	112,343	-	112,343	
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	369,894	2,467	-	372,361	(450)	371,911	
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	112,343	369,894	2,467	-	484,704	(450)	484,254	
BALANCE AT JUNE 30, 2024	<u>\$ 4,312,084</u>	<u>\$ 4,579,383</u>	<u>\$ 331,904</u>	<u>\$ 367,518</u>	<u>\$ 298,891</u>	<u>\$ 83,019</u>	<u>\$ (71,585)</u>	<u>\$ -</u>	<u>\$ 9,901,214</u>	<u>\$ -</u>	<u>\$ 9,901,214</u>	
BALANCE AT JANUARY 1, 2025	\$ 4,312,084	\$ 4,579,383	\$ 331,904	\$ 367,518	\$ 399,371	\$ 106,577	\$ (81,206)	\$ -	\$ 10,015,631	\$ -	\$ 10,015,631	
Appropriation of 2024 earnings												
Legal reserve (Note 22)	-	-	21,282	-	(21,282)	-	-	-	-	-	-	
Special reserve (Note 22)	-	-	-	(136,659)	136,659	-	-	-	-	-	-	
Net profit (loss) for the six months ended June 30, 2025	-	-	-	-	(468,864)	-	-	-	(468,864)	-	(468,864)	
Other comprehensive (loss) income for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	(744,886)	(5,909)	-	(750,795)	-	(750,795)	
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	(468,864)	(744,886)	(5,909)	-	(1,219,659)	-	(1,219,659)	
Buy-back of ordinary shares (Note 22)	-	-	-	-	-	-	-	(158,622)	(158,622)	-	(158,622)	
BALANCE AT JUNE 30, 2025	<u>\$ 4,312,084</u>	<u>\$ 4,579,383</u>	<u>\$ 353,186</u>	<u>\$ 230,859</u>	<u>\$ 45,884</u>	<u>\$ (638,309)</u>	<u>\$ (87,115)</u>	<u>\$ (158,622)</u>	<u>\$ 8,637,350</u>	<u>\$ -</u>	<u>\$ 8,637,350</u>	

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

(With Deloitte & Touche review report dated August 12, 2025)

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before tax	\$ (521,616)	\$ 186,061
Adjustments for:		
Depreciation expense	194,496	186,506
Amortization expense	10,098	12,058
Expected credit loss (reversed) recognized on trade receivables	3,157	(16,471)
Finance costs	40,682	27,565
Interest income	(66,437)	(75,022)
Dividend income	(5,700)	(4,782)
Share of loss of associates	2,711	(5,594)
Loss (gain) on disposal of property, plant and equipment	262	(4,011)
Loss on disposal of intangible assets	-	62
Loss on disposal of associates	-	518
Proceeds from disposal of non-current assets held for sale	(41,226)	-
Loss (gain) on lease modification	168	(266)
Net changes in operating assets and liabilities		
Contract assets	1,687	(9,399)
Trade receivables	308,406	(141,051)
Trade receivables from related parties	10,177	(313)
Other receivables	(151,963)	(28,001)
Other receivables from related parties	(22)	-
Inventories	146,099	227,703
Other current assets	(9,576)	(39,020)
Other non-current assets	1,905	(562)
Contract liabilities	1,215	(53,824)
Trade payables	(182,799)	28,906
Trade payables to related parties	-	(4,788)
Other payables	(113,837)	(501,677)
Deferred revenue	-	44,262
Provisions	15,925	-
Other current liabilities	(71,925)	49,596
Net defined benefit liabilities	(1,059)	(2,893)
Cash used in operating activities	(429,172)	(124,437)
Interest received	76,486	89,009
Interest paid	(35,130)	(45,515)
Income tax paid	(27,986)	(152,301)
Net cash used in operating activities	(415,802)	(233,244)

(Continued)

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (21,000)	\$ (21,000)
Capital reduction and refund from investments accounted for using the fair value through other comprehensive income	1,790	-
Purchase of financial assets at amortized cost	(2,076,359)	(37,275)
Proceeds from disposal of financial assets at amortized cost	1,827,371	10,500
Disposal of investments accounted for using the equity method	-	1,917
Proceeds from disposal of non-current assets held for sale	73,815	-
Payments for property, plant and equipment	(229,079)	(326,698)
Proceeds from disposal of property, plant and equipment	399	10,102
Payments for intangible assets	(2,811)	(21,299)
Increase in refundable deposits	(1,482)	(14,196)
Increase in prepayments for equipment	(9,298)	(15,315)
Dividends received	<u>5,700</u>	<u>4,782</u>
Net cash used in investing activities	<u>(430,954)</u>	<u>(408,482)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	2,268,443	1,484,710
Repayments of short-term borrowings	(1,832,157)	(1,731,703)
Proceeds from long-term borrowings	1,500,000	200,000
Repayments of long-term borrowings	(7,433)	(281,834)
Decrease in guarantee deposits received	(2,938)	(41)
Repayment of the principal portion of lease liabilities	(23,745)	(21,304)
Payments for buy-back of ordinary shares	<u>(158,622)</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>1,743,548</u>	<u>(350,172)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(413,792)</u>	<u>260,006</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	483,000	(731,892)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	<u>4,302,601</u>	<u>5,851,805</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>\$ 4,785,601</u>	<u>\$ 5,119,913</u>

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

(With Deloitte & Touche review report dated August 12, 2025)

(Concluded)

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Phihong Technology Co., Ltd. (“Phihong” or “the Company”), which was formerly known as Phihong Enterprise Co., Ltd. was incorporated on December 12, 1972 under the laws of the Republic of China (ROC). Under a resolution approved in the stockholders’ meeting in June 2003, Phihong changed its name to Phihong Technology Co., Ltd. Phihong primarily manufactures and sells AC/DC power adapters, charger bases, power supply modules, UPS (uninterruptible power supply) for computers, electric vehicle charging station, ballasts, etc.

In February 2000, Phihong was authorized to trade its stocks on the Taipei Exchange (TPEX) in Taiwan. In September 2001, Phihong’s stocks ceased to be traded on the TPEX, and Phihong later obtained the authorization to list its stocks on the Taiwan Stock Exchange.

The consolidated financial statements are presented in Phihong’s functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 12, 2025.

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

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

Amendments to IAS 21 “Lack of Exchangeability”

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the aforementioned amendments on the Group's financial position and financial performance.

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

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

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Phihong and the entities controlled by Phihong.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 11, Table 7 and Table 8 to the consolidated financial statements for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

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

1) Retirement benefit

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

2) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

3) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 2,111	\$ 2,892	\$ 3,344
Checking accounts and demand deposits	4,283,490	4,181,534	4,856,210
Cash equivalent (investments with original maturities of 3 months or less)			
Repurchase agreements collateralized by bonds	100,000	-	240,359
Time deposits	<u>400,000</u>	<u>118,175</u>	<u>20,000</u>
	<u>\$ 4,785,601</u>	<u>\$ 4,302,601</u>	<u>\$ 5,119,913</u>

The market rate intervals of cash in bank and time deposits at the end of the reporting period were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Demand deposits and time deposits	0.005%-4.350%	0.001%-5.200%	0.001%-5.350%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)			
Domestic non-publicly trade equity investments	<u>\$ 147,666</u>	<u>\$ 134,368</u>	<u>\$ 146,070</u>

These investments in equity instruments are held for medium-to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

8. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 706,125	\$ 517,935	\$ 266,646
Restricted bank deposits	<u>-</u>	<u>7,982</u>	<u>8,133</u>
	<u>\$ 706,125</u>	<u>\$ 525,917</u>	<u>\$ 274,779</u>

The Group offered the bank deposits of \$7,982 thousand and \$8,133 thousand as of December 31, 2024 and June 30, 2024, respectively as performance bonds for specific business projects, bank borrowings, customs deposits and court escrow deposit. Please refer to Note 31 to the consolidated financial statements.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount from unrelated parties	\$ 1,399,887	\$ 1,691,314	\$ 1,293,556
Gross carrying amount from related parties (Note 30)	4,070	14,247	2,499
Less: Allowance for impairment loss	<u>(15,894)</u>	<u>(14,271)</u>	<u>(10,167)</u>
	<u>1,388,063</u>	<u>1,691,290</u>	<u>1,285,888</u>
At FVTOCI	<u>437,896</u>	<u>454,875</u>	<u>581,042</u>
	<u>\$ 1,825,959</u>	<u>\$ 2,146,165</u>	<u>\$ 1,866,930</u>

a. Trade receivable at amortized cost

The Group evaluates the average credit period of sales of goods based on the experience of trade receivable collection from the non-related parties in the past five years. No interest is charged on trade receivables. The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management specialists annually.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer and the customer's current financial position, and other related information. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

June 30, 2025

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0.00-1.02%	0.00-19.13%	0.00-12.25%	0.00-13.82%	0.00-100%	
Gross carrying amount	\$ 1,187,635	\$ 154,135	\$ 15,461	\$ 3,439	\$ 43,287	\$ 1,403,957
Loss allowance (Lifetime ECL)	<u>(1,495)</u>	<u>(1,263)</u>	<u>(1,517)</u>	<u>(318)</u>	<u>(11,301)</u>	<u>(15,894)</u>
Amortized cost	<u>\$ 1,186,140</u>	<u>\$ 152,872</u>	<u>\$ 13,944</u>	<u>\$ 3,121</u>	<u>\$ 31,986</u>	<u>\$ 1,388,063</u>

December 31, 2024

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0.00-1.91%	0.00-9.33%	0.00-15.86%	0.00-15.95%	0.00-100%	
Gross carrying amount	\$ 1,487,080	\$ 163,714	\$ 12,812	\$ 18,418	\$ 23,537	\$ 1,705,561
Loss allowance (Lifetime ECL)	<u>(4,595)</u>	<u>(4,445)</u>	<u>(2,002)</u>	<u>(734)</u>	<u>(2,495)</u>	<u>(14,271)</u>
Amortized cost	<u>\$ 1,482,485</u>	<u>\$ 159,269</u>	<u>\$ 10,810</u>	<u>\$ 17,684</u>	<u>\$ 21,042</u>	<u>\$ 1,691,290</u>

June 30, 2024

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0.00-1.91%	0.02-9.33%	0.00-15.86%	0.00-9.50%	0.00-100%	
Gross carrying amount	\$ 1,116,895	\$ 141,632	\$ 30,356	\$ 5,205	\$ 1,967	\$ 1,296,055
Loss allowance (Lifetime ECL)	<u>(3,919)</u>	<u>(3,551)</u>	<u>(2,672)</u>	<u>-</u>	<u>(25)</u>	<u>(10,167)</u>
Amortized cost	<u>\$ 1,112,976</u>	<u>\$ 138,081</u>	<u>\$ 27,684</u>	<u>\$ 5,205</u>	<u>\$ 1,942</u>	<u>\$ 1,285,888</u>

The above aging schedule was based on overdue days.

