Mirle Automation Corporation and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Mirle Automation Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Mirle Automation 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 then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 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$517,204 thousand and NT$444,012 thousand, respectively, representing 4.43% and 3.84%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$250,088 thousand and NT$192,143 thousand, respectively, representing 3.67% and 2.64%, respectively, of the consolidated total liabilities; for the three months and six months ended June 30, 2025 and 2024, the amounts of combined comprehensive income (loss) of these subsidiaries were NT$17,372 thousand, NT$(2,646) thousand, NT$20,237 thousand and NT$(5,210) thousand, respectively, representing (5.11)%, (5.29)%, (6.34)% and (3.53)%, respectively, of the consolidated total comprehensive income (loss).

As disclosed in Note 12 to the consolidated financial statements, as of June 30, 2025 and 2024, the investments accounted for using the equity method amounted to NT$830,921 thousand and NT$368,333 thousand, respectively. For the three months and six months ended June 30, 2025 and 2024, the share of loss of associates accounted for using the equity method was NT$25,469 thousand, NT$4,038 thousand, NT$39,854 thousand and NT$16,110 thousand, respectively. Recognition and disclosures were based on unreviewed financial statements of the investees for the same reporting periods. These investment amounts, as well as the related information disclosed in Note 34 to the consolidated financial statements, were based on unreviewed financial statements of the investees for the same reporting periods as those of the Group.

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 and associates accounted for using the equity method 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 Ya-Yun Chang and Cheng-Chih Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 7, 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.

MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025 Amount	%	December 31, 2024 Amount	%	June 30, 2024 Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 30)	$ 1,478,011	13	$ 1,720,776	14	$ 1,799,073	16
Financial assets at fair value through profit or loss - current (Notes 7 and 30)	-	-	-	-	29,457	-
Contract assets - current (Notes 24 and 31)	4,906,085	42	5,039,146	40	4,663,954	40
Notes receivable (Notes 9, 24 and 30)	6,858	-	24,955	-	29,078	-
Accounts receivable (Notes 9, 24 and 30)	312,450	3	394,122	3	353,859	3
Receivables from related parties (Notes 24, 30 and 31)	53,757	-	67,055	1	8,064	-
Other receivables (Notes 9 and 30)	24,664	-	32,473	-	35,656	-
Other receivables from related parties (Notes 30 and 31)	1,563	-	1,500	-	1,609	-
Current tax assets (Notes 4 and 26)	18,015	-	17,241	-	-	-
Inventories (Note 10)	996,596	9	1,081,406	9	878,529	8
Other current assets (Notes 17 and 31)	175,501	1	230,116	2	99,169	1
Total current assets	7,973,500	68	8,608,790	69	7,898,448	68
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	152,516	2	166,784	1	152,396	1
Investments accounted for using the equity method (Note 12)	830,921	7	945,446	8	368,333	3
Property, plant and equipment (Notes 13 and 31)	2,348,211	20	2,449,898	19	2,492,040	22
Right-of-use assets (Note 14)	194,585	2	212,698	2	225,993	2
Other intangible assets (Note 16)	31,587	-	35,587	-	42,378	1
Goodwill (Note 15)	69,937	1	70,632	1	69,684	1
Deferred income tax assets (Notes 4 and 26)	18,139	-	13,164	-	13,185	-
Prepayments for equipment	21,771	-	22,924	-	21,460	-
Refundable deposits (Note 30)	32,786	-	33,347	-	41,812	-
Prepayments of investments (Note 17)	-	-	-	-	236,768	2
Other non-current assets (Note 17)	-	-	76	-	228	-
Total non-current assets	3,700,453	32	3,950,556	31	3,664,277	32
TOTAL	$ 11,673,953	100	$ 12,559,346	100	$ 11,562,725	100

