Hiwin Technologies Corporation and Subsidiaries

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

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Hiwin Technologies Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Hiwin Technologies Corporation (the "Corporation") 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 ended June 30, 2025 and 2024, 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 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2025 and 2024, the combined total assets of these non-significant subsidiaries were NT$9,129,193 thousand and NT$11,775,878 thousand, representing 17% and 22%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$5,605,839 thousand and NT$5,953,758 thousand, representing 33% and 34%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2025 and 2024, the amounts of combined comprehensive income (loss) of these subsidiaries were NT$(68,867) thousand and NT$(110,169) thousand, representing 18% and (18%), respectively, of the consolidated total comprehensive income, and for the six months ended June 30, 2025 and 2024, the amounts of combined comprehensive income (loss) of these subsidiaries were NT$(152,506) thousand and NT$(204,615) thousand, representing 565% and (17%), respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries 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.

The engagement partners on the reviews resulting in this independent auditors’ review report are Li-Tung Wu and Hsiao-Fang Yen.

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.

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2025		December 31, 2024		June 30, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 7,170,821	13	$ 7,353,929	14	$ 7,816,798	15
Financial assets at fair value through profit or loss - current (Note 7)	14,829	-	112	-	270	-
Notes receivable from unrelated parties, net (Notes 9 and 20)	452,934	1	569,416	1	553,855	1
Notes receivable from related parties, net (Notes 9, 20 and 29)	190	-	1,091	-	971	-
Trade receivables from unrelated parties, net (Notes 9 and 20)	3,208,640	6	3,896,076	7	3,293,828	6
Trade receivables from related parties, net (Notes 9, 20 and 29)	529	-	810	-	28,569	-
Inventories (Note 10)	7,385,666	14	7,407,335	14	7,205,648	14
Other current assets (Notes 6, 29 and 30)	898,477	2	754,666	1	666,692	1
Total current assets	19,132,086	36	19,983,435	37	19,566,631	37
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,271,556	2	1,601,429	3	948,710	2
Investments accounted for using the equity method (Note 12)	338,308	1	305,995	1	374,628	1
Property, plant and equipment (Notes 13, 29 and 30)	29,374,170	55	29,449,620	54	28,879,083	55
Right-of-use assets (Notes 14, 29 and 30)	648,145	1	710,880	1	837,789	2
Goodwill (Note 24)	291,702	1	291,375	1	256,163	-
Deferred tax assets (Note 4)	541,728	1	460,799	1	447,198	1
Prepayments for machinery and equipment (Note 15)	1,310,287	2	1,272,595	2	1,144,283	2
Refundable deposits (Note 29)	92,535	-	99,780	-	101,447	-
Other non-current assets (Note 9)	287,735	1	259,032	-	263,036	-
Total non-current assets	34,156,166	64	34,451,505	63	33,252,337	63
TOTAL	$ 53,288,252	100	$ 54,434,940	100	$ 52,818,968	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 16 and 29)	$ 1,772,941	4	$ 1,397,394	3	$ 1,664,194	3
Financial liabilities at fair value through profit or loss - current (Note 7)	1,019	-	5,423	-	4,974	-
Contract liabilities - current (Note 20)	64,106	-	139,507	-	160,275	-
Notes payable	4,475	-	2,631	-	1,589	-
Trade payables to unrelated parties	2,796,977	5	3,179,444	6	3,173,187	6
Trade payables to related parties (Note 29)	122,802	-	135,550	-	129,986	-
Other payables (Notes 17 and 29)	1,675,492	3	1,866,050	4	1,737,978	3
Dividends payable (Notes 19 and 26)	849,101	2	-	-	884,481	2
Current tax liabilities (Note 4)	89,797	-	211,727	-	243,401	1
Lease liabilities - current (Notes 14 and 29)	99,448	-	101,258	-	123,439	-
Current portion of long-term borrowings (Notes 16, 29 and 30)	1,141,198	2	1,067,434	2	688,178	1
Other current liabilities	216,830	1	215,618	-	200,785	1
Total current liabilities	8,834,186	17	8,322,036	15	9,012,467	17
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 16, 29 and 30)	6,767,455	13	7,562,662	14	6,737,135	13
Deferred tax liabilities (Note 4)	866,361	1	822,748	2	877,137	2
Lease liabilities - non-current (Notes 14 and 29)	424,996	1	470,373	1	573,765	1
Net defined benefit liabilities - non-current (Notes 4 and 18)	161,988	-	141,983	-	185,980	-
Other non-current liabilities (Note 16)	35,228	-	41,000	-	16,073	-
Total non-current liabilities	8,256,028	15	9,038,766	17	8,390,090	16
Total liabilities	17,090,214	32	17,360,802	32	17,402,557	33
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION						
Ordinary shares	3,537,923	7	3,537,923	6	3,537,923	7
Capital surplus	7,479,735	14	7,479,735	14	7,479,735	14
Retained earnings						
Legal reserve	4,213,350	8	4,028,836	7	4,028,836	8
Unappropriated earnings	20,104,599	38	20,520,180	38	19,581,503	37
Other equity	774,600	1	1,362,373	3	657,905	1
Total equity attributable to owners of the Corporation	36,110,207	68	36,929,047	68	35,285,902	67
NON-CONTROLLING INTERESTS	87,831	-	145,091	-	130,509	-
Total equity	36,198,038	68	37,074,138	68	35,416,411	67
TOTAL	$ 53,288,252	100	$ 54,434,940	100	$ 52,818,968	100

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

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

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
SALES (Notes 20 and, 29)	$ 5,925,491	100	$ 6,182,917	100	$ 11,764,271	100	$ 11,689,382	100
COST OF GOODS SOLD (Notes 10, 21 and 29)	4,163,398	70	4,234,752	68	8,260,041	70	8,152,019	70
GROSS PROFIT	1,762,093	30	1,948,165	32	3,504,230	30	3,537,363	30
OPERATING EXPENSES (Notes 21 and 29)								
Selling and marketing expenses	493,511	9	524,835	8	980,768	8	974,190	8
General and administrative expenses	530,980	9	529,989	9	1,107,719	10	1,046,936	9
Research and development expenses	239,033	4	237,556	4	498,423	4	460,227	4
Total operating expenses	1,263,524	22	1,292,380	21	2,586,910	22	2,481,353	21
PROFIT FROM OPERATIONS	498,569	8	655,785	11	917,320	8	1,056,010	9
NON-OPERATING INCOME AND EXPENSES								
Subsidized revenue (Note 16)	6,290	-	1,679	-	14,642	-	8,123	-
Finance costs (Notes 21 and 29)	(49,787)	(1)	(43,654)	(1)	(98,069)	(1)	(85,391)	(1)
Share of profit (loss) of associates accounted for using the equity method (Note 12)	(789)	-	13,509	-	9,523	-	21,863	-
Interest income	29,761	1	30,682	-	44,601	-	50,265	-
Other income (Note 29)	6,910	-	23,211	-	53,973	1	51,113	1
Valuation gain (loss) on financial assets (liabilities) at fair value through profit or loss	69,647	1	(15,525)	-	50,352	1	(32,572)	-
Other expenses (Note 29)	(727)	-	(7,877)	-	(3,964)	-	(11,475)	-
Loss on disposal of property, plant and equipment	(1,589)	-	(9,570)	-	(3,864)	-	(14,435)	-
Net foreign exchange gain (loss) (Note 32)	(489,760)	(8)	43,110	1	(315,997)	(3)	131,352	1
Total non-operating income and expenses	(430,044)	(7)	35,565	-	(248,803)	(2)	118,843	1
PROFIT BEFORE INCOME TAX	68,525	1	691,350	11	668,517	6	1,174,853	10
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 22)	(34,681)	(1)	133,747	2	107,449	1	256,255	2
NET PROFIT FOR THE PERIOD	103,206	2	557,603	9	561,068	5	918,598	8

(Continued)

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$ (1,778)	-	$ (3,238)	-	$ (328,340)	(3)	$ 105,451	1
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(608,408)	(10)	73,044	1	(325,637)	(3)	203,185	2
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 22)	121,868	2	(14,621)	-	65,910	1	(40,667)	(1)
	(486,540)	(8)	58,423	1	(259,727)	(2)	162,518	1
Other comprehensive income (loss) for the period, net of income tax	(488,318)	(8)	55,185	1	(588,067)	(5)	267,969	2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ (385,112)	(6)	$ 612,788	10	$ (26,999)	-	$ 1,186,567	10
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	$ 135,235	2	$ 582,074	9	$ 618,034	5	$ 977,336	8
Non-controlling interests	(32,029)	-	(24,471)	-	(56,966)	-	(58,738)	-
	$ 103,206	2	$ 557,603	9	$ 561,068	5	$ 918,598	8
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	$ (352,708)	(6)	$ 637,284	10	$ 30,261	-	$ 1,245,375	11
Non-controlling interests	(32,404)	-	(24,496)	-	(57,260)	-	(58,808)	(1)
	$ (385,112)	(6)	$ 612,788	10	$ (26,999)	-	$ 1,186,567	10
EARNINGS PER SHARE (Note 23)								
Basic	$ 0.38		$ 1.65		$ 1.75		$ 2.76	
Diluted	$ 0.38		$ 1.64		$ 1.75		$ 2.76	