The movements of the allowance for doubtful trade receivables were as follows:

	For the Six Months Ended June 30	
	2025	2024
Balance, beginning of period	\$ 14,271	\$ 26,360
Add: Net remeasurement (reversed) of loss allowance	3,157	(16,471)
Less: Amounts written off	-	(854)
Foreign exchange gains and losses	<u>(1,534)</u>	<u>1,132</u>
Balance, end of period	<u>\$ 15,894</u>	<u>\$ 10,167</u>

b. Trade receivables at FVTOCI

For trade receivables from major customers, the Group will decide whether to sell these trade receivables to banks without recourse based on its level of working capital. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets.

The following table details the loss allowance of trade receivables at FVTOCI based on the Group's provision matrix:

June 30, 2025

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	\$ 415,070	\$ 22,826	\$ -	\$ -	\$ -	\$ 437,896
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 415,070</u>	<u>\$ 22,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,896</u>

December 31, 2024

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	\$ 434,420	\$ 20,320	\$ 128	\$ -	\$ 7	\$ 454,875
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 434,420</u>	<u>\$ 20,320</u>	<u>\$ 128</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 454,875</u>

June 30, 2024

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	\$ 565,858	\$ 15,123	\$ 61	\$ -	\$ -	\$ 581,042
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 565,858</u>	<u>\$ 15,123</u>	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 581,042</u>

10. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 477,448	\$ 587,217	\$ 695,315
Work-in-process	229,101	270,412	286,879
Finished goods	<u>1,190,955</u>	<u>1,185,974</u>	<u>1,392,998</u>
	<u>\$ 1,897,504</u>	<u>\$ 2,043,603</u>	<u>\$ 2,375,192</u>

For the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the cost of inventories recognized as cost of goods sold was \$1,981,594 thousand, \$1,897,072 thousand, \$3,811,727 thousand and \$3,525,842 thousand, respectively. Write-down (reversal) of inventories to net realizable value of \$65,131 thousand, \$(6,512) thousand, \$116,687 thousand and \$(49,788) thousand were respectively included in the cost of goods sold during reporting period in 2025 and 2024.

11. SUBSIDIARIES

Investor	Investee	Main Business	Percentage of Ownership			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
Phihong	Phihong International Corp. ("PHI")	Makes investments	100.00	100.00	100.00	
Phihong	Phitek International Co., Ltd. ("PHK")	Makes investments	100.00	100.00	100.00	
Phihong	Ascent Alliance Ltd. ("PHQ")	Makes investments	100.00	100.00	100.00	
Phihong	Phihong USA Corp. ("PHA")	Sells various power supplies	100.00	100.00	100.00	
Phihong	Phihong Technology Japan Co., Ltd. ("PHJ")	Sells power components	100.00	100.00	100.00	
Phihong	Guang-Lai Investment Co., Ltd. ("Guang-Lai")	Makes investments	100.00	100.00	100.00	
Phihong	Phihong Vietnam Co., Ltd. ("PHV")	Manufactures and sells various power supplies	100.00	100.00	100.00	
Phihong	Zeroa Technologies Holdings Limited ("ZKH")	Makes investments	100.00	100.00	100.00	
PHI	Phihong (Dongguan) Electronics Co., Ltd. ("PHC")	Manufactures and sells various power supplies	100.00	100.00	100.00	
PHI	Phihong Electronics (Suzhou) Co., Ltd. ("PHZ")	Manufactures and sells various power supplies	100.00	100.00	100.00	

(Continued)

Investor	Investee	Main Business	Percentage of Ownership			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
PHK	Dongguan Phitek Electronics Co., Ltd. ("PHP")	Manufactures and sells various power supplies	100.00	100.00	100.00	
PHQ	Dongguan Shuang-Ying Electronics Co., Ltd. ("PHSY")	Manufactures and sells electronic materials	100.00	100.00	100.00	
PHQ	Jin-Sheng-Hong (Jiangxi) Electronics Co., Ltd. ("PHE")	Manufactures and sells electronic materials	79.31	100.00	100.00	Note
PHZ	PHE	Manufactures and sells electronic materials	20.69	-	-	Note
ZKH	Zeroa Technologies SG Pte. Ltd. ("ZSH")	Makes investments and sells of electrical equipment	100.00	100.00	100.00	
ZSH	Zeroa Technologies Europe B.V. ("ZNS")	Sells of electrical equipment and provides electric vehicle charging solutions	100.00	100.00	100.00	
ZSH	Zeroa Technologies (Dongguan) Co., Ltd. ("ZCM")	Manufactures and sells of electrical equipment	100.00	100.00	100.00	
ZSH	Zeroa Trading Services (Dongguan) Co., Ltd. ("ZCS")	Sells of electrical equipment and provides electric vehicle charging solutions	100.00	100.00	100.00	
ZSH	Zeroa Technologies Japan Co., Ltd. ("ZJS")	Sells of electrical equipment and provides electric vehicle charging solutions	100.00	100.00	100.00	
ZSH	Zeroa Technologies Taiwan Limited ("ZTM")	Manufacture, sells of electrical equipment and provides electric vehicle charging solutions	100.00	100.00	100.00	
ZSH	Zeroa Technologies America Corporation ("ZAH")	Makes investments	100.00	100.00	100.00	
ZAH	Zeroa Technologies USA LLC ("ZAS")	Sells of electrical equipment and provides electric vehicle charging solutions	100.00	100.00	100.00	
ZCM	Zeroa Trading Services (Shanghai) Co., Ltd. ("ZCT")	Sells of electrical equipment and provides electric vehicle charging solutions	100.00	100.00	100.00	

(Concluded)

Note: PHZ participated in the PHE Company's capital increase of US\$3 million in the first two quarter of 2025, the shareholding ratio was 20.69%, PHQ shareholding ratio was 79.31%.

Please refer to Tables 7 and 8 to the consolidated financial statements for the information on places of incorporation and principal places of business.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in associates:

	June 30, 2025	December 31, 2024	June 30, 2024
Associates that are not individually material	<u>\$ 68,669</u>	<u>\$ 71,381</u>	<u>\$ 80,519</u>

Aggregate information of associates that are not individually material:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
The Group's share of:				
Net profit (loss) for the reporting period	\$ (605)	\$ 3,132	\$ (2,711)	\$ 5,594
Other comprehensive income	<u>-</u>	<u>3,729</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>\$ (605)</u>	<u>\$ 6,861</u>	<u>\$ (2,711)</u>	<u>\$ 5,594</u>

Please refer to Table 7 to the consolidated financial statements “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the associates.

The associate Hongxuan Venture Capital Co., Ltd. invested by the Company was dissolved and liquidated in 2023 in accordance with the resolution made at the shareholders’ meeting, and the dissolution was completed on September 11, 2023. The liquidation was dissolved on April 9, 2024.

The associate Spring City Resort Co., Ltd. invested by the Group was disposed all of equity with the resolution made by the board of directors on May 8, 2024, and recognized as non-current assets held for sale. Please refer to Note 11 to the consolidated financial statements, The Company completed the transaction in the third quarter of 2024.

Investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were recognized based on unreviewed financial statements of the investees.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Other Equipment	Property under Construction	Total
<u>Cost</u>						
Balance at January 1, 2025	\$ 550,824	\$ 3,748,460	\$ 2,391,874	\$ 706,955	\$ 534,052	\$ 7,932,165
Additions	-	52,424	17,620	12,604	140,488	223,136
Disposals	(136)	(1,670)	(23,920)	(3,447)	-	(29,173)
Reclassification	-	133,282	6,475	21,669	(170,529)	(9,103)
Effects of foreign currency exchange differences	(6,599)	(312,461)	(173,360)	(26,834)	7,641	(511,613)
Balance at June 30, 2025	<u>\$ 544,089</u>	<u>\$ 3,620,035</u>	<u>\$ 2,218,689</u>	<u>\$ 710,947</u>	<u>\$ 511,652</u>	<u>\$ 7,605,412</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2025	\$ -	\$ 1,121,010	\$ 1,898,618	\$ 589,720	\$ -	\$ 3,609,348
Disposals	-	(748)	(23,882)	(3,882)	-	(28,512)
Depreciation expenses	-	67,607	71,688	20,247	-	159,542
Effects of foreign currency exchange differences	-	(84,508)	(128,132)	(20,215)	-	(232,855)
Balance at June 30, 2025	<u>\$ -</u>	<u>\$ 1,103,361</u>	<u>\$ 1,818,292</u>	<u>\$ 585,870</u>	<u>\$ -</u>	<u>\$ 3,507,523</u>
Carrying amounts at December 31, 2024 and January 1, 2025	<u>\$ 550,824</u>	<u>\$ 2,627,450</u>	<u>\$ 493,256</u>	<u>\$ 117,235</u>	<u>\$ 534,052</u>	<u>\$ 4,322,817</u>
Carrying amounts at June 30, 2025	<u>\$ 544,089</u>	<u>\$ 2,516,674</u>	<u>\$ 400,397</u>	<u>\$ 125,077</u>	<u>\$ 511,652</u>	<u>\$ 4,097,889</u>
<u>Cost</u>						
Balance at January 1, 2024	\$ 560,856	\$ 3,384,870	\$ 2,534,198	\$ 715,827	\$ 310,464	\$ 7,506,215
Additions	-	52,237	17,315	23,416	233,197	326,165
Disposals	-	(6,812)	(201,686)	(10,581)	-	(219,079)
Transfers to investment properties	-	-	-	-	(21,649)	(21,649)
Reclassification	-	249,024	756	124	(281,068)	(31,164)
Effects of foreign currency exchange differences	365	146,445	95,993	15,136	3,453	261,392
Balance at June 30, 2024	<u>\$ 561,221</u>	<u>\$ 3,825,764</u>	<u>\$ 2,446,576</u>	<u>\$ 743,922</u>	<u>\$ 244,397</u>	<u>\$ 7,821,880</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Other Equipment	Property under Construction	Total
<u>Accumulated depreciation</u>						
Balance at January 1, 2024	\$ -	\$ 1,080,484	\$ 1,999,888	\$ 602,703	\$ -	\$ 3,683,075
Disposals	-	(6,006)	(196,798)	(10,184)	-	(212,988)
Depreciation expenses	-	62,723	73,686	22,189	-	158,598
Effects of foreign currency exchange differences	-	42,849	68,539	11,682	-	123,070
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 1,180,050</u>	<u>\$ 1,945,315</u>	<u>\$ 626,390</u>	<u>\$ -</u>	<u>\$ 3,751,755</u>
Carrying amounts at June 30, 2024	<u>\$ 561,221</u>	<u>\$ 2,645,714</u>	<u>\$ 501,261</u>	<u>\$ 117,532</u>	<u>\$ 244,397</u>	<u>\$ 4,070,125</u>
						(Concluded)

The above categories of property, plant and equipment used by the Group are depreciated on a straight-line basis over the following estimated useful life as follows:

Buildings	
Main building	50 years
Engineering system	10 years
Machinery and equipment	3-10 years
Other equipment	3-10 years

Property, plant and equipment pledged by the Group as collateral for long-term borrowings are set out in Note 31 to the consolidated financial statements.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Land (including land use rights)	\$ 226,290	\$ 257,264	\$ 286,299
Buildings	65,199	82,016	51,977
Machinery	2,617	3,924	903
Transportation equipment	10,779	10,746	8,317
Other equipment	<u>451</u>	<u>1,431</u>	<u>2,232</u>
	<u>\$ 305,336</u>	<u>\$ 355,381</u>	<u>\$ 349,728</u>

	For the Six Months Ended June 30	
	2025	2024
Additions to right-of-use assets	<u>\$ 7,332</u>	<u>\$ 49,810</u>
Depreciation charge for right-of-use assets		
Land (including land use rights)	\$ 5,540	\$ 5,928
Buildings	18,453	13,299
Machinery	959	1,163
Transportation equipment	2,639	2,467
Other equipment	<u>854</u>	<u>1,043</u>
	<u>\$ 28,445</u>	<u>\$ 23,900</u>

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Current	<u>\$ 39,233</u>	<u>\$ 44,852</u>	<u>\$ 32,413</u>
Non-current	<u>\$ 60,974</u>	<u>\$ 75,965</u>	<u>\$ 53,377</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	0.600%-1.870%	0.600%-1.870%	1.200%-1.870%
Buildings	0.206%-4.560%	0.206%-4.750%	1.030%-4.560%
Machinery	4.000%	4.000%	4.000%
Transportation equipment	1.668%-4.000%	1.668%-4.000%	0.600%-4.000%
Other equipment	1.030%-2.800%	1.030%-2.800%	0.600%-1.155%

c. Material lease-in activities and terms

The Group leases certain machinery, transportation, and other equipment for the use of manufacturing and R&D with lease terms of 2 to 5 years. Except the EV transportation equipment, the agreement do not contain renewal or purchase options at the end of these lease period.

The Group also leases land and buildings for the use of plants, offices and parking lot with lease term of 2-50 years. Except the land in Tainan, of which the lease agreement is automatically renewed for one year upon the expiration and the Group has the preferential purchase option, the Group has no preferential purchase and renewal option for the other leased land upon the expiration of the lease term. The Group shall not sublease or transfer all or any part of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	\$ <u>3,937</u>	\$ <u>4,043</u>	\$ <u>8,528</u>	\$ <u>7,933</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ <u>474</u>	\$ <u>312</u>	\$ <u>801</u>	\$ <u>609</u>
Total cash outflow for leases			\$ <u>(33,074)</u>	\$ <u>(29,846)</u>

The Group's leases of certain office and office equipment qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	Land	Building	Total
<u>Cost</u>			
Balance at January 1, 2025	\$ 28,547	\$ 460,603	\$ 489,150
Effects of foreign currency exchange differences	<u>4,046</u>	<u>(48,747)</u>	<u>(44,701)</u>
Balance at June 30, 2025	\$ <u>32,593</u>	\$ <u>411,856</u>	\$ <u>444,449</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2025	\$ 4,697	\$ 123,133	\$ 127,830
Depreciation expense	377	6,132	6,509
Effects of foreign currency exchange differences	<u>6,543</u>	<u>(13,473)</u>	<u>(6,930)</u>
Balance at June 30, 2025	\$ <u>11,617</u>	\$ <u>115,792</u>	\$ <u>127,409</u>
Carrying amounts at June 30, 2025	\$ <u>20,976</u>	\$ <u>296,064</u>	\$ <u>317,040</u>
Carrying amounts at December 31, 2024	\$ <u>23,850</u>	\$ <u>337,470</u>	\$ <u>361,320</u>
<u>Cost</u>			
Balance at January 1, 2024	\$ -	\$ 271,958	\$ 271,958
Transferred from property, plant and equipment	-	21,649	21,649
Effects of foreign currency exchange differences	<u>-</u>	<u>15,975</u>	<u>15,975</u>
Balance at June 30, 2024	\$ <u>-</u>	\$ <u>309,582</u>	\$ <u>309,582</u>

(Continued)

	Land	Building	Total
<u>Accumulated amortization</u>			
Balance at January 1, 2024	\$ -	\$ -	\$ -
Depreciation expense	-	4,008	4,008
Effects of foreign currency exchange differences	<u>-</u>	<u>131</u>	<u>131</u>
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 4,139</u>	<u>\$ 4,139</u>
Carrying amounts at June 30, 2024	<u>\$ -</u>	<u>\$ 305,443</u>	<u>\$ 305,443</u>
			(Concluded)

PHC leased its self-owned factory located in Dongguan City to unrelated parties in 2024 and 2023, respectively. The lease term of this investment property is 12-15 years. When the lessee exercises the renewal option, it is agreed to adjust the rent according to the market rent. The lessee does not have the preferential purchase right of the investment property at the end of the lease term.

Investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	5-31 years
----------	------------

16. OTHER INTANGIBLE ASSETS

	Computer Software
<u>Cost</u>	
Balance at January 1, 2025	\$ 167,153
Additions	2,811
Disposals	(1,443)
Effects of foreign currency exchange differences	<u>(5,618)</u>
Balance at June 30, 2025	<u>\$ 162,903</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2025	\$ 103,920
Amortization expense	10,098
Disposals	(1,443)
Effects of foreign currency exchange differences	<u>(3,181)</u>
Balance at June 30, 2025	<u>\$ 109,394</u>
Carrying amounts at June 30, 2025	<u>\$ 53,509</u>
Carrying amounts at December 31, 2024	<u>\$ 63,233</u>
	(Continued)

	Computer Software
<u>Cost</u>	
Balance at January 1, 2024	\$ 154,334
Additions	21,299
Disposals	(973)
Reclassified	1,581
Effects of foreign currency exchange differences	<u>2,599</u>
Balance at June 30, 2024	<u>\$ 178,840</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2024	\$ 107,499
Amortization expense	12,058
Disposals	(911)
Reclassified	(1,183)
Effects of foreign currency exchange differences	<u>1,571</u>
Balance at June 30, 2024	<u>\$ 119,034</u>
Carrying amounts at June 30, 2024	<u>\$ 59,806</u>
	(Concluded)

The above items of intangible assets are amortized on a straight-line basis over estimated useful life of 2 to 5 years.