LIABILITIES AND EQUITY	June 30, 2025 Amount	%	December 31, 2024 Amount	%	June 30, 2024 Amount	%
CURRENT LIABILITIES						
Short-term bank loans (Notes 18 and 30)	$ 1,100,000	9	$ 900,000	7	$ 2,700,000	23
Short-term bills payable (Notes 18 and 30)	-	-	-	-	149,973	1
Contract liabilities - current (Notes 24 and 31)	394,240	3	485,620	4	391,228	4
Notes payable (Note 30)	38,707	-	23,450	-	25,708	-
Accounts payable (Note 30)	2,853,981	25	3,474,295	28	2,487,334	22
Accounts payable to related parties (Notes 30 and 31)	178,798	2	182,445	2	44,228	1
Dividends payable (Notes 23 and 30)	71,586	1	-	-	97,766	1
Current tax liabilities (Notes 4 and 26)	9,043	-	21,106	-	23,051	-
Provisions - current (Note 21)	9,536	-	4,987	-	3,565	-
Lease liabilities - current (Notes 14 and 30)	25,381	-	25,459	-	25,311	-
Current portion of long-term bank loans (Notes 18 and 30)	222,934	2	182,445	1	318,716	3
Accrued expenses and other current liabilities (Notes 20, 30 and 31)	396,940	3	577,559	5	390,423	3
Total current liabilities	5,301,146	45	5,877,366	47	6,657,303	58
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Notes 7, 19 and 30)	4,705	-	1,000	-	-	-
Bonds payable (Notes 19 and 30)	937,175	8	946,423	8	-	-
Long-term bank loans (Notes 18 and 30)	284,869	3	160,860	1	230,240	2
Deferred income tax liabilities (Notes 4 and 26)	-	-	17,681	-	21,667	-
Lease liabilities - non-current (Notes 14 and 30)	148,490	1	162,259	1	175,052	1
Net defined benefit liabilities - non-current (Notes 4 and 22)	134,427	1	135,544	1	186,638	2
Guarantee deposits received (Notes 30 and 31)	748	-	748	-	748	-
Other non-current liabilities (Notes 20 and 30)	6,435	-	9,435	-	9,316	-
Total non-current liabilities	1,516,849	13	1,433,950	11	623,661	5
Total liabilities	6,817,995	58	7,311,316	58	7,280,964	63
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORPORATION (Notes 19, 23 and 29)						
Share capital						
Ordinary shares	2,045,312	17	2,045,312	16	1,955,312	17
Capital surplus	996,463	9	997,808	8	265,188	2
Retained earnings						
Legal reserve	1,038,600	9	1,023,232	8	1,023,232	9
Special reserve	-	-	135,152	1	135,152	1
Unappropriated earnings	892,769	8	964,565	8	842,596	7
Other equity						
Exchange differences on the translation of the financial statements of foreign operations	(233,173)	(2)	(40,250)	-	(50,897)	-
Unrealized valuation gain on financial assets at fair value through other comprehensive income	48,618	-	57,973	-	33,619	-
Total equity attributable to shareholders of the Corporation	4,788,589	41	5,183,792	41	4,204,202	36
NON-CONTROLLING INTERESTS (Notes 23, 28 and 29)	67,369	1	64,238	1	77,559	1
Total equity	4,855,958	42	5,248,030	42	4,281,761	37
TOTAL	$ 11,673,953	100	$ 12,559,346	100	$ 11,562,725	100

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

(With Deloitte & Touche review report dated August 7, 2025)

MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except (Loss) 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	%
NET SALES (Notes 24, 31 and 35)	$ 1,635,965	100	$ 1,743,603	100	$ 3,364,854	100	$ 3,174,598	100
OPERATING COSTS (Notes 10, 25 and 31)	1,296,041	79	1,398,710	81	2,719,324	80	2,592,635	82
GROSS PROFIT	339,924	21	344,893	19	645,530	20	581,963	18
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH ASSOCIATES	2,343	-	-	-	4,686	-	(25,113)	(1)
REALIZED GROSS PROFIT	342,267	21	344,893	19	650,216	20	556,850	17
OPERATING EXPENSES (Notes 25 and 31)								
Selling and marketing expense	96,864	6	95,997	6	189,245	6	179,944	5
General and administrative expense	122,724	7	129,810	7	238,249	7	214,427	7
Research and development expense	127,046	8	119,768	7	207,093	6	216,747	7
Expected credit (gain) loss (Notes 9 and 24)	(4,891)	-	6,594	-	(3,430)	-	2,130	-
Total operating expenses	341,743	21	352,169	20	631,157	19	613,248	19
OTHER OPERATING INCOME AND EXPENSES (Note 25)	2,207	-	(122)	-	2,180	-	(794)	-
PROFIT (LOSS) FROM OPERATIONS	2,731	-	(7,398)	(1)	21,239	1	(57,192)	(2)
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 25)	4,279	-	9,803	1	6,281	-	15,319	-
Other income (Notes 16, 25 and 31)	5,864	-	9,166	-	13,753	-	27,351	1
Other gains and losses (Notes 25 and 31)	(1,915)	-	(3,473)	-	(9,232)	-	(5,395)	-
Finance costs (Note 25)	(12,288)	(1)	(15,365)	(1)	(23,379)	(1)	(29,804)	(1)
Share of loss of associates (Note 12)	(25,469)	(1)	(4,038)	-	(39,854)	(1)	(16,110)	-
Foreign exchange (loss) gain, net (Note 33)	(135,289)	(8)	31,807	2	(119,355)	(3)	92,095	3
Total non-operating income and expenses	(164,818)	(10)	27,900	2	(171,786)	(5)	83,456	3
(LOSS) PROFIT BEFORE INCOME TAX	(162,087)	(10)	20,502	1	(150,547)	(4)	26,264	1
INCOME TAX (BENEFIT) EXPENSE (Notes 4 and 26)	(41,276)	(2)	5,819	-	(33,862)	(1)	(3,326)	-
NET (LOSS) PROFIT FOR THE PERIOD	(120,811)	(8)	14,683	1	(116,685)	(3)	29,590	1

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MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except (Loss) 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) (Notes 23 and 30)								
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	$ 1,886	-	$ 17,839	1	$ (9,355)	-	$ 23,588	1
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(220,756)	(13)	17,531	1	(193,101)	(6)	94,213	3
Other comprehensive (loss) income for the period	(218,870)	(13)	35,370	2	(202,456)	(6)	117,801	4
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	$ (339,681)	(21)	$ 50,053	3	$ (319,141)	(9)	$ 147,391	5
NET (LOSS) PROFIT ATTRIBUTABLE TO:								
Shareholders of the Corporation	$ (123,569)	(7)	$ 13,872	1	$ (119,994)	(3)	$ 25,371	1
Non-controlling interests	2,758	-	811	-	3,309	-	4,219	-
	$ (120,811)	(7)	$ 14,683	1	$ (116,685)	(3)	$ 29,590	1
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:								
Shareholders of the Corporation	$ (342,236)	(21)	$ 49,315	3	$ (322,272)	(9)	$ 143,245	5
Non-controlling interests	2,555	-	738	-	3,131	-	4,146	-
	$ (339,681)	(21)	$ 50,053	3	$ (319,141)	(9)	$ 147,391	5
(LOSS) EARNINGS PER SHARE (Note 27)								
Basic	$ (0.60)		$ 0.07		$ (0.59)		$ 0.13	
Diluted	$ (0.60)		$ 0.07		$ (0.59)		$ 0.13	

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

(With Deloitte & Touche review report dated August 7, 2025) (Concluded)

MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Shareholders of the Corporation										
	Share Capital			Retained Earnings			Other Equity				
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interest	Total Equity
BALANCE, JANUARY 1, 2024	195,531	$ 1,955,312	$ 286,543	$ 1,003,214	$ 127,377	$ 943,027	$ (145,183)	$ 10,031	$ 4,180,321	$ 60,608	$ 4,240,929
Appropriation of 2023 earnings											
Legal reserve	-	-	-	20,018	-	(20,018)	-	-	-	-	-
Special reserve	-	-	-	-	7,775	(7,775)	-	-	-	-	-
Cash dividends distributed by the Corporation - 5%	-	-	-	-	-	(97,766)	-	-	(97,766)	-	(97,766)
Other changes in capital surplus											
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(21,343)	-	-	-	-	-	(21,343)	-	(21,343)
Changes in percentage of ownership interests in subsidiaries	-	-	(12)	-	-	(243)	-	-	(255)	255	-
Net profit for the six months ended June 30, 2024	-	-	-	-	-	25,371	-	-	25,371	4,219	29,590
Other comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	94,286	23,588	117,874	(73)	117,801
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	25,371	94,286	23,588	143,245	4,146	147,391
Non-controlling interests	-	-	-	-	-	-	-	-	-	12,550	12,550
BALANCE, JUNE 30, 2024	195,531	$ 1,955,312	$ 265,188	$ 1,023,232	$ 135,152	$ 842,596	$ (50,897)	$ 33,619	$ 4,204,202	$ 77,559	$ 4,281,761
BALANCE, JANUARY 1, 2025	204,531	$ 2,045,312	$ 997,808	$ 1,023,232	$ 135,152	$ 964,565	$ (40,250)	$ 57,973	$ 5,183,792	$ 64,238	$ 5,248,030
Appropriation of 2024 earnings											
Legal reserve	-	-	-	15,368	-	(15,368)	-	-	-	-	-
Special reserve	-	-	-	-	(135,152)	135,152	-	-	-	-	-
Cash dividends distributed by the Corporation - 3.5%	-	-	-	-	-	(71,586)	-	-	(71,586)	-	(71,586)
Other changes in capital surplus											
Convertible bonds redeemed	-	-	(1,345)	-	-	-	-	-	(1,345)	-	(1,345)
Net (loss) profit for the six months ended June 30, 2025	-	-	-	-	-	(119,994)	-	-	(119,994)	3,309	(116,685)
Other comprehensive (loss) income for the six months ended June 30, 2025	-	-	-	-	-	-	(192,923)	(9,355)	(202,278)	(178)	(202,456)
Total comprehensive (loss) income for the six months ended June 30, 2025	-	-	-	-	-	(119,994)	(192,923)	(9,355)	(322,272)	3,131	(319,141)
BALANCE, JUNE 30, 2025	204,531	$ 2,045,312	$ 996,463	$ 1,038,600	$ -	$ 892,769	$ (233,173)	$ 48,618	$ 4,788,589	$ 67,369	$ 4,855,958

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

(With Deloitte & Touche review report dated August 7, 2025)

MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	$ (150,547)	$ 26,264
Adjustments for:		
Depreciation expenses	79,462	79,423
Amortization expenses	5,744	9,926
Expected credit loss (reversed) recognized on trade receivables	(3,430)	2,130
Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	3,588	(115)
Finance costs	23,379	29,804
Interest income	(6,281)	(15,319)
Dividend income	(2,471)	(627)
Share of loss of associates	39,854	16,110
(Gain) loss on disposal of property, plant and equipment	(2,202)	794
Reclassify property, plant and equipment as expenses	-	1,439
Loss on disposal of other intangible assets	22	-
Write-down of inventories	1,470	19,334
Unrealized gain on transactions with associates	-	25,113
Realized gain on transactions with associates	(4,686)	-
Net loss (gain) on foreign currency exchange	126,227	(75,172)
Gain on redemption of bonds payable	(1,676)	-
Gain on lease modification	-	(69)
Changes in operating assets and liabilities		
Contract assets	15,113	451,304
Notes receivable	18,069	87,513
Accounts receivable	82,862	38,224
Receivables from related parties	12,847	55,421
Other receivables	7,189	4,996
Other receivables from related parties	(63)	3,088
Inventories	84,492	14,770
Other current assets	55,560	39,721
Other non-current assets	76	172
Contract liabilities	(91,380)	(232,087)
Notes payable	15,257	(7,168)
Accounts payable	(602,818)	(89,630)
Accounts payable to related parties	(1,686)	(4,917)
Provisions	4,549	(340)
Accrued expenses and other current liabilities	(176,835)	(174,699)
Net defined benefit liabilities	(1,117)	(18,142)
Cash generated from (used in) operations	(469,432)	287,261
Income tax paid	(1,631)	(93,443)
Net cash (used in) generated from operating activities	(471,063)	193,818