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

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

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Corporation (Note 19)								
			Retained Earnings		Other Equity				
	Ordinary Shares	Capital Surplus	Legal Reserve	Unappropriated Earnings (Notes 8 and 25)	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests (Notes 11 and 25)	Total Equity
BALANCE AT JANUARY 1, 2024	$ 3,537,923	$ 7,479,735	$ 3,821,341	$ 19,767,009	$ (280,839)	$ 672,855	$ 34,998,024	$ 116,301	$ 35,114,325
Appropriation of 2023 earnings									
Legal reserve	-	-	207,495	(207,495)	-	-	-	-	-
Cash dividends - NT$2.5 per share	-	-	-	(884,481)	-	-	(884,481)	-	(884,481)
	-	-	207,495	(1,091,976)	-	-	(884,481)	-	(884,481)
Changes in percentage of ownership interests in subsidiaries	-	-	-	(73,016)	-	-	(73,016)	73,016	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	2,150	-	(2,150)	-	-	-
Net profit (loss) for the six months ended June 30, 2024	-	-	-	977,336	-	-	977,336	(58,738)	918,598
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	162,588	105,451	268,039	(70)	267,969
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	977,336	162,588	105,451	1,245,375	(58,808)	1,186,567
BALANCE AT JUNE 30, 2024	$ 3,537,923	$ 7,479,735	$ 4,028,836	$ 19,581,503	$ (118,251)	$ 776,156	$ 35,285,902	$ 130,509	$ 35,416,411
BALANCE AT JANUARY 1, 2025	$ 3,537,923	$ 7,479,735	$ 4,028,836	$ 20,520,180	$ (115,755)	$ 1,478,128	$ 36,929,047	$ 145,091	$ 37,074,138
Appropriation of 2024 earnings									
Legal reserve	-	-	184,514	(184,514)	-	-	-	-	-
Cash dividends - NT$2.4 per share	-	-	-	(849,101)	-	-	(849,101)	-	(849,101)
	-	-	184,514	(1,033,615)	-	-	(849,101)	-	(849,101)
Net profit (loss) for the six months ended June 30, 2025	-	-	-	618,034	-	-	618,034	(56,966)	561,068
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	(259,433)	(328,340)	(587,773)	(294)	(588,067)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	618,034	(259,433)	(328,340)	30,261	(57,260)	(26,999)
BALANCE AT JUNE 30, 2025	$ 3,537,923	$ 7,479,735	$ 4,213,350	$ 20,104,599	$ (375,188)	$ 1,149,788	$ 36,110,207	$ 87,831	$ 36,198,038

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

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

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 668,517	$ 1,174,853
Adjustments for:		
Depreciation expense	1,143,659	1,125,774
Amortization expense	26,577	29,958
Expected credit loss recognized (reversed) on trade receivables	(1,199)	298
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	(13,810)	4,704
Finance costs	98,069	85,391
Interest income	(44,601)	(50,265)
Dividend income	(511)	(945)
Share of profit of associates accounted for using the equity method	(9,523)	(21,863)
Loss on disposal of property, plant and equipment	3,864	14,435
Write-down of inventories	12,638	79,702
Unrealized loss (gain) on foreign currency exchange, net	125,494	(12,670)
Others	(1,036)	1,138
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(5,311)	9,738
Notes receivable	92,558	18,240
Trade receivables	483,413	(309,552)
Inventories	27,630	406,726
Other current assets	(94,454)	(66,864)
Contract liabilities	(74,821)	21,441
Notes payable	1,844	(4,921)
Trade payables	(268,240)	440,115
Other payables	(231,471)	(391,750)
Other current liabilities	1,231	12,362
Net defined benefit liabilities	20,369	44,342
Cash generated from operations	1,960,886	2,610,387
Interest received	43,695	55,408
Dividends received	511	945
Interest paid	(99,045)	(87,142)
Income tax paid	(253,727)	(526,300)
Net cash generated from operating activities	1,652,320	2,053,298
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets at fair value through other comprehensive income	-	4,250
Proceed from refunds from financial assets at fair value through other comprehensive income capital premium	1,533	2,000
Payments for property, plant and equipment	(744,339)	(1,316,725)
Proceeds from disposal of property, plant and equipment	7,038	8,104

(Continued)

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	**2024**
Decrease in refundable deposits	$ 6,339	$ 8,270
Increase in other financial assets	(619)	(1,628)
Increase in other non-current assets	(55,036)	(44,170)
Increase in prepayments for machinery and equipment	(580,146)	(494,107)
Dividends received from associates	-	11,265
Net cash used in investing activities	(1,365,230)	(1,822,741)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in short-term borrowings	439,308	160,428
Proceeds from long-term borrowings	46,092	242,423
Repayments of long-term borrowings	(685,215)	(319,996)
Repayment of the principal portion of lease liabilities	(75,349)	(91,122)
Decrease in other non-current liabilities	(5,186)	(33,444)
Net cash used in financing activities	(280,350)	(41,711)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(189,848)	63,952
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(183,108)	252,798
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	7,353,929	7,564,000
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 7,170,821	$ 7,816,798

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

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Hiwin Technologies Corporation (the "Corporation") was incorporated on October 11, 1989. It manufactures and sells ballscrews, linear guideways, industrial robots, aerospace automation equipment parts, computer numerical control (CNC) milling machines and medical equipment.

The Corporation obtained approval from the Securities and Futures Bureau (SFB) of the Financial Supervisory Commission (FSC) to become a public company on April 16, 1997. The shares of the Corporation have been listed on the Taiwan Stock Exchange (TWSE) since June 26, 2009.

The consolidated financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation'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

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

1) The amendments to the application guidance of classification of financial assets

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

   a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

      - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

      - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

   b) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

   c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

2) The amendments to the application guidance of derecognition of financial liabilities

   The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

   - The Group having no practical ability to withdraw, stop or cancel the payment instruction;

   - The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

   - The settlement risk associated with the electronic payment system being insignificant.

   An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

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 amendments on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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.

<u>IFRS 18 “Presentation and Disclosure in Financial Statements”</u>

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

1) 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.

2) 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.

3) 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.

4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for 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 the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). 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 Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests 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 Corporation.

See Note 11, Tables 7 and 8 for detailed information on subsidiaries (including the 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) Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured based on the best estimate of the expenditure required to settle the obligation for the current year, taking into account the proportion of actual emissions to the total estimated annual emissions.

2) Retirement benefits

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

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 the Group develops material accounting estimates, the Group considers the possible impact of US reciprocal tariffs. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group’s management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	$ 1,676	$ 2,804	$ 1,665
Checking accounts and demand deposits	5,039,997	5,147,435	4,289,198
Pledged time deposits	1,418	799	1,658
Cash equivalents			
Time deposits (investments with original maturities of 3 months or less)	2,129,148	2,203,690	3,525,935
	7,172,239	7,354,728	7,818,456
Less: Pledged time deposits (classified as other current assets)	(1,418)	(799)	(1,658)
	$ 7,170,821	$ 7,353,929	$ 7,816,798

Rate of interest per annum (%)			
Cash in bank	0.00-4.30	0.00-4.30	0.00-1.80
Time deposits (investments with original maturities of 3 months or less)	0.10-4.20	0.45-4.62	1.10-5.40
Pledged time deposits (Note 30)	0.98-1.68	0.05-3.00	0.05-3.00

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's financial assets and liabilities mandatorily designated as at fair value through profit or loss (FVTPL) are all generated from its derivative financial products of foreign exchange forward contracts. At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting are as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
June 30, 2025			
Sell	EUR/NTD	2025.7.11-2025.9.30	EUR3,400/NTD117,488
Sell	CNY/NTD	2025.7.25-2025.9.30	CNY175,000/NTD720,049
Sell	USD/NTD	2025.7.7-2025.9.30	USD6,100/NTD180,650
December 31, 2024			
Sell	EUR/NTD	2025.1.22-2025.3.14	EUR3,100/NTD105,595
Sell	CNY/NTD	2025.1.21-2025.3.28	CNY170,000/NTD756,798
Sell	USD/NTD	2025.1.21-2025.2.27	USD5,500/NTD178,003
June 30, 2024			
Sell	EUR/NTD	2024.7.15-114.9.30	EUR4,400/NTD152,602
Sell	CNY/NTD	2024.7.19-114.9.24	CNY145,000/NTD643,269
Sell	USD/NTD	2024.7.12-114.9.30	USD5,100/NTD163,753

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	June 30, 2025	December 31, 2024	June 30, 2024
Name of Investee Company			
Domestic listed ordinary shares			
Hiwin Mikrosystem Corp. (Hiwin Mikrosystem)	$ 1,133,556	$ 1,457,429	$ 708,710
Ever Fortune. AI Co., Ltd. (Ever Fortune)	138,000	144,000	240,000
Domestic unlisted ordinary shares			
Taichung International Country Club	-	-	-
SunEngine Corporation Ltd. (SunEngine)	-	-	-
King Kong Iron Work Ltd.	-	-	-
	$ 1,271,556	$ 1,601,429	$ 948,710

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.

In April and August 2024, the Group sold its partial shares in Taichung International Country Club and Sunengine at a fair value of $4,250 thousand and $7,058 thousand, respectively, and its related unrealized valuation gain (loss) of $2,150 thousand and $(42,195) thousand were transferred from other equity to retained earnings.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable			
At amortized cost			
Gross carrying amount	$ 453,154	$ 570,556	$ 554,868
Less: Allowance for impairment loss	(30)	(49)	(42)
	$ 453,124	$ 570,507	$ 554,826
Trade receivables			
At amortized cost			
Gross carrying amount	$ 3,223,934	$ 3,915,815	$ 3,332,448
Less: Allowance for impairment loss	(14,765)	(18,929)	(10,051)
	$ 3,209,169	$ 3,896,886	$ 3,322,397

a. Notes receivable

The Group's aging of notes receivable was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	$ 453,154	$ 570,556	$ 554,868
Past due	-	-	-
	$ 453,154	$ 570,556	$ 554,868

The above aging schedule was based on the past due days.

b. Trade receivables

The Group determines the credit period of sales of goods based on the counterparty's credit rating, location and transaction terms.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

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, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlooks. 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 evidence 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:

	Not Past Due	1 to 120 Days	121 to 360 Days	Over 360 Days	Total
June 30, 2025					
Gross carrying amount	$ 3,113,269	$ 91,906	$ 5,054	$ 13,705	$ 3,223,934
Loss allowance (Lifetime ECLs)	(140)	(596)	(324)	(13,705)	(14,765)
Amortized cost	$ 3,113,129	$ 91,310	$ 4,730	$ -	$ 3,209,169
December 31, 2024					
Gross carrying amount	$ 3,762,956	$ 135,633	$ 8,646	$ 8,580	$ 3,915,815
Loss allowance (Lifetime ECLs)	(1,788)	(3,595)	(4,966)	(8,580)	(18,929)
Amortized cost	$ 3,761,168	$ 132,038	$ 3,680	$ -	$ 3,896,886
June 30, 2024					
Gross carrying amount	$ 3,235,747	$ 86,173	$ 5,544	$ 4,984	$ 3,332,448
Loss allowance (Lifetime ECLs)	(1,780)	(2,544)	(743)	(4,984)	(10,051)
Amortized cost	$ 3,233,967	$ 83,629	$ 4,801	$ -	$ 3,322,397

The movements of the loss allowance were as follows (other receivables are classified as other non-current assets):

	For the Six Months Ended June 30, 2025		
	Notes Receivable	Trade Receivables	Other Receivables
Balance on January 1, 2025	$ 49	$ 18,929	$ 27,395
Amounts recovered	-	2,198	-
Net remeasurement of loss allowance	(19)	(1,180)	-
Amounts written off	-	(5,272)	-
Foreign exchange gains and losses	-	90	-
Balance on June 30, 2025	$ 30	$ 14,765	$ 27,395

	For the Six Months Ended June 30, 2024		
	Notes Receivable	Trade Receivables	Other Receivables
Balance on January 1, 2024	$ 22	$ 9,629	$ 27,395
Net remeasurement of loss allowance	20	278	-
Foreign exchange gains and losses	-	144	-
Balance on June 30, 2024	$ 42	$ 10,051	$ 27,395

10. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Merchandise	$ 604	$ 1,209	$ 1,447
Finished goods	3,127,103	3,275,288	3,267,293
Work in process	1,452,766	1,523,281	1,568,361
Raw materials and supplies	2,487,982	2,233,634	2,073,592
Inventory in transit	317,211	373,923	294,955
	$ 7,385,666	$ 7,407,335	$ 7,205,648

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2025 and 2024 was $4,163,398 thousand and $4,234,752 thousand, respectively, and the cost of inventories recognized as cost of goods sold for the six months ended June 30, 2025 and 2024 was $8,260,041 thousand and $8,152,019 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2025 and 2024 included inventory write-downs (reversal of inventory write-downs) of $(23,059) thousand and $(23,833) thousand, and unallocated fixed overhead of $102,796 thousand and $85,554 thousand, respectively, and the cost of inventories recognized as cost of goods sold for the six months ended June 30, 2025 and 2024 included inventory write-downs of $12,638 thousand and $79,702 thousand, and unallocated fixed overhead of $174,626 thousand and $166,728 thousand, respectively.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Entities included in the Group's consolidated financial statements were as follows:

			% of Ownership		
Investor	Investee	Main Business	June 30, 2025	December 31, 2024	June 30, 2024
The Corporation	Hiwin Corporation, U.S.A. ("Hiwin USA")	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	100	100	100
	Hiwin Corporation, Japan ("Hiwin Japan")	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	100	100	100
	Hiwin GmbH ("Hiwin Germany")	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	100	100	100

(Continued)

Investor	Investee	Main Business	% of Ownership June 30, 2025	December 31, 2024	June 30, 2024
The Corporation	Eterbright Solar Corporation (“Eterbright”)	Research, development, design, manufacture and sale of solar cell, electronic components, electric power supply, electric transmission and power distribution machinery products	89	89	89
	Hiwin Singapore Pte. Ltd. (“Hiwin Singapore”)	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	100	100	100
	Hiwin Corporation (“Hiwin Korea”)	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	100	100	100
	Hiwin Technologies (China) Corporation (“Hiwin China”)	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	100	100	100
	Matrix Precision Co., Ltd. (“Matrix Precision”) (Note 25)	Research, development, production, manufacture and sale of gear cutting tools and machinery	61	61	59
	Hiwin Healthcare Corp.	Sale of medical robots	100	100	100
	Hiwin S.R.L. (“Hiwin Italy”)	Sale of aerospace parts, ballscrews, linear guideways and industrial robots	100	100	100
	Matrix Machine Tool (Coventry) Limited (“Matrix England”)	Design, integrated application, research, development, manufacture and sale of thread forming machinery	100	100	100
	Hiwin (Schweiz) GmbH (“Hiwin Schweiz”)	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	81	81	81
Hiwin Germany	Hiwin Schweiz	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	19	19	19
	Hiwin S.R.O. (“Hiwin Czech”) (Note 24)	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	100	100	Note
	Hiwin SAS (“Hiwin France”)	Sale of aerospace parts, ballscrews, linear guideways and industrial robots	100	100	-
Matrix Precision	Suzhou Matrix Precision Machinery Co., Ltd. (“Suzhou Matrix”)	Sale of gear cutting tools and machinery	100	100	100
Hiwin Czech	Hiwin Bulgaria Eood (“Hiwin Bulgaria”)	Sale of aerospace parts, ballscrews, linear guideways and industrial robots	-	100	Note
Hiwin Schweiz	Hiwin Bulgaria Eood (“Hiwin Bulgaria”)	Sale of aerospace parts, ballscrews, linear guideways and industrial robots	100	-	-

(Concluded)

Note: As of June 30, 2024, Hiwin Germany held 32% equity interest in Hiwin Czech, classified as investments accounted for using the equity method.

In November 2024, Hiwin Germany acquired a 68% interest in Hiwin Czech for $256,050 thousand. Combined with its existing 32% equity, Hiwin Germany now holds 100% equity interest in Hiwin Czech. Consequently, Hiwin Czech became a sub-subsidiary and its financial statements are consolidated into those of Hiwin Germany.

Hiwin Germany established Hiwin France with and investment amounting to $17,070 thousand in December 2024.

Due to management needs, the Group underwent an organizational restructuring. As a result, in January 2025, Hiwin Schweiz acquired 100% equity interest in Hiwin Bulgaria from Hiwin Czech.

Except for the financial statements of Hiwin China for the six months ended June 30, 2025 and 2024, and the financial statements of Hiwin Germany for the six months ended June 30, 2025, which were reviewed by the independent auditors, the remaining subsidiaries are considered immaterial. (Hiwin Germany has been considered a material subsidiary since 2025) their financial statements have not been reviewed.

The resolution to liquidate and dissolve Eterbright was approved during the extraordinary meeting of shareholders on November 27, 2023. The base date for dissolution was set as February 29, 2024 and this approved by the Ministry of Economic Affairs on March 20, 2024. As of June 30, 2025, the liquidation has not yet been completed.

b. Details of subsidiaries that have material non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
Name of Subsidiary	**June 30, 2025**	**December 31, 2024**	**June 30, 2024**
Eterbright	11%	11%	11%
Matrix Precision (Note 25)	39%	39%	41%

See Tables 7 and 8 for the information on places of incorporation and principal places of business.

	Loss and Comprehensive Loss Allocated to Non-controlling Interests			
	For the Three Months Ended June 30		**For the Six Months Ended June 30**	
Name of Subsidiary	**2025**	**2024**	**2025**	**2024**
Eterbright	$ 97	$ 747	$ 192	$ (580)
Matrix Precision	(32,501)	(25,243)	(57,452)	(58,228)
	$ (32,404)	$ (24,496)	$ (57,260)	$ (58,808)

	Accumulated Non-controlling Interests		
Name of Subsidiary	**June 30, 2025**	**December 31, 2024**	**June 30, 2024**
Eterbright	$ 61,624	$ 61,432	$ 61,191
Matrix Precision	26,207	83,659	69,318
	$ 87,831	$ 145,091	$ 130,509

Eterbright

	June 30, 2025	**December 31, 2024**	**June 30, 2024**
Current assets	$ 576,666	$ 575,158	$ 573,071
Non-current assets	47,798	47,798	47,798
Current liabilities	(50,686)	(50,962)	(51,124)
Non-current liabilities	-	-	-
Equity	$ 573,778	$ 571,994	$ 569,745

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Equity attributable to:			
Owners of Eterbright	$ 512,154	$ 510,562	$ 508,554
Non-controlling interests of Eterbright	61,624	61,432	61,191
	$ 573,778	$ 571,994	$ 569,745

(Concluded)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Revenue	$ -	$ -	$ -	$ -
Net profit (loss) for the period	$ 902	$ 6,950	$ 1,784	$ (5,403)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income (loss) for the period	$ 902	$ 6,950	$ 1,784	$ (5,403)
Profit (loss) and total comprehensive income (loss) attributable to:				
Owners of Eterbright	$ 805	$ 6,203	$ 1,592	$ (4,823)
Non-controlling interests of Eterbright	97	747	192	(580)
	$ 902	$ 6,950	$ 1,784	$ (5,403)
Net cash inflow (outflow) from:				
Operating activities			$ 1,917	$ (22,492)
Investing activities			-	4,633
Financing activities			-	-
Net cash inflow (outflow)			$ 1,917	$ (17,859)

Matrix Precision and Matrix Precision's subsidiaries

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	$ 507,432	$ 507,184	$ 493,212
Non-current assets	2,466,779	2,427,904	2,293,107
Current liabilities	(965,776)	(784,483)	(927,419)
Non-current liabilities	(1,926,424)	(1,920,477)	(1,673,059)
Equity	$ 82,011	$ 230,128	$ 185,841

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Equity attributable to:			
Owners of Matrix Precision	$ 49,879	$ 139,964	$ 108,977
Non-controlling interests of Matrix Precision	32,132	90,164	76,864
	$ 82,011	$ 230,128	$ 185,841

(Concluded)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Revenue	$ 58,463	$ 41,526	$ 92,086	$ 112,983
Net loss for the period	$ (82,681)	$ (61,789)	$ (147,366)	$ (125,592)
Other comprehensive loss for the period	(957)	(60)	(751)	(151)
Total comprehensive loss for the period	$ (83,638)	$ (61,849)	$ (148,117)	$ (125,743)
Loss attributable to:				
Owners of Matrix Precision	$ (50,287)	$ (36,233)	$ (89,628)	$ (68,268)
Non-controlling interests of Matrix Precision	(32,394)	(25,556)	(57,738)	(57,324)
	$ (82,681)	$ (61,789)	$ (147,366)	$ (125,592)
Total comprehensive loss attributable to:				
Owners of Matrix Precision	$ (50,869)	$ (36,268)	$ (90,085)	$ (68,348)
Non-controlling interests of Matrix Precision	(32,769)	(25,581)	(58,032)	(57,395)
	$ (83,638)	$ (61,849)	$ (148,117)	$ (125,743)
Net cash inflow (outflow) from:				
Operating activities			$ (147,668)	$ (143,072)
Investing activities			(83,952)	(358,873)
Financing activities			232,169	515,058
Net cash inflow			$ 549	$ 13,113

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2025	December 31, 2024	June 30, 2024
Associates that are not individually material	$ 338,308	$ 305,995	$ 374,628

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
The Group's share of:				
Profit (loss) for the period	$ (789)	$ 13,509	$ 9,523	$ 21,863
Other comprehensive income for the period	-	-	-	-
Total comprehensive income (loss) for the period	$ (789)	$ 13,509	$ 9,523	$ 21,863

Investments were accounted for using the equity method and the share of profit or loss and other comprehensive income (loss) of those investments were calculated based on the financial statements that have not been reviewed. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income (loss) from the financial statements that have not been reviewed.