17. BORROWINGS

a. Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Unsecured borrowings</u>			
PHJ	\$ 100,710	\$ -	\$ -
PHV	-	182,654	197,938
<u>Secured borrowings</u>			
PHC	<u>447,743</u>	<u>-</u>	<u>472,408</u>
	<u>\$ 548,453</u>	<u>\$ 182,654</u>	<u>\$ 670,346</u>
The range of interest rates	2.07%-3.30%	5.98%	3.60%-6.39%

b. Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Unsecured borrowings</u>			
Phihong	\$ 1,500,000	\$ -	\$ 28,150
<u>Secured borrowings</u>			
Phihong	163,533	170,967	178,400
Long-term loans payable - current portion	<u>(164,866)</u>	<u>(14,867)</u>	<u>(43,017)</u>
	<u>\$ 1,498,667</u>	<u>\$ 156,100</u>	<u>\$ 163,533</u>
The range of interest rates	2.125%- 3.0317%	2.125%	2.0000%- 2.7950%

- 1) On June 30, 2025, December 31, 2024 and June 30, 2024, Phihong had long-term bank borrowings with contract terms from April 7, 2021 to April 7, 2036, with monthly interest payments.
- 2) Phihong, ZTM and ZSH were co-borrowers, signed a joint credit agreement mainly hosted by Taiwan Shin Kong Commercial Bank, Shanghai Commercial and Savings Bank and Hua Nan Commercial Bank a total of 10 banks participating in the loan, on June 28, 2023. The contract period is 3 years with a total credit limit of NT\$3 billion, including NT\$1.5 billion of item A loan limit, NT\$1 billion of item B loan limit and US\$45 million of item C loan limit. On June 30, 2025, Phihong had long-term bank borrowings with contract terms from January 13, 2025 to September 28, 2026. According to the loan contract in the joint loan case of Taiwan Shin Kong Commercial Bank, Phihong shall maintain the following financial ratios during the loan period (according to the annual and semi-annual consolidated financial report certified by CPAs. The ratios are reviewed on a semi-annual basis):
 - a) The current ratio (current assets/current liabilities) shall not be less than 100%.
 - b) The net debt ratio (total debt/net tangible value) shall not be higher than 200%.
 - c) The interest protection multiples [(Pre-tax profit + Depreciation + Amortization + Interest expense)/Interest expense] shall be maintained at more than two times (inclusive).
 - d) Net tangible value (net value minus intangible assets) shall not be less than NT\$4.5 billion.

As of June 30, 2025, the amount drawn down from the syndicated loan was NT\$1.5 billion thousand, and Phihong failed to comply with the requirement regarding the times interest earned ratio. Therefore, the period within the announcement dates of the second quarterly and annual consolidated financial statements in 2025 was seen as the improvement period. During the period, the violation regarding the requirement of the ratio above was not deemed as a default. In addition, Phihong has paid the loan arranger service charges at the annual rate of 0.1% of the unused credit line, based on the loan contract.

For information on pledged properties and endorsements/guarantees, refer to Notes 30 and 31 to the consolidated financial statements.

18. BONDS PAYABLE

	June 30, 2025	December 31, 2024	June 30, 2024
Secured domestic bonds	\$ 699,700	\$ 699,499	\$ 699,294
Less: Current portion	<u>(699,700)</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 699,499</u>	<u>\$ 699,294</u>

Secured Domestic Bonds

On March 25, 2021, Phihong issued 70 units of \$10,000 thousand, A 5-year New Taiwan dollar-denominated secured general corporate bond with a coupon rate of 0.60% with an aggregate principal of \$700,000 thousand.

For information on pledged properties and endorsements/guarantees, refer to Notes 30 and 31 to the consolidated financial statements.

19. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Other payables			
Payables for salaries and bonuses	\$ 214,413	\$ 348,751	\$ 259,953
Payables for annual leave	74,719	77,381	72,599
Payables for purchases of equipment	12,290	19,012	12,768
Employee compensation payable	38,982	38,983	102,374
Director compensation payable	4,568	4,568	8,508
Others	<u>546,180</u>	<u>536,134</u>	<u>438,926</u>
	<u>\$ 891,152</u>	<u>\$ 1,024,829</u>	<u>\$ 895,128</u>
Other current liabilities			
Temporary receipts	\$ 87,798	\$ 159,449	\$ 140,337
Others	<u>-</u>	<u>274</u>	<u>99,946</u>
	<u>\$ 87,798</u>	<u>\$ 159,723</u>	<u>\$ 240,283</u>

20. PROVISIONS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Warranties	<u>\$ 207,076</u>	<u>\$ 191,498</u>	<u>\$ -</u>
<u>Non-current</u>			
Restoration obligation	<u>\$ 16,946</u>	<u>\$ 16,599</u>	<u>\$ -</u>

21. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024, the pension expenses of defined benefit plans were \$71 thousand, \$84 thousand, \$141 thousand and \$167 thousand, respectively, and these were calculated based on pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023.

22. EQUITY

a. Share capital

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands of shares)	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Shares authorized	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>
Number of shares issued and fully paid (in thousands of shares)	<u>431,208</u>	<u>431,208</u>	<u>431,208</u>
Shares issued and fully paid	<u>\$ 4,312,084</u>	<u>\$ 4,312,084</u>	<u>\$ 4,312,084</u>

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

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Issuance of common shares	\$ 3,745,633	\$ 3,745,633	\$ 3,745,633
Conversion of bonds	667,058	667,058	667,058
Treasury share transactions	48,234	48,234	48,234
Expired employee stock warrants	33,789	33,789	33,789
Interest payable on bond conversion	13,243	13,243	13,243
Adjustment to share of change in equity of associates and joint ventures	61	61	61
<u>May be used to offset a deficit only</u>			
Treasury share transactions	<u>71,365</u>	<u>71,365</u>	<u>71,365</u>
	<u>\$ 4,579,383</u>	<u>\$ 4,579,383</u>	<u>\$ 4,579,383</u>

The capital surplus arising from shares issued in excess of par (including share premium from issuance of common shares, conversion of bonds and treasury share transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "Employees' compensation and remuneration of directors" in Note 24-g to the consolidated financial statements.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated, the special reserve is only appropriated from the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

The appropriations of earnings for 2024 and 2023 that had been resolved by the shareholders in their meeting on June 10, 2025 and June 12, 2024, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2024	2023
Legal reserve	\$ 21,282	\$ 26,785
Special reserve	\$ 136,659	\$ 54,513

d. Special reserves

On the first-time adoption of IFRS Accounting Standards, the Company transferred \$10,968 thousand and \$250,296 thousand of unrealized revaluation increment and cumulative translation exchange differences on translating the financial statements of foreign operations to retained earnings, respectively. Because the increase in the retained earnings resulting from the first-time adoption of IFRS Accounting Standards could not fulfill the appropriation for the special reserves generated from the revaluation and translation differences, Pihong appropriated the amount of \$230,859 thousand, the increase in retained earnings from all IFRS Accounting Standards adjustments to the special reserve.

e. Other equity items

1) Exchange difference on translating the financial statements of foreign operations

	For the Six Months Ended	
	June 30	
	2025	2024
Balance, beginning of period	\$ 106,577	\$ (293,466)
Exchange differences on the translation of the financial statements of foreign operations	(744,886)	369,894
Changes in percentage of ownership interests in subsidiaries	-	6,591
Balance, end of period	\$ (638,309)	\$ 83,019

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2025	2024
Balance, beginning of period	\$ (81,206)	\$ (74,052)
Current generation	<u>(5,909)</u>	<u>2,467</u>
Balance, end of period	<u><u>\$ (87,115)</u></u>	<u><u>\$ (71,585)</u></u>

- f. To maintain the Company's credit and protect shareholders' equity, the buyback of ordinary shares was approved by the Board of Directors on April 10, 2025. The buyback period was from April 22, 2025 to June 3, 2025, with a price range of NT\$14.5 to NT\$45 per share. As of June 30, 2025, a total of 6,436 thousand shares had been repurchased. The treasury shares were cancelled on July 24, 2025.

- g. Non-controlling interests

	For the Six Months Ended June 30, 2024
Balance, beginning of period	\$ (9,683)
Attributable to non-controlling interests:	
Changes in percentage of ownership interests in subsidiaries	10,133
Exchange differences on translation the financial statements of foreign entities	<u>(450)</u>
Balance, end of period	<u><u>\$ -</u></u>

23. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 2,415,875	\$ 2,503,975	\$ 4,673,980	\$ 4,817,333
Other operating revenue	<u>220</u>	<u>96,517</u>	<u>375</u>	<u>125,458</u>
	<u><u>\$ 2,416,095</u></u>	<u><u>\$ 2,600,492</u></u>	<u><u>\$ 4,674,355</u></u>	<u><u>\$ 4,942,791</u></u>

Contract Balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract assets				
Contract assets - current	<u>\$ 3,662</u>	<u>\$ 5,349</u>	<u>\$ 9,399</u>	<u>\$ -</u>
Contract liabilities				
Contract liabilities - current (Note 30)				
Sale of goods (Note 30)	<u>\$ 217,737</u>	<u>\$ 202,188</u>	<u>\$ 370,007</u>	<u>\$ 423,831</u>
Contract liabilities - non-current				
Extended warranty services	<u>\$ 73,215</u>	<u>\$ 87,549</u>	<u>\$ -</u>	<u>\$ -</u>

24. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Bank deposits	<u>\$ 38,624</u>	<u>\$ 39,938</u>	<u>\$ 66,437</u>	<u>\$ 75,022</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Sample revenue	\$ -	\$ 176	\$ 26	\$ 305
Dividend income	-	-	5,700	4,782
Rent revenue	19,164	10,087	38,312	21,124
Others	<u>15,874</u>	<u>59,158</u>	<u>26,262</u>	<u>75,662</u>
	<u>\$ 35,038</u>	<u>\$ 69,421</u>	<u>\$ 70,300</u>	<u>\$ 101,873</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Net foreign exchange (losses) gains	\$ (201,008)	\$ 28,748	\$ (165,134)	\$ 85,977
(Loss) gain on disposal of property, plant and equipment	(262)	3,972	(262)	4,011
Gains on disposal of non-current assets held for sale	-	-	41,226	-