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MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	**2024**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	$ -	$ (46,275)
Disposal of financial assets at amortized cost	-	135,035
Acquisition of financial assets at fair value through profit or loss	(50,000)	(20,000)
Disposal of financial assets at fair value through profit or loss	50,215	11,000
Acquisition of investments accounted for using the equity method	(30,000)	(326,303)
Net cash inflow on disposal of associates	17,385	-
Increase in prepayments for investments	-	(236,768)
Net cash outflow on acquisition of subsidiaries	-	(4,604)
Decrease in other receivables from related parties on disposal of subsidiaries	-	778,239
Acquisition of property, plant and equipment	(23,472)	(20,864)
Disposal of property, plant and equipment	22,250	-
Decrease in refundable deposits	473	34,056
Acquisition of intangible assets	(1,931)	(3,674)
Increase in prepayments for equipment	-	(19,514)
Decrease in prepayments for equipment	1,153	-
Interest received	6,909	18,027
Dividends received	2,471	627
Net cash (used in) generated from investing activities	(4,547)	298,982
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank loans	1,225,774	5,050,000
Decrease in short-term bank loans	(1,025,821)	(4,850,000)
Increase in short-term bills payable	99,910	898,915
Decrease in short-term bills payable	(99,910)	(900,000)
Repayments of bonds payable	(18,515)	-
Proceeds from long-term bank loans	300,000	-
Repayments of long-term bank loans	(135,502)	(204,400)
Repayment of the principal portion of lease liabilities	(12,505)	(12,757)
Interest paid	(13,708)	(28,400)
Net cash generated from (used in) financing activities	319,723	(46,642)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(86,878)	81,240
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(242,765)	527,398
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	1,720,776	1,271,675
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,478,011	$ 1,799,073

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

(With Deloitte & Touche review report dated August 7, 2025) (Concluded)

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

1. GENERAL INFORMATION

Mirle Automation Corporation (the "Corporation") was incorporated in Hsinchu Science Industrial Park, Republic of China (ROC) on February 2, 1989 and commenced business on March 16, 1989. The Corporation is mainly engaged in the business of automation equipment systems and its components, various parking facilities, medical equipment and the design, development, production and sale of the automation equipment used in these products, and also provides after-sales services for the products. The Corporation is also engaged in the leasing business and develops and sells software and databases that are used in automation equipment. Moreover, the Corporation also provides construction planning, installation, consulting and maintenance services for the above products.

The Corporation's shares were listed and have been trading on the Taiwan Stock Exchange (TWSE) since September 2001.

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 7, 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 Financial Supervisory Commission (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 Corporation and the entities controlled by the Corporation (collectively, the "Group") 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

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
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

(Concluded)

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.

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 1)
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 1: 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:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the 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 shareholders 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 shareholders of the Corporation.

See Note 11, Table 6 and Table 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

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

1) Retirement 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.

2) 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

Except for the following disclosures, the material accounting judgments and key sources of estimation uncertainty followed in these consolidated financial statements refer to the consolidated financial statements for the year ended December 31, 2024.

When developing material accounting estimates, the Corporation considers the possible impact of inflation, interest rate fluctuations, and U.S. reciprocal tariff measures on cash flow projections, growth rates, discount rates, profitability, and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	$ 1,025	$ 1,410	$ 1,526
Checking accounts	3	3	7
Demand deposits	1,142,652	1,252,828	1,051,712
Cash equivalents			
Time deposits with original maturities of 3 months or less	266,122	330,783	672,677
Time deposits with original maturities of more than 3 months but less than 1 year	68,209	135,752	73,151
	$ 1,478,011	$ 1,720,776	$ 1,799,073

Cash equivalents include time deposits with original maturities within 1 year from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

The market rates intervals of cash in bank at the end of the reporting period were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Bank balance	0.00%-4.00%	0.00%-4.75%	0.00%-5.44%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at fair value through profit or loss (FVTPL) - current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	$ -	$ -	$ 29,457
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Call and put options on convertible bonds, net (Note 19)	$ 4,705	$ 1,000	$ -