13. PROPERTY, PLANT AND EQUIPMENT

	For the Six Months Ended June 30, 2025					
	Beginning Balance (After Retrospective Adjustment)	Additions	Disposals	Reclassified Amount	Translation Adjustments	Ending Balance
Cost						
Land	$ 5,504,601	$ -	$ -	$ -	$ (25,914)	$ 5,478,687
Buildings and improvements	18,965,873	21,636	-	951,603	(226,573)	19,712,539
Machinery and equipment	13,935,317	164,832	(930,129)	456,681	(57,504)	13,569,197
Transportation equipment	265,989	10,545	(14,157)	6,107	(304)	268,180
Leasehold improvements	65,396	-	-	-	(1,918)	63,478
Miscellaneous equipment	2,525,704	133,640	(29,588)	64,547	(21,125)	2,673,178
Construction in progress	1,812,624	473,851	-	(937,698)	(469)	1,348,308
	43,075,504	$ 804,504	$ (973,874)	$ 541,240	$ (333,807)	43,113,567
Accumulated depreciation and impairment						
Buildings and improvements	3,569,161	$ 244,001	$ -	$ -	$ (54,624)	3,758,538
Machinery and equipment	8,269,954	774,959	(924,752)	553	(34,601)	8,086,113
Transportation equipment	156,741	19,912	(12,569)	1,924	(254)	165,754
Leasehold improvements	34,574	3,509	-	-	(838)	37,245
Miscellaneous equipment	1,595,454	136,787	(25,651)	611	(15,454)	1,691,747
	13,625,884	$ 1,179,168	$ (962,972)	$ 3,088	$ (105,771)	13,739,397
	$ 29,449,620					$ 29,374,170

	For the Six Months Ended June 30, 2024					
	Beginning Balance	Additions	Disposals	Reclassified Amount	Translation Adjustments	Ending Balance
Cost						
Land	$ 5,470,749	$ -	$ -	$ -	$ (21,042)	$ 5,449,707
Buildings and improvements	17,047,036	41,115	-	65,473	39,893	17,193,517
Machinery and equipment	13,900,296	74,691	(362,825)	274,275	31,071	13,917,508
Transportation equipment	282,345	10,174	(13,156)	6,548	3,282	289,193
Leasehold improvements	48,138	126	(760)	-	(815)	46,689
Miscellaneous equipment	2,330,302	98,910	(85,734)	21,815	3,623	2,368,916
Construction in progress	1,311,615	1,289,961	-	(61,279)	1,092	2,541,389
	40,390,481	$ 1,514,977	$ (462,475)	$ 306,832	$ 57,104	41,806,919

(Continued)

	For the Six Months Ended June 30, 2024					
	Beginning Balance	Additions	Disposals	Reclassified Amount	Translation Adjustments	Ending Balance
Accumulated depreciation and impairment						
Buildings and improvements	$ 3,065,611	$ 225,012	$ -	$ -	$ 17,603	$ 3,308,226
Machinery and equipment	7,433,128	777,689	(343,954)	-	16,410	7,883,273
Transportation equipment	163,434	20,552	(11,461)	-	1,647	174,172
Leasehold improvements	37,361	1,555	(687)	-	(656)	37,573
Miscellaneous equipment	1,476,083	124,617	(83,834)	-	7,726	1,524,592
	12,175,617	$ 1,149,425	$ (439,936)	$ -	$ 42,730	12,927,836
	$ 28,214,864					$ 28,879,083

(Concluded)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings	8-55 years
Electrical power equipment	5-15 years
Engineering system	5-20 years
Machinery and equipment	
Machinery equipment	3-20 years
Inspection equipment	3-20 years
Transportation equipment	2-10 years
Leasehold improvements	2-17 years
Miscellaneous equipment	2-15 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 30.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount (Note 30)			
Land	$ 347,374	$ 366,900	$ 380,513
Buildings	287,439	327,861	384,618
Transportation equipment	11,552	13,937	71,035
Miscellaneous equipment	1,780	2,182	1,623
	$ 648,145	$ 710,880	$ 837,789

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Additions to right-of-use assets	$ 12,134	$ 174,620	$ 32,233	$ 340,248
Depreciation charge for right-of-use assets				
Land	$ 4,825	$ 4,909	$ 9,700	$ 9,800
Buildings	30,960	42,537	62,275	80,373
Transportation equipment	838	818	1,797	1,711
Miscellaneous equipment	131	124	268	185
	$ 36,754	$ 48,388	$ 74,040	$ 92,069

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

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount			
Current	$ 99,448	$ 101,258	$ 123,439
Non-current	$ 424,996	$ 470,373	$ 573,765

Range of discount rate for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.50%-2.02%	1.50%-1.89%	1.50%-1.89%
Buildings	0.90%-5.35%	0.90%-5.35%	0.90%-5.35%
Transportation equipment	1.23%-4.10%	1.23%-4.10%	1.23%-4.10%
Miscellaneous equipment	1.48%-4.10%	1.48%-4.10%	1.48%-4.10%

c. Material leasing activities and terms

The Group leases certain transportation and miscellaneous equipment for the use of product manufacturing and marketing with lease terms of 1 to 7 years. These arrangements do not contain renewal or purchase options.

The Group also leases land and buildings for the use of plants and offices with lease terms of 1 to 50 years. The lease contract for land located in the Republic of China specifies that lease payments will be adjusted on the basis of changes in the consumer price index or announced land value prices. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

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	$ 2,418	$ 4,813	$ 5,581	$ 10,622
Expenses relating to low-value asset leases	$ 4,852	$ 4,226	$ 9,419	$ 7,898
Total cash outflow for leases	$ (44,340)	$ (60,069)	$ (90,349)	$ (115,735)

The Group's leases of certain equipment qualify as short-term leases and low-value asset 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. PREPAYMENTS FOR MACHINERY AND EQUIPMENT

The aging of prepayments for machinery and equipment is as follows:

The Date of Initial Cost Contribution	June 30, 2025	December 31, 2024	June 30, 2024
Within 1 year	$ 749,970	$ 658,161	$ 523,853
1-2 years	292,959	168,315	220,019
2-5 years	152,671	264,766	226,541
More than 5 years	114,687	181,353	173,870
	$ 1,310,287	$ 1,272,595	$ 1,144,283

In order to maintain key manufacturing technologies, reduce product costs and improve automation of the equipment, the Group designed, developed, and assembled the equipment by itself. The abovementioned prepayments for machinery and equipment include both internally-developed and outsourced equipment.

16. BORROWINGS

a. Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured borrowings			
Line of credit borrowings	$ 1,772,941	$ 1,397,394	$ 1,664,194
Rate of interest per annum (%)			
Line of credit borrowings	1.05-5.27	0.79-5.69	0.66-8.25

b. Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured borrowings (Note 30)			
Secured loans - Expires February 2026 to December 2042	$ 6,450,147	$ 7,096,882	$ 6,187,928
Unsecured borrowings			
Unsecured loans - Expires April 2027 to October 2029	1,458,506	1,533,214	1,237,385
	7,908,653	8,630,096	7,425,313
Less: Current portion	(1,141,198)	(1,067,434)	(688,178)
Long-term borrowings	$ 6,767,455	$ 7,562,662	$ 6,737,135
Rate of interest per annum (%)			
Secured loans	1.26-4.12	1.25-4.12	1.13-4.12
Unsecured loans	0.90-4.69	0.90-4.68	0.90-5.59

In August 2019, the Corporation received a qualification letter for the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan from the Ministry of Economic Affairs, and therefore received the subsidy for processing fee of long-term borrowings. As of June 30, 2025, $1,002,000 thousand was drawn down for building the plant, the purchase of machinery and equipment and the use of operating capital. The Corporation recognized $22,632 thousand as a government grant, which is the difference between the loan amount obtained at a lower-than-market interest rate and the fair value, which was accounted for as deferred revenue and would be subsequently recognized in profit or loss over the useful life of the asset.

17. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Payables for salaries and bonuses	$ 639,228	$ 790,428	$ 612,725
Payables for annual leave	233,969	205,442	229,107
Payables for purchase of equipment	135,544	165,076	187,189
Payables for compensation of employees	112,839	156,559	183,629
Payables for remuneration of directors	94,260	78,467	114,738
Others	459,652	470,078	410,590
	$ 1,675,492	$ 1,866,050	$ 1,737,978

18. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2025 and 2024, the pension expenses of defined benefit plans were $7,058 thousand and $5,366 thousand, respectively, and for the six months ended June 30, 2025 and 2024, the pension expenses of defined benefit plans were $13,584 thousand and $9,312 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

19. EQUITY

a. Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	1,000,000	1,000,000	1,000,000
Shares authorized	$ 10,000,000	$ 10,000,000	$ 10,000,000
Number of shares issued and fully paid (in thousands)	353,792	353,792	353,792
Shares issued	$ 3,537,923	$ 3,537,923	$ 3,537,923

Fully paid ordinary shares, which have a par value of $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 (Note)			
Issuance of ordinary shares	$ 7,469,101	$ 7,469,101	$ 7,469,101
Invalid employee share options	10,634	10,634	10,634
	$ 7,479,735	$ 7,479,735	$ 7,479,735

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, until the accumulated legal reserve equals the Corporation's paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit shall be distributed as dividends, where the dividends distributed should not exceed 6% of the remaining profit. The Corporation's profit may be distributed in the form of cash or share dividends; however, the ratio of share dividends distributed shall not exceed two-thirds of the Corporation's total amount of dividends and bonuses distributed to shareholders. A distribution plan is also to be made by the board of directors and should be resolved in the shareholder's meeting. The dividends could be distributed in whole or in part by cash after the resolution has been passed by more than half of the directors present at the meeting of the board of directors, in which at least two-thirds of the total number of directors should be present. In addition, a report of such distribution shall be submitted to the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 21-c.

The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2024	**2023**	**2024**	**2023**
Legal reserve	$ 184,515	$ 207,495		
Cash dividends	849,101	884,481	$ 2.4	$ 2.5

The appropriations of cash dividends per share for 2024 and 2023 had been approved by the board of directors on February 26, 2025 and February 27, 2024, respectively; the other appropriations of earnings for 2024 and 2023 had been approved by the shareholders in their meetings on May 28, 2025 and May 31, 2024, respectively.

20. 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	$ 5,925,491	$ 6,182,917	$11,764,271	$11,689,382

a. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Notes receivable and accounts receivable (Note 9)	$ 3,662,293	$ 4,467,393	$ 3,877,223	$ 3,552,752
Contract liabilities - current				
Sale of goods	$ 64,106	$ 139,507	$ 160,275	$ 137,391

b. Disaggregation of revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Linear guideways	$ 3,641,845	$ 3,926,232	$ 7,266,195	$ 7,485,701
Ballscrews	1,186,063	1,252,358	2,300,179	2,262,364
Others	1,097,583	1,004,327	2,197,897	1,941,317
	$ 5,925,491	$ 6,182,917	$11,764,271	$11,689,382

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank loans	$ 47,100	$ 40,337	$ 92,539	$ 79,298
Interest on lease liabilities	2,687	3,317	5,530	6,093
	$ 49,787	$ 43,654	$ 98,069	$ 85,391

Information about capitalized interest is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Capitalized interest	$ 9,745	$ 13,578	$ 20,027	$ 23,700
Capitalization rates (%)	1.48-2.30	1.40-2.33	1.38-2.30	1.27-2.33

b. Employee benefits expense, depreciation and amortization expenses

	Operating Costs	Operating Expenses	Non-business – Other Expenses	Total
For the Three Months Ended June 30, 2025				
Short-term employee benefits	$ 923,326	$ 713,165	$ -	$1,636,491
Post-employment benefits				
Defined contribution plans	31,008	21,159	-	52,167
Defined benefit plans (Note 18)	2,563	4,495	-	7,058
Other employee benefits	40,653	27,357	-	68,010
Depreciation expense	470,789	99,236	156	570,181
Amortization expense	2,209	11,651	-	13,860
For the Three Months Ended June 30, 2024				
Short-term employee benefits	959,332	705,615	-	1,664,947
Post-employment benefits				
Defined contribution plans	28,020	15,077	-	43,097
Defined benefit plans (Note 18)	1,863	3,503	-	5,366
Other employee benefits	38,098	16,251	-	54,349
Depreciation expense	468,213	99,368	62	567,643
Amortization expense	1,319	13,618	-	14,937

	Operating Costs	Operating Expenses	Non-business – Other Expenses	Total
For the Six Months Ended June 30, 2025				
Short-term employee benefits	$1,842,903	$1,454,285	$ -	$3,297,188
Post-employment benefits				
Defined contribution plans	62,858	41,886	-	104,744
Defined benefit plans (Note 18)	4,965	8,619	-	13,584
Other employee benefits	80,561	49,603	-	130,164
Depreciation expense	945,232	198,271	156	1,143,659
Amortization expense	4,313	22,264	-	26,577
For the Six Months Ended June 30, 2024				
Short-term employee benefits	1,816,644	1,400,582	-	3,217,226
Post-employment benefits				
Defined contribution plans	59,987	39,762	-	99,749
Defined benefit plans (Note 18)	3,334	5,978	-	9,312
Other employee benefits	74,119	38,733	-	112,852
Depreciation expense	929,849	195,811	114	1,125,774
Amortization expense	2,429	27,529	-	29,958

c. Compensation of employees and remuneration of directors

In accordance with the Corporation's Articles of Incorporation, the Corporation is required to accrue employees compensation and directors' remuneration at rates of no less than 1% and no more than 4%, respectively, of net profit before income tax, employees compensation and directors' remuneration. Pursuant to the amendments to the Securities and Exchange Act in August 2024, revisions to the Articles had been approved in the 2025 shareholders' meeting. The Articles' revisions estipulate that no less than 1% of net profit before income tax, employees compensation and directors' remuneration shall be allocated, of which no less than 0.3% of the employees compensation is to be distributed to non-executive employees. For the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the compensation of employees (including non-executive employees) and the remuneration of directors were as follows:

	For the Six Months Ended June 30	
Accrual rate	**2025**	**2024**
Compensation of employees	6.2%	6.1%
Remuneration of directors	3.1%	3.1%

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Amount	**2025**	**2024**	**2025**	**2024**
Compensation of employees	$ 6,864	$ 47,079	$ 45,009	$ 77,346
Remuneration of directors	$ 3,432	$ 23,540	$ 22,505	$ 38,673

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

The appropriations of compensation of employees and remuneration of directors for 2024 and 2023 which have been resolved by the board of directors on February 26, 2025 and February 27, 2024, respectively, were as follows:

	For the Year Ended December 31			
	2024		2023	
Cash	**Accrual Rate**	**Amount**	**Accrual Rate**	**Amount**
Compensation of employees	6.2%	$ 156,559	5.7%	$ 161,498
Remuneration of directors	3.1%	78,279	2.8%	80,749

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

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

22. INCOME TAXES

a. Major components of income tax expense (benefit) recognized in profit or loss

	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	$ (3,830)	$ 70,054	$ 111,002	$ 180,888
Income tax of unappropriated earnings	29,192	49,149	29,192	49,149
Adjustments for prior periods	(65,052)	(16,981)	(61,339)	(7,418)
Deferred tax				
In respect of the current period	5,009	31,525	28,594	33,636
Income tax expense (benefit) recognized in profit or loss	$ (34,681)	$ 133,747	$ 107,449	$ 256,255

b. Income tax expense (benefit) in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Deferred tax				
In respect of the current period				
Translation of foreign operations	$ (121,868)	$ 14,621	$ (65,910)	$ 40,667

c. Income tax assessments

The tax returns of the Corporation, Eterbright and Matrix Precision through 2022, 2023 and 2023 have been assessed by the tax authorities, respectively.

23. EARNINGS PER SHARE

	Net Profit Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings Per Share (NT$)
For the Three Months Ended June 30, 2025			
Basic earnings per share			
Profit for the period attributable to owners of the Corporation	$ 135,235	353,792	$0.38
Effect of potentially dilutive ordinary shares:			
Compensation of employees	-	215	
Diluted earnings per share			
Profit for the period attributable to owners of the Corporation plus effect of potentially dilutive ordinary shares	$ 135,235	354,007	$0.38
For the Three Months Ended June 30, 2024			
Basic earnings per share			
Profit for the period attributable to owners of the Corporation	$ 582,074	353,792	$1.65
Effect of potentially dilutive ordinary shares:			
Compensation of employees	-	363	
Diluted earnings per share			
Profit for the period attributable to owners of the Corporation plus effect of potentially dilutive ordinary shares	$ 582,074	354,155	$1.64
For the Six Months Ended June 30, 2025			
Basic earnings per share			
Profit for the period attributable to owners of the Corporation	$ 618,034	353,792	$1.75
Effect of potentially dilutive ordinary shares:			
Compensation of employees	-	354	
Diluted earnings per share			
Profit for the period attributable to owners of the Corporation plus effect of potentially dilutive ordinary shares	$ 618,034	354,146	$1.75

	Net Profit Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings Per Share (NT$)
For the Six Months Ended June 30, 2024			
Basic earnings per share			
Profit for the period attributable to owners of the Corporation	$ 977,336	353,792	$2.76
Effect of potentially dilutive ordinary shares:			
Compensation of employees	-	564	
Diluted earnings per share			
Profit for the period attributable to owners of the Corporation plus effect of potentially dilutive ordinary shares	$ 977,336	354,356	$2.76

The Group may settle compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be 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.

24. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred (Cash)
Hiwin Czech	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	November 27, 2024	68	$ 256,050

The Group acquired the equity of Hiwin Czech in order to expand the development in the field of drive control, enhance its competitive advantage and increase the scale of operations.

b. Assets acquired and liabilities assumed at the date of acquisition

Current assets	
Cash	$ 115,357
Trade receivables	69,084
Inventories	88,000
Other current assets	6,556
Non-current assets	
Property, plant and equipment	128,532
Other non-current assets	374

(Continued)

Current liabilities	
Trade payables and other payables	$ (32,747)
Other current liabilities	(17,489)
Non-current liabilities	
Deferred tax liabilities	(17,339)
	$ 340,328

(Concluded)

c. Goodwill recognized on acquisitions

Consideration transferred	$ 256,050
Plus: The originally interests held by the Group at fair value on the date of acquisition	119,490
Less: Fair value of identifiable net assets acquired	(340,328)
Goodwill recognized on acquisitions	$ 35,212

Before the acquisition date, the carrying amount of equity of Hiwin Czech held by the Group was $87,267 thousand. The equity originally held by the Group is then re-evaluated, with its fair value being $119,490 thousand on the acquisition date, the Group recognized gain on disposal of investments amounted to $32,223 thousand.

d. Net cash outflow on the acquisition of subsidiaries

Considerations paid in cash	$ 256,050
Less: Cash balances acquired	(115,357)
	$ 140,693

e. As of June 30, 2025, the Group completed the identification of the difference between the cost of the investment and the Group's share of the net fair value of the identifiable assets and liabilities of Hiwin Czech, and retrospectively adjusted the consolidated financial statements accordingly. The adjustments to the consolidated balance sheet as of December 31, 2024 were as follows:

	After Retrospective Adjustment	**Before Retrospective Adjustment**
Consolidated balance sheets		
December 31, 2024		
Property, plant and equipment	$ 29,449,620	$ 29,367,053
Goodwill	$ 291,375	$ 356,603
Deferred tax liabilities	$ 822,748	$ 805,409

25. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On March 31 and December 31, 2024, the Corporation subscribed for additional new shares of Matrix Precision at a percentage different from its existing ownership percentage, thereby increasing its continuing interest from 50% to 61%, and recognized a decrease of $95,725 thousand in retained earnings.