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Loss on disposal of intangible assets	\$ -	\$ -	\$ -	\$ (62)
Loss on disposal of investment	-	(518)	-	(518)
(Loss) gain on lease modification	-	-	(168)	266
Others	<u>(1,634)</u>	<u>(3,710)</u>	<u>(4,926)</u>	<u>(5,718)</u>
	<u>\$ (202,904)</u>	<u>\$ 28,492</u>	<u>\$ (129,264)</u>	<u>\$ 83,956</u>
				(Concluded)

d. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Property, plant and equipment	\$ 78,774	\$ 80,962	\$ 159,542	\$ 158,598
Right-of-use assets	13,802	12,873	28,445	23,900
Investment properties	3,161	1,629	6,509	4,008
Computer software	<u>4,950</u>	<u>6,107</u>	<u>10,098</u>	<u>12,058</u>
	<u>\$ 100,687</u>	<u>\$ 101,571</u>	<u>\$ 204,594</u>	<u>\$ 198,564</u>
An analysis of depreciation by				
Operating costs	\$ 42,836	\$ 37,452	\$ 87,932	\$ 76,203
Operating expenses	<u>52,901</u>	<u>58,012</u>	<u>106,564</u>	<u>110,303</u>
	<u>\$ 95,737</u>	<u>\$ 95,464</u>	<u>\$ 194,496</u>	<u>\$ 186,506</u>
An analysis of amortization by				
Operating costs	\$ 699	\$ 697	\$ 1,538	\$ 1,491
Operating expenses	<u>4,251</u>	<u>5,410</u>	<u>8,560</u>	<u>10,567</u>
	<u>\$ 4,950</u>	<u>\$ 6,107</u>	<u>\$ 10,098</u>	<u>\$ 12,058</u>

e. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Bank loans interest	\$ 19,593	\$ 7,632	\$ 30,905	\$ 16,495
Bonds payable interest	2,648	2,648	5,294	5,295
Lease liabilities interest	904	915	1,887	1,481
Other finance costs	<u>643</u>	<u>1,425</u>	<u>2,596</u>	<u>4,294</u>
	<u>\$ 23,788</u>	<u>\$ 12,620</u>	<u>\$ 40,682</u>	<u>\$ 27,565</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 704,407	\$ 719,645	\$ 1,398,226	\$ 1,390,769
Post-employment benefits (Note 21)				
Defined contribution plans	30,413	29,175	61,555	56,311
Defined benefit plans	<u>71</u>	<u>84</u>	<u>141</u>	<u>167</u>
Total employee benefits expense	<u>\$ 734,891</u>	<u>\$ 748,904</u>	<u>\$ 1,459,922</u>	<u>\$ 1,447,247</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 325,145	\$ 308,563	\$ 623,212	\$ 573,770
Operating expenses	<u>409,746</u>	<u>440,341</u>	<u>836,710</u>	<u>873,477</u>
	<u>\$ 734,891</u>	<u>\$ 748,904</u>	<u>\$ 1,459,922</u>	<u>\$ 1,447,247</u>

g. Employees' compensation and remuneration to directors

Phihong accrued employees' compensation and remuneration of directors at the rates no less than 10% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company the amendments to the Company's Articles in their shareholders' meeting held on June 2025. The amendments explicitly stipulate the allocation of 10% of the compensation of employees as compensation distributions for non-executive employees. Loss for the six months ended June 30, 2025, so the employee remuneration and director's remuneration were not estimated. The compensation of employees and the remuneration of directors for the six months ended June 30 2024 are as follows:

Accrual rate

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Compensation of employees	10%	10%	10%	10%
Remuneration of directors	2%	2%	2%	2%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Compensation of employees	\$ -	\$ 5,266	\$ -	\$ 13,840
Remuneration of directors	-	1,053	-	2,768

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

The appropriations of employees' compensation and remuneration of directors for 2024 and 2023 that was resolved by the board of directors on March 11, 2025 and March 7, 2024 respectively, is as shown below:

Amount

	2024	2023
Compensation of employees	\$ 22,840	\$ 28,702
Remuneration of directors	4,568	5,741

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors for 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Foreign exchange gains	\$ (8,131)	\$ 35,978	\$ 60,771	\$ 105,259
Foreign exchange losses	<u>(192,877)</u>	<u>(7,230)</u>	<u>(225,905)</u>	<u>(19,282)</u>
Net gains (losses)	<u>\$ (201,008)</u>	<u>\$ 28,748</u>	<u>\$ (165,134)</u>	<u>\$ 85,977</u>

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ (4,553)	\$ 16,051	\$ 8,613	\$ 54,741
Unappropriated earnings	17,956	22,833	17,956	22,833
Adjustments for prior year	(14,727)	(671)	(16,473)	(5,698)
Other	<u>-</u>	<u>-</u>	<u>494</u>	<u>-</u>
	(1,324)	38,213	10,590	71,876
Deferred tax				
In respect of the current period	<u>(47,751)</u>	<u>(8,750)</u>	<u>(63,342)</u>	<u>1,842</u>
Income tax expense recognized in profit or loss	<u>\$ (49,075)</u>	<u>\$ 29,463</u>	<u>\$ (52,752)</u>	<u>\$ 73,718</u>

b. Income tax assessments

The Company's income tax returns through 2022 have been assessed and approved by the tax authorities.

26. (LOSSES) EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Basic (losses) earnings per share	\$ (0.77)	\$ 0.10	\$ (1.10)	\$ 0.26
Diluted earnings per share		\$ 0.10		\$ 0.26

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings (losses) per share were as follows:

Net (Loss) Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Profit used in the computation of basic (losses) earnings per share	\$ (327,976)	\$ 45,206	\$ (468,864)	\$ 112,343
Profit used in the computation of diluted earnings per share		\$ 45,206		\$ 112,343

Ordinary Shares Outstanding

Unit: In Thousands of Shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares used in computation of basic earnings per share	427,070	431,208	427,471	431,208
Effect of potentially dilutive ordinary shares Compensation of employee	-	108	-	445
Weighted average number of ordinary shares used in the computation of diluted earnings per share	427,070	431,316	427,471	431,653

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

27. GOVERNMENT GRANTS

PHC and PHP received government grants for acquiring energy-saving equipments. Such amounts have been deducted from the carrying amounts of the relevant assets while recognized in profit or loss within the useful lives of the assets by reducing the depreciation expenses. For the three months ended June 30, 2025 and 2024, and for the six months ended June 30, 2025 and 2024, the depreciation expenses have been decreased by \$509 thousand, \$623 thousand, \$1,047 thousand and \$1,413 thousand, respectively.

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic unlisted shares	\$ -	\$ -	\$ 147,666	\$ 147,666

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic unlisted shares	\$ -	\$ -	\$ 134,368	\$ 134,368

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic unlisted shares	\$ -	\$ -	\$ 146,070	\$ 146,070

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Balance, beginning of period	\$ 134,368	\$ 122,608	\$ 122,608
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	(5,909)	(7,154)	2,467
Additions	21,000	21,000	21,000
Repayment from capital reduction	(1,790)	(2,083)	-
Effect of foreign currency exchange differences	_____(3)	_____(3)	_____(5)
Balance, end of period	<u>\$ 147,666</u>	<u>\$ 134,368</u>	<u>\$ 146,070</u>

b. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 7,620,547	\$ 7,135,813	\$ 7,358,208
Financial assets at FVTOCI			
Equity instruments	147,666	134,368	146,070
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	6,026,168	4,506,410	4,920,070

1) The balances included cash and cash equivalents, financial assets measured at amortized cost, contract assets, trade receivables, trade receivables from related parties, other receivables and refundable deposits.

2) The balances included short-term borrowings, contract liabilities, trade payables, trade payables to related parties, other payables, bonds payable, long-term borrowings, lease liabilities and guarantee deposits received.

c. Financial risk management objectives and policies

The Group's major financial instruments included cash and cash equivalents, financial assets measured at amortized cost, equity instruments, contract assets, trade receivables, trade receivables from related parties, other receivables, refundable deposits/guarantee deposits received, short-term borrowings, contract liabilities, trade payables, trade payables to related parties, other payables, long-term borrowings, bonds payable and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's operating activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see a) below) and interest rates (see b) below).

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group believed that its foreign currency assets and liabilities were not significantly exposed to foreign currency risk. Thus, after assessing its balance of foreign currency assets and liabilities, it did not hedge the risk and did not adopt hedge accounting.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 33 to the consolidated financial statements.

Sensitivity analysis

The Group was mainly exposed to the USD, RMB and VND.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity analysis is for a 1% change in foreign currency rates and included only outstanding foreign currency denominated monetary items at the end of the reporting period. A positive number below indicates a decrease (increase) in pre-tax profit (loss) when New Taiwan dollars strengthen by 1% against the relevant currency. For a 1% depreciation of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit (loss) and other equity, and the balances below would be negative.

	For the Six Months Ended	
	June 30	
	2025	2024
USD	\$ 13,406	\$ 16,511
RMB	(471)	(1,023)
VND	(388)	(36)

b) Interest rate risk

The Group was exposed to fair value interest rate risk and cash flow interest rate risk from long-term, short-term borrowings, bonds payable and lease liabilities at both fixed and floating interest rates.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
Financial liabilities	\$ 1,348,360	\$ 820,316	\$ 1,257,492
Cash flow interest rate risk			
Financial liabilities	1,663,533	353,621	404,488

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole year.

If interest rates had increased/decreased by 100 basis points, with all other variables held constant., the Group cash outflows/inflows would have been \$16,635 thousand and \$4,045 thousand for the six months ended June 30, 2025 and 2024, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk could be equal to the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

According to the Group's policy, the Group only transacts with creditworthy counterparties. In the case that overdue receivables may result to the risks on financial losses, the Group usually obtains the collateral to mitigate the risks. The Group continuously monitors the risk exposure and the credit ratings of the counterparties. In addition, to control the credit risk exposure, the Group transacts with many creditworthy customers and assigns personnel to annually review and approve their credit limits.

Trade receivables generate from a large number of customers, who vary from the industries and geographical areas. The Group continuously evaluate the customers' financial performances to ensure the collection of the trade receivables. In addition, if necessary, the Group purchases the insurance to secure the trade receivables.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2025 and 2024, the Group had available unutilized bank loan facilities set out in (b) below.

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

June 30, 2025

	On Demand or Less than 1 Year	1 to 3 Years	Over 3 Years	Total
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 3,014,274	\$ -	\$ -	\$ 3,014,274
Lease liabilities	39,233	45,930	15,044	100,207
Variable interest rate instrument	164,866	40,884	1,457,783	1,663,533
Fixed interest rate instrument	<u>1,248,153</u>	<u>-</u>	<u>-</u>	<u>1,248,153</u>
	<u>\$ 4,466,526</u>	<u>\$ 86,814</u>	<u>\$ 1,472,827</u>	<u>\$ 6,026,167</u>

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

	Less than 1 Year	1 to 5 Years	5 to 10 Years
Lease liabilities	<u>\$ 39,233</u>	<u>\$ 56,821</u>	<u>\$ 4,153</u>

December 31, 2024

	On Demand or Less than 1 Year	1 to 3 Years	Over 3 Years	Total
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 3,332,473	\$ -	\$ -	\$ 3,332,473
Lease liabilities	44,852	58,198	17,767	120,817
Variable interest rate instrument	197,521	40,883	115,217	353,621
Fixed interest rate instrument	<u>-</u>	<u>-</u>	<u>699,499</u>	<u>699,499</u>
	<u>\$ 3,574,846</u>	<u>\$ 99,081</u>	<u>\$ 832,483</u>	<u>\$ 4,506,410</u>

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

	Less than 1 Year	1 to 5 Years	5 to 10 Years
Lease liabilities	<u>\$ 44,852</u>	<u>\$ 70,677</u>	<u>\$ 5,288</u>

June 30, 2024

	On Demand or Less than 1 Year	1 to 3 Years	Over 3 Years	Total
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 3,258,090	\$ -	\$ -	\$ 3,258,090
Lease liabilities	32,413	30,745	22,632	85,790
Variable interest rate instrument	240,955	44,600	118,933	404,448
Fixed interest rate instrument	<u>472,408</u>	<u>-</u>	<u>699,294</u>	<u>1,171,702</u>
	<u>\$ 4,003,806</u>	<u>\$ 75,345</u>	<u>\$ 840,859</u>	<u>\$ 4,920,070</u>

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

	Less than 1 Year	1 to 5 Years	5 to 10 Years
Lease liabilities	<u>\$ 32,413</u>	<u>\$ 46,977</u>	<u>\$ 6,400</u>

b) Financing facilities

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank facilities:			
Amount used	\$ 1,600,710	\$ 183,154	\$ 181,488
Amount unused	<u>5,733,245</u>	<u>7,005,923</u>	<u>7,000,163</u>
	<u>\$ 7,333,955</u>	<u>\$ 7,189,077</u>	<u>\$ 7,181,651</u>
Secured bank facilities:			
Amount used	\$ 611,276	\$ 902,467	\$ 695,408
Amount unused	<u>1,860,306</u>	<u>1,558,932</u>	<u>1,820,458</u>
	<u>\$ 2,471,582</u>	<u>\$ 2,461,399</u>	<u>\$ 2,515,866</u>

30. RELATED-PARTY TRANSACTIONS

a. The Group's related parties and relationship

Related Party	Relationship with the Group
TCC Energy Storage Technology Corporation ("TCC Energy Storage")	Related party
SG Digital Technology Ltd	Related party
EVSE Solutions ("EVSE")	Related party
FREE 2 MOVE ESOLUTIONS NORTH AMERICA LLC ("F2M")	Related party
TCC Energy Storage (Dutch) Holdings B.V. ("TCCE")	Related party
Spring City Resort Co., Ltd.	Related party
Peter Lin	Phihong's chairman
Kevin Lin	Related party
Joyce Lin	Related party
Peggy Wu	Related party

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties were disclosed below:

b. Trading transactions

Item	Related Party Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Operating revenue	F2M	\$ 17,212	\$ 26,533	\$ 17,605	\$ 205,880
	EVSE	17,502	27,868	26,807	27,868
	Others	<u>2,586</u>	<u>446</u>	<u>2,575</u>	<u>906</u>
		<u>\$ 37,300</u>	<u>\$ 54,847</u>	<u>\$ 46,987</u>	<u>\$ 234,654</u>

The sales prices and trading terms of the Group to related parties are based on contractual agreements.

c. Contract liabilities

Related Party Name	June 30, 2025	December 31, 2024	June 30, 2024
TCC Energy Storage	\$ -	\$ 41	\$ 12,647
F2M	-	-	6,417
EVSE	<u>11,638</u>	<u>-</u>	<u>2,109</u>
	<u>\$ 11,638</u>	<u>\$ 41</u>	<u>\$ 21,173</u>

d. Receivables from related parties

Item	Related Party Name	June 30, 2025	December 31, 2024	June 30, 2024
Trade receivables	TCC Energy Storage	\$ 189	\$ 8,333	\$ 1,821
	F2M	234	2,082	678
	TCCE	3,647	3,653	-
	Others	<u>-</u>	<u>179</u>	<u>-</u>
		<u>\$ 4,070</u>	<u>\$ 14,247</u>	<u>\$ 2,499</u>

e. Operating expenses

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Related party	<u>\$ 943</u>	<u>\$ 6,155</u>	<u>\$ 3,989</u>	<u>\$ 17,292</u>

f. Remuneration of key management personnel

The types and amounts of the remuneration of directors and other members of key management personnel were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term benefits	\$ 39,504	\$ 29,366	\$ 76,890	\$ 60,265
Post-employment benefits	<u>179</u>	<u>215</u>	<u>357</u>	<u>390</u>
	<u>\$ 39,683</u>	<u>\$ 29,581</u>	<u>\$ 77,247</u>	<u>\$ 60,655</u>

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

g. Other transactions with related parties

Phihong's chairman served as the joint guarantor for Phihong's short-term borrowings, bonds payable and long-term borrowings. As of June 30, 2025, December 31, 2024 and June 30, 2024, the amounts of the guarantees were \$2,395,533 thousand, \$902,967 thousand and \$992,550 thousand, respectively.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets of the Group have been provided as collateral for project performance bonds, bank loans, domestic secured corporate bonds, and post-release duty payment:

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at amortized cost - current (Note 8)	\$ -	\$ 7,982	\$ 8,133
Land	463,345	463,345	463,345
Right-of-use assets - land use right	17,631	35,732	68,254
Buildings	359,160	412,890	404,520
Investment properties	<u>31,156</u>	<u>35,489</u>	<u>-</u>
	<u>\$ 871,292</u>	<u>\$ 955,438</u>	<u>\$ 944,252</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. According to tariff to regulations, the Group provides letters of bank guarantee to apply for the customer clearance, post-release duty payment. The amount of the letters of credit were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Letter of bank guarantee	\$ 4,000	\$ 1,500	\$ 1,000

- b. The Group signed a contract for the construction of new plants on the Group's own land. The amount of the unrecognized commitments was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Acquisition of property, plant and equipment			
Signed amount	\$ 2,672,199	\$ 3,054,085	\$ 2,777,709
Unpaid amount	587,931	773,356	1,116,870

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 75,095	29.155	\$ 2,189,388
RMB	27,223	4.07039	110,809
VND	6,254,312	0.00112	7,005

Financial liabilities

Monetary items			
USD	29,113	29.155	848,776
RMB	38,797	4.07039	157,918
VND	40,912,799	0.00112	45,822

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 68,667	32.72500	\$ 2,247,135
RMB	17,830	4.55216	81,166
VND	205,108,494	0.00129	264,590

Financial liabilities

Monetary items			
USD	28,086	32.72500	919,108
RMB	39,742	4.55216	180,913
VND	183,375,630	0.00129	236,555

June 30, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 78,208	32.53000	\$ 2,544,119
RMB	29,112	4.56433	132,876
VND	193,814,009	0.00128	248,082
<u>Financial liabilities</u>			
Monetary items			
USD	27,451	32.53000	892,981
RMB	51,522	4.56433	235,162
VND	196,604,018	0.00128	251,653

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 3)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 6) Intercompany relationships and significant intercompany transactions. (Table 6)
- 7) Information on investees. (Table 7)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 9)
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

35. SEGMENT INFORMATION

a. Basic information of operation segments

1) Classification of operating segments

The segments of the Group to be reported are as follows:

- a) Power Supply Products Segment: Mainly responsible for the R&D, design, manufacturing, sales, and after-sales service of power supply products.
- b) EV Energy Products Segment: Mainly responsible for the R&D, design, manufacturing, sales, and after-sales service of EV Energy products.