The above transactions were accounted for as equity transactions, since the Corporation did not cease to have control over the subsidiary.

26. NON-CASH TRANSACTIONS

The cash dividends for the years of 2024 and 2023 resolved by the Corporation's board of directors have not been paid as of June 30, 2025 and 2024, respectively (refer to Note 19).

27. CAPITAL MANAGEMENT

To support the needs for expansion and upgrade of its plant and equipment, the Group has to maintain an appropriate amount of capital. Therefore, the Group manages its capital to ensure it has the necessary financial resources and operating plan to support the required operating funds, capital expenditures, research and development fees, debt repayment and dividend payments in the next 12 months to achieve an overall balanced capital structure.

Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders and the amount of new debt issued or existing debt redeemed.

28. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

The Group's financial assets and liabilities at FVTPL are measured at fair value using Level 2 inputs, and the financial assets at FVTOCI are measured at fair value using Level 1 inputs and Level 3 inputs.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign currency forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

b. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	$ 14,829	$ 112	$ 270
Financial assets at amortized cost (1)	11,283,540	12,227,990	12,043,818
Financial assets at FVTOCI			
Equity instruments	1,271,556	1,601,429	948,710
<u>Financial liabilities</u>			
FVTPL			
Mandatorily classified as at FVTPL	1,019	5,423	4,974
Financial liabilities at amortized cost (2)	14,053,179	13,983,618	13,879,540

1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable (including from related parties), trade receivables (including from related parties), other receivable and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables (including from related parties), other payables, dividends payable, long-term borrowings (including those due within one year) and refundable deposits.

c. Financial risk management objectives and policies

The Group’s major financial instruments include equity and debt investments, trade receivables, trade payables, lease liabilities and borrowings. The Group’s corporate treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The plans for material treasury activities are reviewed by the audit committee and the board of directors in accordance with procedures required by relevant regulations and internal controls.

1) Market risk

The Group entered into some derivative financial instruments, mainly forward foreign exchange contracts, to manage its exposure to foreign currency risk arising on translation of sales and receivables from the export of precision component to USA, Germany, Japan and China.

There had been no change to the Group’s exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group’s operating activities and net investment in foreign operations are denominated in foreign currencies. Consequently, the Group is exposed to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Group utilizes foreign exchange forward contracts to hedge its currency exposure. These instruments help to reduce, but do not eliminate, the impact of foreign currency exchange rate movements.

Since the Group's net investments in foreign operations are held for strategic purposes, they are not hedged.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 32.

Sensitivity analysis

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

The sensitivity analysis of foreign currency risk used when reporting foreign currency risk internally to key management personnel mainly focuses on foreign currency denominated monetary items at the end of the reporting period. When the functional currency had increased by 1% against the relevant foreign currency, the post-tax profit for the six months ended June 30, 2025 and 2024 would have decreased by $33,470 thousand and $37,281 thousand, respectively.

b) Interest rate risk

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

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

	June 30, 2025	**December 31, 2024**	**June 30, 2024**
Fair value interest rate risk			
Deposits in bank	$ 2,130,566	$ 2,204,489	$ 3,527,593
Lease liabilities	524,444	571,631	697,204
Short-term borrowings	594,422	492,134	705,472
Long-term borrowings	328,642	391,206	165,293
Cash flow interest rate risk			
Deposits in bank	4,835,360	5,034,394	4,191,472
Short-term borrowings	1,178,519	905,260	958,722
Long-term borrowings	7,580,011	8,238,890	7,260,020

Sensitivity analysis

For floating rate assets and liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Group's post-tax profit for the six months ended June 30, 2025 and 2024 would have decreased by $15,693 thousand and $16,109 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the counterparties are all creditworthy organizations; thus, no significant credit risk is expected.

The counterparties of the Group's trade receivables cover a large number of customers, spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of the counterparties of trade receivables.

The Group's concentration of credit risk by geographical locations was mainly in Asia, which accounted for 65%, 73% and 66% of the total trade receivables as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

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, December 31, 2024 and June 30, 2024, the Group had available unutilized bank loan facilities of $14,019,134 thousand, $14,177,844 thousand and $15,140,564 thousand, respectively.

The following table details the Group's remaining contractual obligations for its financial liabilities with agreed repayment periods. The tables below had been drawn up based on the undiscounted contractual maturities of the financial liabilities.

	Less Than 1 Year	1-5 Years	5+ Years
June 30, 2025			
Non-derivative financial liabilities			
Non-interest bearing	$ 5,448,847	$ -	$ -
Lease liabilities	105,976	281,535	172,658
Fixed interest rate liabilities	725,739	231,690	-
Variable interest rate liabilities	2,359,008	3,206,163	3,977,690
	$ 8,639,570	$ 3,719,388	$ 4,150,348
Derivative financial liabilities			
Foreign exchange forward contracts	$ 1,019	$ -	$ -
December 31, 2024			
Non-derivative financial liabilities			
Non-interest bearing	$ 5,183,675	$ -	$ -
Lease liabilities	105,438	316,552	184,922
Fixed interest rate liabilities	629,633	292,391	-
Variable interest rate liabilities	2,031,264	3,653,818	4,335,423
	$ 7,950,010	$ 4,262,761	$ 4,520,345

	Less Than 1 Year	1-5 Years	5+ Years
December 31, 2024			
Derivative financial liabilities			
Foreign exchange forward contracts	$ 5,423	$ -	$ -
June 30, 2024			
Non-derivative financial liabilities			
Non-interest bearing	$ 5,927,221	$ -	$ -
Lease liabilities	129,065	407,208	202,044
Fixed interest rate liabilities	773,591	112,227	-
Variable interest rate liabilities	1,756,162	4,090,403	3,028,026
	$ 8,586,039	$ 4,609,838	$ 3,230,070
Derivative financial liabilities			
Foreign exchange forward contracts	$ 4,974	$ -	$ -

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
June 30, 2025					
Lease liabilities	$ 105,976	$ 281,535	$ 109,190	$ 47,207	$ 16,261
Fixed interest rate liabilities	725,739	231,690	-	-	-
Variable interest rate liabilities	2,359,008	3,206,163	3,131,675	619,677	226,338
	$ 3,190,723	$ 3,719,388	$ 3,240,865	$ 666,884	$ 242,599
December 31, 2024					
Lease liabilities	$ 105,438	$ 316,552	$ 113,765	$ 51,644	$ 19,513
Fixed interest rate liabilities	629,633	292,391	-	-	-
Variable interest rate liabilities	2,031,264	3,653,818	3,407,068	656,335	272,020
	$ 2,766,335	$ 4,262,761	$ 3,520,833	$ 707,979	$ 291,533
June 30, 2024					
Lease liabilities	$ 129,065	$ 407,208	$ 120,627	$ 57,734	$ 23,683
Fixed interest rate liabilities	773,591	112,227	-	-	-
Variable interest rate liabilities	1,756,162	4,090,403	2,572,177	374,083	81,766
	$ 2,658,818	$ 4,609,838	$ 2,692,804	$ 431,817	$ 105,449

29. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and categories

Related Party	Relationship with the Group
Hiwin Czech	Associate (became sub-subsidiary on November 27, 2024)
Mega-Fabs Motion Systems Ltd. (Mega-Fabs)	Associate
Hiwin Mikrosystem	Other related party
Hiwin Investment and Holding Corporation (Hiwin Investment Corporation)	Other related party
Yong-Yin Investment and Holding Corp. (Yong-Yin Investment Corporation)	Other related party
Hiwin Technologies Foundation in Education (Hiwin Education Foundation)	Other related party
All Horng Gear Industry Co., Ltd.	Other related party
Chuo, Yung-Tsai	Key management personnel
Chuo, Wen-Hen	Key management personnel

b. Operating transactions

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
1) Sales of goods				
Other related parties	$ 22,658	$ 16,775	$ 55,503	$ 27,908
Associates	-	44,736	-	97,765
	$ 22,658	$ 61,511	$ 55,503	$ 125,673

Due to the differences in product specifications, the selling prices of goods sold to related parties and those sold to third parties are not comparable. The selling price is quoted at cost plus a reasonable margin based on the market and competitor pricing.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
2) Purchases of goods				
Other related parties	$ 130,509	$ 142,157	$ 266,526	$ 283,532
Associates	-	123	-	123
	$ 130,509	$ 142,280	$ 266,526	$ 283,655

The products purchased from related parties and those from third parties are not the same; therefore, their prices are not comparable.