2) Principles for measuring profit and loss of the operating segment

The accounting policies of each operating segment are the same as the material accounting policies described in Note 4 to the consolidated financial statements. The profit and loss of the operating segment of the Group are measured by the operating profit and loss that can be controlled by the segment manager and are used as the basis for management performance evaluations.

b. Segment revenues and results

The following was an analysis of the Group's revenue and results by reportable segment:

	Power Supply	EV Energy	Others	Adjustments and Layoffs	Total
For the six months ended <u>June 30, 2025</u>					
Revenues from external customers	<u>\$ 3,505,662</u>	<u>\$ 1,384,037</u>	<u>\$ 5,234</u>	<u>\$ (220,578)</u>	<u>\$ 4,674,355</u>
Segment (losses) incomes	<u>\$ (186,133)</u>	<u>\$ (301,113)</u>	<u>\$ 1,550</u>	<u>\$ -</u>	<u>\$ (485,696)</u>
Interest incomes					66,437
Other incomes					70,300
Other gains and losses					(129,264)
Finance costs					(40,682)
Share of loss of associates					<u>(2,711)</u>
Loss before income tax					<u>\$ (521,616)</u>
For the six months ended <u>June 30, 2024</u>					
Revenues from external customers	<u>\$ 3,374,916</u>	<u>\$ 1,913,131</u>	<u>\$ 8,729</u>	<u>\$ (353,985)</u>	<u>\$ 4,942,791</u>
Segment (losses) incomes	<u>\$ (167,706)</u>	<u>\$ 117,525</u>	<u>\$ (2,638)</u>	<u>\$ -</u>	<u>\$ (52,819)</u>
Interest incomes					75,022
Other incomes					101,873
Other gains and losses					83,956
Finance costs					(27,565)
Share of profit of associates					<u>5,594</u>
Gain before income tax					<u>\$ 186,061</u>

TABLE 1

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limit (Notes 3 and 4)	Note
													Item	Value			
0	PHT	PHJ	Other receivables from related parties	Yes	\$ 437,325 (US\$ 15,000,000)	\$ - (US\$ -)	\$ -	6.30%	b	\$ -	Capital movement	\$ -	-	\$ -	\$ 1,727,470	\$ 3,454,940	
		ZSH	"	"	437,325 (US\$ 15,000,000)	437,325 (US\$ 15,000,000)	-	5.31%-6.85%	"	-	"	-	-	-	1,727,470	3,454,940	
		ZCM	"	"	145,775 (US\$ 5,000,000)	145,775 (US\$ 5,000,000)	-	5.31%-6.85%	"	-	"	-	-	-	1,727,470	3,454,940	
		ZAS	"	"	145,775 (US\$ 5,000,000)	145,775 (US\$ 5,000,000)	-	5.31%-6.85%	"	-	"	-	-	-	1,727,470	3,454,940	
		ZNS	"	"	145,775 (US\$ 5,000,000)	145,775 (US\$ 5,000,000)	-	5.31%-6.85%	"	-	"	-	-	-	1,727,470	3,454,940	
		ZJS	"	"	145,775 (US\$ 5,000,000)	145,775 (US\$ 5,000,000)	-	5.31%-6.85%	"	-	"	-	-	-	1,727,470	3,454,940	
1	PHC	PHE	"	"	40,704 (RMB 10,000,000)	40,704 (RMB 10,000,000)	-	4.90%	"	-	"	-	-	-	2,114,509	2,114,509	
2	PHZ	PHP	"	"	915,838 (RMB 225,000,000)	915,838 (RMB 225,000,000)	915,838	4.75%	"	-	"	-	-	-	1,708,033	1,708,033	
3	ZSH	ZAS	"	"	583,100 (US\$ 20,000,000)	291,550 (US\$ 10,000,000)	87,465	5.5%-6.55%	"	-	"	-	-	-	3,871,110	3,871,110	
		ZNS	"	"	437,325 (US\$ 15,000,000)	291,550 (US\$ 10,000,000)	-	5.5%-6.55%	"	-	"	-	-	-	3,871,110	3,871,110	
		ZJS	"	"	583,100 (US\$ 20,000,000)	291,550 (US\$ 10,000,000)	-	5.5%-6.55%	"	-	"	-	-	-	3,871,110	3,871,110	

Note 1: The parent company and its subsidiaries are coded as follows:

- a. The parent company is coded “0”.
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Reasons for financing are as follows:

- a. Business relationship.
- b. The need for short-term financing.

Note 3: According to the Company’s policy, the aggregated financing amounts provided to others shall not exceed 40% of its net worth, which is based on the latest audited or reviewed parent-company-only financial statements. The maximum amount permitted to a single borrower is listed based on the types of financing reasons as follows:

- a. Business relationship: Each of the financing amounts shall not exceed the higher amount of the total purchases from or sales to a borrower in the most recent year or in the current year.
- b. The need for short-term financing: Each of the financing amounts shall not exceed 20% of the Company’s net worth, which is based on the latest audited or reviewed parent-company-only financial statements.

Note 4: According to the operating procedures for loans to other subsidiary of the Group, the aggregate amount of loans between subsidiaries shall not exceed 150% of the net worth of the lending subsidiary based on the latest financial statements of the subsidiary.

TABLE 2

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 2 and 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Notes 2 and 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Phihong	PHV	Subsidiary of the Company	\$ 6,478,012	\$ 437,325 (US\$ 15,000,000)	\$ 437,325 (US\$ 15,000,000)	\$ -	\$ -	5.06	\$ 8,637,350	Y	N	N	7 and 8
		ZTM	"	6,478,012	1,600,000	1,600,000	-	-	18.52	8,637,350	Y	N	N	4 and 5
		ZSH	"	6,478,012	1,311,975 (US\$ 45,000,000)	1,311,975 (US\$ 45,000,000)	-	-	15.19	8,637,350	Y	N	N	6
		PHJ	"	6,478,012	151,065 (JPY750,000,000)	151,065 (JPY750,000,000)	100,710 (JPY500,000,000)	-	1.75	8,637,350	Y	N	N	9

Note 1: The parent company and its subsidiaries are coded as follows:

a. The Company is coded “0”.

b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: According to the Company’s procedures for the Management of Endorsements and Guarantees, the aggregate amount of endorsements/guarantees provided by the Company shall not exceed 100% of endorser/guarantor’s net worth. Additionally, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 75% of the Company’s net worth. The net worth is based on the Company’s latest parent-company-only financial statements.

Note 3: In accordance with the operating procedures of the Group’s subsidiaries, the total amount of endorsements between subsidiaries shall not exceed the net value of the latest financial statement.

Note 4: On August 4, 2022, the board of directors approved that the Company’s endorsements/guarantees amount to ZTM is NT\$600 million.

Note 5: On June 26, 2023, the board of directors approved that the Company’s endorsements/guarantees amount to ZTM is NT\$1 billion.

Note 6: On June 26, 2023, the board of directors approved that the Company’s endorsements/guarantees amount to ZSH is US\$45 million.

Note 7: On August 12, 2024, the board of directors approved that the Company’s endorsements/guarantees amount to PHV is US\$8 million.

Note 8: On August 12, 2024, the board of directors approved that the Company’s endorsements/guarantees amount to PHV is US\$7 million.

Note 9: On December 24, 2024, the board of directors approved that the Company’s endorsements/guarantees amount to PHJ is JPY750 million.

TABLE 3

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
PHT	<u>Ordinary shares</u>							
	Pao-Dian Venture Capital Co., Ltd.	None	Financial assets at FVTOCI - non-current	229,980	\$ 2,536	10.49	\$ 2,536	
	Zhong-Xuan Venture Capital Co., Ltd.	"	"	1,926,833	12,246	8.62	12,246	
	BMC Venture Capital Investment Corporation	"	"	5,700,000	69,983	9.84	69,983	
	RFIC Technology Corporation	"	"	1,000,000	2,543	3.50	2,543	
	BMD Venture Capital Investment Corporation	"	"	6,300,000	58,488	9.31	58,488	
Guang-Lai	<u>Ordinary shares</u>							
	Taiwan Cultural & Creativity No. 1 Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,000,000	1,779	10.83	1,779	
PHJ	<u>Ordinary shares</u>							
	ENECHANGE EV Labs Ltd.	None	Financial assets at FVTOCI - non-current	45	91	1.55	91	

Note 1: The marketable securities stated here are related to shares, debentures and beneficiary certificates and the derivative products caused by those of “IFRS 9 Financial Instruments”.

Note 2: For information on the investments in subsidiaries and associates, refer to Tables 7 and 8.

TABLE 4

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
PHT	PHA	Subsidiary of the Company	Sale	\$ (1,020,515)	(36.26)	To be agreed by both parties	-	-	\$ 233,468	20.38	
	PHJ	"	"	(127,387)	(4.53)		-	-	36,325	3.17	
	PHC	"	Purchase	1,487,225	46.74		-	-	(286,637)	(14.91)	
	PHP	"	"	388,697	12.22		-	-	(109,296)	(5.69)	
	PHV	"	"	1,302,201	40.93		-	-	(384,421)	(20.00)	
PHA	PHT	Parent company of PHT	"	1,020,515	98.31	"	-	-	(249,277)	(97.83)	
PHJ	PHT	"	"	127,387	98.69	"	-	-	(36,325)	(100.00)	
PHC	PHT	"	Sale	(1,487,225)	(100.00)	"	-	-	278,896	100.00	
PHP	PHT	"	"	(388,697)	(51.03)	"	-	-	109,296	34.05	
PHV	PHT	"	"	(1,302,201)	(84.06)	"	-	-	381,744	75.22	
	ZSH	The same ultimate parent company	"	(204,712)	(13.21)	"	-	-	103,319	20.36	
ZSH	ZAS	"	"	(263,282)	(31.05)	"	-	-	180,214	35.82	
	ZNS	"	"	(164,068)	(19.35)	"	-	-	93,937	18.67	
	PHV	"	Purchase	204,712	32.56	"	-	-	(103,319)	(36.73)	
	ZCM	"	"	253,767	40.36	"	-	-	-	-	
ZTM	ZSH	"	Sale	(290,383)	(38.96)	"	-	-	20,066	12.13	
ZCM	ZSH	"	"	(253,767)	(76.34)	"	-	-	-	-	
ZAS	ZSH	"	Purchase	263,282	2.16	"	-	-	(180,214)	(89.21)	
ZNS	ZSH	"	"	164,068	85.93	"	-	-	(93,937)	(81.41)	

TABLE 5

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
PHT	PHC	Subsidiary of the Company	Other receivables \$ 524,136	-	\$ -	-	\$ 161,547	\$ -
	PHV	"	Other receivables 716,196	-	-	-	145,419	-
	PHA	"	Trade receivables 233,468	10.86	-	-	128,976	-
PHC	PHT	The ultimate parent company of PHT	Trade receivables 278,896	11.93	-	-	274,831	-
PHP	PHT	The ultimate parent company of PHT	Trade receivables 109,296	5.90	-	-	54,123	-
PHZ	PHP	Sister company	Other receivables 937,589	-	-	-	-	-
PHV	PHT	Parent company of PHT	Trade receivables 381,744	7.94	-	-	381,337	-
	ZSH	The same ultimate parent company	Trade receivables 103,319	6.74	-	-	96,349	-
ZSH	ZAS	"	Trade receivables 180,214	2.63	-	-	34,949	-

TABLE 6

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	PHT	PHA	a	Sales revenue	\$ 1,020,515	To be agreed by both parties	22
		PHJ	"	"	127,387	"	3
		PHV	"	"	63,516	"	1
		PHC	"	Purchase	1,487,225	No significant difference	32
		PHP	"	"	388,697	"	8
		PHV	"	"	1,302,201	"	28
		PHA	"	Trade receivables	233,468	To be agreed by both parties	2
		PHC	"	Other receivables	524,136	"	3
		PHV	"	"	716,196	"	5
		PHC	"	Accounts payable	286,637	"	2
		PHP	"	"	109,296	"	1
		PHV	"	"	384,421	"	3
1	PHC	PHT	b	Sales revenue	1,487,225	To be agreed by both parties	32
		"	"	Trade receivables	278,896	"	2
2	PHP	PHT	b	Sales revenue	388,697	To be agreed by both parties	8
		"	"	Trade receivables	109,296	"	1
3	PHV	PHT	b	Trade receivables	381,744	To be agreed by both parties	3
		"	"	Sales revenue	1,302,201	"	28
		ZSH	c	Sales revenue	204,712	"	4
		"	"	Trade receivables	103,319	"	1
4	PHZ	PHP	c	Other receivables	937,589	To be agreed by both parties	6
5	PHSY	PHC	c	Sales revenue	40,821	To be agreed by both parties	1
		PHP	"	"	62,907	"	1
6	PHE	PHC	c	Sales revenue	28,028	To be agreed by both parties	1
		PHV	"	"	43,801	"	1
7	ZTM	ZSH	c	Service income	234,859	To be agreed by both parties	5
		"	"	Sales revenue	55,524	"	1
		ZCM	"	"	26,827	"	1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
8	ZCM	ZCT ZSH	c "	Sales revenue "	\$ 61,936 253,767	To be agreed by both parties "	1 5
9	ZCT	ZSH	c	Sales revenue	30,693	To be agreed by both parties	1
10	ZSH	ZTM	c	Sales revenue	63,505	To be agreed by both parties	1
		ZAS	"	"	263,282	"	6
		ZNS	"	"	164,068	"	4
		ZJS	"	"	65,827	"	1
		ZAS	"	Trade receivables	180,214	"	1
		ZNS	"	"	93,937	"	1
		ZAS	"	Other receivables	88,369	"	1

Note 1: The Company and its subsidiaries are coded as follows:

- a. Parent company is coded "0".
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationship is as follows:

- a. Parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenues or total assets. For balance sheet items, each item’s period-end balance is shown as a percentage to consolidated total assets as of June 30, 2025. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenues for the year ended June 30, 2025.

(Concluded)

TABLE 7

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2025	December 31, 2024	Shares	%	Carrying Amount			
PHT	PHI	British Virgin Islands	Investment in other businesses	\$ 3,067,556	\$ 3,067,556	98,059,683	100.00	\$ 2,555,834	\$ 62,080	\$ 64,402	
	PHA	The United States	Sells various power supplies	207,203	207,203	3,100,000	100.00	1,135,442	8,429	8,429	
	PHK	British Virgin Islands	Investment in other businesses	554,154	554,154	18,840,000	100.00	(468,614)	(60,978)	(56,462)	
	PHQ	British Virgin Islands	Investment in other businesses	352,043	352,043	12,012,600	100.00	(6,804)	(24,273)	(24,807)	
	Guang-Lai	Taiwan	Investment	139,758	139,758	13,975,828	100.00	189,619	(2,051)	(2,051)	
	PHJ	Japan	Sells power components	295,181	295,181	25,000	100.00	237,663	38,922	38,930	
				(JPY 500,000,000)	(JPY 500,000,000)						
	PHV	Vietnam	Manufactures and sells various power supplies	1,906,713	1,906,713	65,000,000	100.00	1,564,332	12,204	12,144	
	ZKH	Cayman Islands	Investment in other businesses	(US\$ 65,000,000) 2,083,650 (US\$ 69,927,620)	(US\$ 65,000,000) 2,083,650 (US\$ 69,927,620)	699,272,603	100.00	2,486,685	(228,154)	(242,806)	
Guang-Lai	Han-Yu Venture Capital Co., Ltd.	Taiwan	Investment	100,000	100,000	8,000,000	22.22	68,669	(12,201)	(2,711)	
ZKH	ZSH	Singapore	Investment in other businesses and sells of electrical equipment	2,117,995 (US\$ 65,872,408)	2,117,995 (US\$ 65,872,408)	67,649,888	100.00	2,491,076	(244,549)	(228,487)	
ZSH	ZJS	Japan	Sells of electrical equipment and provides electric vehicle charging solutions	16,848 (JPY 80,000,000)	16,848 (JPY 80,000,000)	8,000	100.00	21,782	(31,375)	(31,375)	
	ZAH	The United States	Investment in other businesses	95,482 (US\$ 3,050,000)	95,482 (US\$ 3,050,000)	3,050,000	100.00	186,973	(89,450)	(89,450)	
	ZTM	Taiwan	Manufactures, sells of electrical equipment and provides electric vehicle charging solutions	624,343	624,343	60,000,000	100.00	1,121,029	408	408	
	ZNS	Netherlands	Sells of electrical equipment and provides electric vehicle charging solutions	104,056 (EUR 3,000,000)	104,056 (EUR 3,000,000)	100	100.00	85,168	(33,255)	(33,255)	
ZAH	ZAS	The United States	Sells of electrical equipment and provides electric vehicle charging solutions	95,150 (US\$ 3,000,000)	95,150 (US\$ 3,000,000)	3,000,000	100.00	185,942	(89,327)	(89,327)	

Note: Information on investees in mainland China, refer to Table 8.

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

1. Information on investees in mainland China, including the name, principal business activities, paid-up capital, method of investment, inward and outward remittance of funds, percentage of ownership, investment gain or loss, carrying of the investment, and repatriation of investment income:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025	Note
					Outward	Inward							
PHC	Manufactures and sells various power supplies	\$ 1,988,018 (HK\$ 495,450,000)	Indirect investment in mainland China through PHI	\$ 1,677,679 (HK\$ 419,000,000)	\$ -	\$ -	\$ 1,677,679 (HK\$ 419,000,000)	\$ 47,443	100	\$ 47,443	\$ 1,409,673	\$ -	
PHZ	Manufactures and sells various power supplies	1,097,139 (US\$ 31,960,000)	"	955,407 (US\$ 27,598,332)	-	-	955,407 (US\$ 27,598,332)	16,205	100	16,205	1,138,689	-	
PHP	Manufactures and sells various power supplies	604,135 (US\$ 20,140,000)	Indirect investment in mainland China through PHK	554,456 (US\$ 18,640,000)	-	-	554,456 (US\$ 18,640,000)	(60,548)	100	(60,548)	(458,380)	-	
PHSY	Manufactures and sells electronic materials	39,678 (HK\$ 9,000,000)	Indirect investment in mainland China through PHQ	39,678 (HK\$ 9,000,000)	-	-	39,678 (HK\$ 9,000,000)	2,355	100	2,355	64,351	-	
PHE	Manufactures and sells electronic materials	360,124 (US\$ 11,500,000)	"	360,124 (US\$ 11,500,000)	-	-	360,124 (US\$ 11,500,000)	(26,481)	100	(26,481)	(71,892)	-	
ZCM	Manufactures and sells of electrical equipment	28,942 (US\$ 950,000)	Indirect investment in mainland China through ZSH	28,942 (US\$ 950,000)	-	-	28,942 (US\$ 950,000)	(31,460)	100	(31,460)	(28,432)	-	
ZCS	Sells of electrical equipment and provides electric vehicle charging solutions	21,656 (US\$ 670,000)	"	21,656 (US\$ 670,000)	-	-	21,656 (US\$ 670,000)	(1,200)	100	(1,200)	475	-	
ZCT	Sells of electrical equipment and provides electric vehicle charging solutions	49,027 (RMB 10,835,202)	Indirect investment in mainland China through ZCM	- (RMB -)	-	-	- (RMB -)	(3,782)	100	(3,782)	12,524	-	

Note 1: The amount was recognized based on reviewed financial statements.

Note 2: The foreign currencies in this table are converted into New Taiwan dollars using exchange rates of the investment date, except for income and expense items which are translated at the average exchange rates for the period.

2. Limit on investment amount in Mainland China:

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$4,114,608	\$4,973,986	Note 1

Note: In accordance with the Article 3 of the “Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area”, the Company acquired the Business Operation Headquarter Certificate issued by the Industrial Development Bureau of the Ministry of Economic Affairs on June 18, 2021, which exempts the Company from the limitation of the amount of investment amount in mainland China.

TABLE 9

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Term	Comparison with Normal Transaction	Ending Balance	%		
PHC	Purchase	\$ 1,487,225	46.74	To be agreed by both parties	To be agreed by both parties	-	\$ (286,637)	(14.91)	\$ -	
PHP	"	388,697	12.22	"	"	-	(109,296)	(5.69)	-	
ZCM	"	253,767	40.36	"	"	-	-	-	-	