3) Other operating transactions

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Non-operating income - other income				
Other related parties	$ 415	$ 1,143	$ 904	$ 2,321
Non-operating expenses - other expenses				
Hiwin Mikrosystem	$ -	$ 1,219	$ -	$ 2,438
Manufacturing and operating expenses				
Other related parties	$ 9,856	$ 11,483	$ 16,827	$ 18,936
Operating expenses - donations				
Hiwin Education Foundation	$ -	$ 3,000	$ 4,500	$ 3,000

	June 30, 2025	December 31, 2024	June 30, 2024
4) Notes receivable			
Other related parties	$ 190	$ 1,091	$ 971
5) Trade receivables			
Other related parties	$ 529	$ 810	$ 4,239
Associates	-	-	24,330
	$ 529	$ 810	$ 28,569
6) Other receivables (classified as other current assets)			
Other related parties	$ 321	$ 577	$ 1,186
7) Trade payables			
Other related parties	$ 122,802	$ 135,550	$ 129,986
8) Other payables			
Other related parties	$ 4,558	$ 6,445	$ 6,588
Key management personnel	1,625	1,610	1,484
	$ 6,183	$ 8,055	$ 8,072
9) Refundable deposits			
Other related parties	$ 1,616	$ 1,616	$ 1,616

c. Acquisition of property, plant and equipment

	Purchase Price	
	For the Six Months Ended June 30	
	2025	2024
Other related parties	$ 3,600	$ 188

d. Lease arrangements

Lease arrangements represented the lease prices of the Corporation's factory. The lease prices were determined in accordance with mutual agreements and were based on the market price of the nearby factories and the lease area. The rental expenses were paid monthly.

	For the Six Months Ended June 30	
	2025	2024
Acquisition of right-of-use assets		
Other related parties	$ 20,828	$ 25,895

	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities			
Other related parties	$ 25,245	$ 13,926	$ 23,749

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Finance costs				
Other related parties	$ 128	$ 114	$ 240	$ 249

e. Endorsements and guarantees

Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Key management personnel			
Amount endorsed	$ 2,158,881	$ 2,475,517	$ 2,515,965
Actual utilized (classified as borrowings)	$ 1,882,711	$ 1,872,545	$ 1,598,697
Other related parties			
Amount endorsed	$ -	$ -	$ 489,000
Amount utilized (classified as long-term borrowings)	$ -	$ 489,000	$ 336,514

Note: The other related parties had been terminated their endorsement and guarantee relationship with Matrix Precision on December 20, 2024, and returned the guarantee promissory note amounted to $489,000 thousand.

f. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	$ 37,536	$ 53,605	$ 98,525	$ 103,203
Post-employment benefits	285	1,161	549	1,447
	$ 37,821	$ 54,766	$ 99,074	$ 104,650

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged or mortgaged as collateral for long-term bank loans and deposits for cooperation in the establishment of education:

	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant and equipment	$ 18,216,423	$ 17,754,132	$ 16,910,221
Right-of-use assets	131,554	145,775	146,463
Pledged deposits (classified as other current assets)	1,418	799	1,658
	$ 18,349,395	$ 17,900,706	$ 17,058,342

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. As of June 30, 2025, December 31, 2024 and June 30, 2024, unused letters of credit for purchases of raw materials and machinery equipment amounted to $370,944 thousand, $388,844 thousand and $408,555 thousand, respectively.

b. As of June 30, 2025, December 31, 2024 and June 30, 2024, commitments for acquisition of property, plant and equipment amounted to $1,464,830 thousand, $1,448,767 thousand and $1,449,055 thousand, respectively.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	June 30, 2025			December 31, 2024		
	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets						
Monetary items						
USD	$ 32,468	29.300	$ 951,324	$ 33,047	32.785	$ 1,083,456
EUR	31,729	34.35	1,089,881	34,709	34.14	1,184,966
JPY	1,920,207	0.2034	390,570	2,770,724	0.2099	581,575
RMB	587,488	4.091	2,403,413	754,522	4.478	3,378,751
Non-monetary items						
ILS	32,842	9.301	305,478	31,819	8.585	273,166
Financial liabilities						
Monetary items						
USD	16,170	29.300	473,766	13,174	32.785	431,894
EUR	1,250	34.35	42,929	2,959	34.14	101,034
JPY	570,800	0.2034	116,101	1,046,171	0.2099	219,591
RMB	4,563	4.091	18,666	2,644	4.478	11,838

	June 30, 2024		
	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 32,054	32.450	$ 1,040,138
EUR	40,488	34.71	1,405,328
JPY	1,981,228	0.2017	399,614
RMB	634,834	4.445	2,821,838
Non-monetary items			
ILS	30,746	8.336	256,296
Financial liabilities			
Monetary items			
USD	14,446	32.450	468,768
EUR	11,082	34.71	384,661
JPY	590,799	0.2017	119,164
RMB	7,698	4.445	34,215

The Group is mainly exposed to the USD, EUR, JPY and RMB. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant (realized and unrealized) foreign exchange gain (loss) are as follows:

	For the Three Months Ended June 30, 2025		For the Three Months Ended June 30, 2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange Gain
NTD	1 (NTD:NTD)	$(523,418)	1 (NTD:NTD)	$ 49,689

Foreign Currency	For the Six Months Ended June 30, 2025		For the Six Months Ended June 30, 2024	
	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange Gain
NTD	1 (NTD:NTD)	$(349,899)	1 (NTD:NTD)	$157,314

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table1)

2) Endorsements/guarantees provided. (Table 2)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities). (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) Other: intercompany relationships and significant intercompany transactions. (Table 6)

7) Information on investees. (Table 7)

c. Information on investments in mainland China

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

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Tables 4 and 6)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (None)

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds. (None)

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (None)

34. SEGMENT INFORMATION

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

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

	For the Six Months Ended June 30			
	Segment Revenue		Segment Profit	
	2025	2024	2025	2024
Linear guideways	$ 7,266,195	$ 7,485,701	$ 752,154	$ 837,874
Ballscrews	2,300,179	2,262,364	237,909	263,799
Others	2,197,897	1,941,317	(72,743)	(45,663)
Total from continuing operations	$ 11,764,271	$ 11,689,382	917,320	1,056,010
Subsidized revenue			14,642	8,123
Finance costs			(98,069)	(85,391)
Share of profit of associates accounted for using the equity method			9,523	21,863
Interest income			44,601	50,265
Other income			53,973	51,113
Valuation gain (loss) on financial assets (liabilities) at FVTPL			50,352	(32,572)
Other expenses			(3,964)	(11,475)
Loss on disposal of property, plant and equipment			(3,864)	(14,435)
Net foreign exchange gain (loss)			(315,997)	131,352
Profit before income tax			$ 668,517	$ 1,174,853

Segment revenue reported above represents revenue generated from external customers. The intersegment sales are eliminated for the six months ended June 30, 2025 and 2024.

Segment profit represented the profit before tax earned by each segment without subsidized revenue, finance costs, share of profit of associates accounted for using the equity method, interest income, other income, valuation gain (loss) on financial assets (liabilities) at FVTPL, other expenses, loss on disposal of property, plant and equipment, net foreign exchange gain (loss) and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Note 4)	Actual Amount Borrowed	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 (Note 1)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	The Corporation	Hiwin Japan	Other receivables from related parties	Yes	$ 62,816	$ -	$ -	2.0654%	1	Sales $568,028	-	$ -	-	$ -	$ 5,416,531	$ 10,833,062

Note 1: The total amount for lending to a single company shall not exceed 15% of the net assets of the Corporation based on its latest financial statements. For financing provided by the Corporation due to business dealings, other than the aforementioned restrictions, the amount of financing is also limited to the higher of the total purchase or sales amount between the 2 parties within 1 year from the date of financing or in the most recent year based on the principle that business transactions have already occurred between the two parties.

Note 2: The nature of financing is numbered as follows:

1. A company that has business dealings with the lender.

2. A company with short-term financing needs.

Note 3: The total amount of the Corporation’s accumulated financing provided should not exceed 30% of the Corporation’s net assets as shown in its latest financial statements.

Note 4: The ending balance has been approved by the board of directors.

TABLE 2

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Endorser/Guarantor	Endorsee/Guaranteed Party		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Year (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Year (Notes 3 and 4)	Actual Amount Borrowed (Note 4)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Corporation	Matrix England	Subsidiary	$ 3,611,021	$ 43,050 (GBP 1,000)	$ 40,160 (GBP 1,000)	$ -	$ -	0.1%	$ 12,638,572	Yes	-	-
0	The Corporation	Hiwin Italy	Subsidiary	3,611,021	1,303,171 (EUR 35,801)	1,226,841 (EUR 35,716)	477,646 (EUR 13,905)	-	3.4%	12,638,572	Yes	-	-
0	The Corporation	Hiwin Singapore	Subsidiary	3,611,021	199,230 (USD 6,000)	175,800 (USD 6,000)	69,597 (USD 2,375)	-	0.5%	12,638,572	Yes	-	-
0	The Corporation	Hiwin Korea	Subsidiary	3,611,021	398,460 (USD 12,000)	351,600 (USD 12,000)	260,770 (USD 8,900)	-	1.0%	12,638,572	Yes	-	-
0	The Corporation	Hiwin Japan	Subsidiary	3,611,021	1,546,875 (JPY 6,899,530)	1,394,539 (JPY 6,856,142)	1,333,519 (JPY 6,556,142)	-	3.9%	12,638,572	Yes	-	-
0	The Corporation	Matrix Precision	Subsidiary	3,611,021	1,250,000	1,250,000	690,000	-	3.5%	12,638,572	Yes	-	-

Note 1: The limit on the endorsements/guarantees provided for a single enterprise is 10% of the Corporation’s net assets as shown in its most recent financial statements. If approved by the board of directors, the amount of endorsements/guarantees provided by the Corporation for its subsidiaries is not subject to the foregoing limitations; however, it must not exceed 50% of the Corporation's net assets in its most recent financial statements.

Note 2: The aggregate endorsement/guarantee limit is 35% of the Corporation’s net assets as shown in its latest financial statements.

Note 3: The ending balance has been approved by the board of directors.

Note 4: The amounts denominated in foreign currencies were translated into the New Taiwan dollar at the exchange rate prevailing at the end of last month.

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

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	
The Corporation	Shares							
	Hiwin Mikrosystem	Other related party	Financial assets at FVTOCI - non-current	9,525,676	$ 1,133,556	8	$ 1,133,556	
	Ever Fortune.	-	Financial assets at FVTOCI - non-current	2,000,000	138,000	2	138,000	

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

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

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

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount (Note)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note)	% to Total	
The Corporation	Hiwin China	Subsidiary	Sale	$ (1,658,286)	(20)	O/A 90 days	$ -	-	$ 884,742	22	
	Hiwin Germany	Subsidiary	Sale	(591,559)	(7)	O/A 90 days	-	-	305,293	8	
	Hiwin Italy	Subsidiary	Sale	(337,331)	(4)	O/A 180 days	-	-	491,251	12	
	Hiwin Japan	Subsidiary	Sale	(279,271)	(3)	O/A 150 days	-	-	259,481	7	
	Hiwin USA	Subsidiary	Sale	(219,857)	(3)	O/A 120 days	-	-	149,746	4	
	Hiwin Korea	Subsidiary	Sale	(131,873)	(2)	O/A 180 days	-	-	121,332	3	
Hiwin China	The Corporation	Parent company	Purchase	1,658,286	90	O/A 90 days	-	-	(884,742)	(93)	
Hiwin Germany	The Corporation	Parent company	Purchase	591,559	67	O/A 90 days	-	-	(305,293)	(77)	
Hiwin Italy	The Corporation	Parent company	Purchase	337,331	89	O/A 180 days	-	-	(491,251)	(92)	
Hiwin Japan	The Corporation	Parent company	Purchase	279,271	81	O/A 150 days	-	-	(259,481)	(92)	
Hiwin USA	The Corporation	Parent company	Purchase	219,857	87	O/A 120 days	-	-	(149,746)	(75)	
Hiwin Korea	The Corporation	Parent company	Purchase	131,873	95	O/A 180 days	-	-	(121,332)	(96)	

Note: Significant intercompany accounts and transactions have been eliminated.

TABLE 5

HIWIN TECHNOLOGIES CORPORATION 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)

Company Name	Related Party	Relationship	Ending Balance (Note)		Turnover Rate (Times)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
The Corporation	Hiwin China	Subsidiary	Trade receivables from related parties	$ 884,742	3.80	$ -	-	$ 281,707	$ -
	Hiwin Germany	Subsidiary	Trade receivables from related parties	305,293	4.11	-	-	141,165	-
	Hiwin Italy	Subsidiary	Trade receivables from related parties	491,251	1.53	-	-	31,366	-
			Other receivables from related parties	1,375	-	-	-	1,375	-
	Hiwin Japan	Subsidiary	Trade receivables from related parties	259,481	1.82	-	-	40,681	-
			Other receivables from related parties	1,320	-	-	-	1,320	-
	Hiwin USA	Subsidiary	Trade receivables from related parties	149,746	3.06	-	-	31,506	-
	Hiwin Korea	Subsidiary	Trade receivables from related parties	121,332	2.46	-	-	13,183	-
			Other receivables from related parties	416	-	-	-	416	-

Note: Significant intercompany accounts and transactions have been eliminated.

TABLE 6

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

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

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account	Amount (Note 2)	Payment Terms	% to Total Sales or Assets
0	The Corporation	Hiwin China	1	Sales	$ 1,658,286	O/A 90 days	14
			1	Trade receivables	884,742	O/A 90 days	2
		Hiwin Germany	1	Sales	591,559	O/A 90 days	5
			1	Trade receivables	305,293	O/A 90 days	1
		Hiwin Italy	1	Sales	337,331	O/A 180 days	3
			1	Trade receivables	491,251	O/A 180 days	1
			1	Other receivables	1,375	-	-
		Hiwin Japan	1	Sales	279,271	O/A 150 days	2
			1	Trade receivables	259,481	O/A 150 days	-
			1	Other receivables	1,320	-	-
		Hiwin USA	1	Sales	219,857	O/A 120 days	2
			1	Trade receivables	149,746	O/A 120 days	-
		Hiwin Korea	1	Sales	131,873	O/A 180 days	1
			1	Trade receivables	121,332	O/A 180 days	-
			1	Other receivables	416	-	-
		Hiwin Schweiz	1	Sales	84,270	O/A 60 days	1
			1	Trade receivables	29,629	O/A 60 days	-
		Hiwin Singaporean	1	Sales	59,068	O/A 120 days	1
			1	Trade receivables	38,365	O/A 120 days	-

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

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

Note 3: Unrealized gains from Hiwin China totaled $143,737 thousand.

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars and Foreign Currencies)

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	Number of Shares	%	Carrying Amount			
The Corporation	Hiwin Germany	Germany	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	$ 224,257	$ 224,257	-	100	$ 2,553,021	$ 27,792	$ 27,792	Subsidiary
	Hiwin USA	United States of America	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	353,844	353,844	2,148,000	100	1,024,476	16,992	16,992	Subsidiary
	Hiwin Japan	Japan	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	1,281,417	1,104,902	97,140	100	56,203	(54,785)	(54,785)	Subsidiary
	Mega-Fabs	Israel	Research, manufacture and sale of drivers and controllers	42,444	42,444	240,000	40	338,308	23,806	9,523	Investment accounted for using the equity method
	Eterbright	Taiwan	Research, development, design, manufacture and sale of solar cell, electronic components, electric power supply, electric transmission and power distribution machinery products	6,322,668	6,322,668	505,360,592	89	512,155	1,784	1,592	Subsidiary
	Hiwin Singapore	Singapore	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	117,550	117,550	5,000,000	100	(3,522)	(23,215)	(23,215)	Subsidiary
	Hiwin Korea	Korea	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	242,707	242,707	1,760,000	100	(249,638)	(12,004)	(12,004)	Subsidiary
	Matrix Precision	Taiwan	Research, development, production, manufacture and sale of gear cutting tools and machinery	1,436,688	1,436,688	75,696,467	61	217,794	(147,366)	(88,726)	Subsidiary
	Hiwin Healthcare Corp.	Samoa	Sale of medical robots	3,108	3,108	100,000	100	2,768	16	16	Subsidiary
	Hiwin Italy	Italy	Manufacture and sale of aerospace parts, ballscrews, linear guideways, and industrial robots	296,580	296,580	-	100	294,987	27,285	27,285	Subsidiary
	Matrix England	United Kingdom	Design integrated application, research, development, manufacture and sale of thread forming machinery	812,334	812,334	8,249,500	100	352,040	(20,768)	(16,739)	Subsidiary
	Hiwin Schweiz	Switzerland	Manufacture and sale of aerospace parts, ballscrews, linear guideways, and industrial robots	266,300	266,300	243,000	81	475,115	55,180	55,180	Subsidiary
Hiwin Germany	Hiwin Czech	Czech Republic	Manufacture and sale of aerospace parts, ballscrews, linear guideways, and industrial robots	256,154 (EUR 7,502)	256,154 (EUR 7,502)	-	100	391,791 (EUR 11,406)	9,410	(Note 1)	Sub-subsidiary
	Hiwin Schweiz	Switzerland	Manufacture and sale of aerospace parts, ballscrews, linear guideways, and industrial robots	3,320 (EUR 72)	3,320 (EUR 72)	57,000	19	44,203	55,180	-	Subsidiary
	Hiwin France	France	Sale of aerospace parts, ballscrews, linear guideways, and industrial robots	17,070 (EUR 500)	17,070 (EUR 500)	-	100	7,104 (EUR 207)	(10,197)	(Note 1)	Sub-subsidiary
Hiwin Czech	Hiwin Bulgaria	Bulgaria	Sale of aerospace parts, ballscrews, linear guideways, and industrial robots	-	3,880 (BGN 222)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)
Hiwin Schweiz	Hiwin Bulgaria	Bulgaria	Sale of aerospace parts, ballscrews, linear guideways, and industrial robots	20,484 (EUR 600)	-	-	100	31,503 (CHF 859)	3,244	(Note 1)	Sub-subsidiary

Note 1: Exempted from disclosure in accordance with regulations.

Note 2: Except for Mega-Fabs, the remaining investee companies are all consolidated entities and the significant intercompany accounts and transactions have been eliminated.

Note 3: For information on investments in mainland China, see Table 8.

Note 4: In January 2025, Hiwin Schweiz acquired 100% equity interest of Hiwin Bulgaria from Hiwin Czech.

HIWIN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of June 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025
					Outward	Inward						
Hiwin China	Manufacture and sale of aerospace parts, ballscrews, linear guideways and industrial robots	$ 1,498,040 (RMB 300,000)	(Note 1)	$ 1,498,040 (RMB 300,000)	$ -	$ -	$ 1,498,040 (RMB 300,000)	$ 59,665	100	$ 59,674 (Notes 2 and 4)	$ 2,449,958 (Note 4)	$ -
Suzhou Matrix	Sale of gear cutting tools and machinery	36,192 (RMB 8,000)	(Note 1)	36,192 (RMB 8,000)	-	-	36,192 (RMB 8,000)	(4,033)	61	(2,453) (Notes 2 and 4)	7,049 (Note 4)	-

Investor Company	Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2025	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Corporation	$ 1,498,040 (RMB 300,000)	$ 1,498,040 (RMB 300,000)	(Note 3)
Matrix Precision	$ 36,192 (RMB 8,000)	$ 36,192 (RMB 8,000)	$ 138,077 (Note 3)

Note 1: The investment in mainland China was made directly.

Note 2: The investment gain (loss) of Hiwin China is recognized according to the financial statement reviewed by the Corporation's independent auditors, and the investment gain (loss) of Suzhou Matrix is calculated based on the unreviewed financial statements for the same reporting period.

Note 3: Calculated in accordance with the "Regulations on Screening and Approval of Investment and Technical Cooperation in Mainland China" issued by the Investment Commission of the Ministry of Economic Affairs, the Corporation has been certified by the Industrial Development Bureau of the Ministry of Economic Affairs as an enterprise that has conformed to the scope of operations of the headquarters; therefore, there is no investment limit. The upper limit on the amount of investments in Matrix Precision is 60% of the net assets of Matrix Precision.

Note 4: Significant intercompany accounts and transactions have been eliminated.