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2025	December 31, 2024	June 30, 2024
Non-current			
Investments in equity instruments at FVTOCI	$ 152,516	$ 166,784	$ 152,396
Domestic investments			
Listed shares	$ 59,731	$ 65,507	$ 39,040
Unlisted shares	12,300	13,777	16,098
Foreign investments			
Unlisted shares	80,485	87,500	97,258
	$ 152,516	$ 166,784	$ 152,396

The Corporation invested in HYE TECHNOLOGY CO., LTD., PHOENIX II INNOVATION VENTURE CAPITAL CO., LTD., TIEF FUND, L.P. and SHENZHEN HERTZ INNOVATIONS TECHNOLOGY CO., LTD. for medium- to long-term strategic purposes, and expects to make profit through long-term investments. 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 Corporation's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable			
At amortized cost			
Gross carrying amount	$ 6,892	$ 24,961	$ 29,084
Less: Allowance for impairment loss	(34)	(6)	(6)
	$ 6,858	$ 24,955	$ 29,078
Accounts receivable			
At amortized cost			
Gross carrying amount	$ 316,044	$ 399,690	$ 360,336
Less: Allowance for impairment loss	(3,594)	(5,568)	(6,477)
	$ 312,450	$ 394,122	$ 353,859
Other receivables			
Business tax	$ 9,813	$ 16,197	$ 17,836
Others	14,973	16,406	20,900
	24,786	32,603	38,736
Less: Allowance for impairment loss	(122)	(130)	(3,080)
	$ 24,664	$ 32,473	$ 35,656

a. Notes receivable and accounts receivable

The average credit period of sales of goods is 30 to 180 days.

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 Corporation 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 Corporation’s credit risk was significantly reduced.

The Corporation measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated with reference to the past default experience of the customer, the customer’s current financial position, the economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. The Corporation differentiates customer groups based on customer credit ratings and sets expected credit loss rates, respectively.

The Corporation writes off an accounts receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For accounts receivable that have been written off, the Corporation 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 notes receivable and accounts receivable:

June 30, 2025

	0 to 30 days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.66%	0.83%	0.99%	1.01%	3.22%	-
Gross carrying amount	$ 91,149	$ 44,567	$ 57,519	$ 94,500	$ 35,201	$ 322,936
Loss allowance (Lifetime ECLs)	(602)	(370)	(569)	(953)	(1,134)	(3,628)
Amortized cost	$ 90,547	$ 44,197	$ 56,950	$ 93,547	$ 34,067	$ 319,308

December 31, 2024

	0 to 30 days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.81%	0.95%	1.55%	1.13%	4.99%	-
Gross carrying amount	$ 115,997	$ 151,505	$ 91,938	$ 38,549	$ 26,662	$ 424,651
Loss allowance (Lifetime ECLs)	(944)	(1,443)	(1,421)	(435)	(1,331)	(5,574)
Amortized cost	$ 115,053	$ 150,062	$ 90,517	$ 38,114	$ 25,331	$ 419,077

June 30, 2024

	0 to 30 days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.89%	0.95%	0.88%	0.67%	7.39%	-
Gross carrying amount	$ 103,932	$ 79,734	$ 102,091	$ 55,897	$ 47,766	$ 389,420
Loss allowance (Lifetime ECLs)	(925)	(759)	(896)	(374)	(3,529)	(6,483)
Amortized cost	$ 103,007	$ 78,975	$ 101,195	$ 55,523	$ 44,237	$ 382,937

The above aging schedules were based on the number of days past due from the invoice date.

The movements of the loss allowance of notes receivable and accounts receivable were as follows:

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	$ 5,574	$ 12,471
Less: Amounts written off	-	(5,123)
Less: Net remeasurement of loss allowance	(1,571)	(1,125)
Foreign exchange gains and losses	(375)	260
Balance on June 30	$ 3,628	$ 6,483

As of December 31, 2024, the amounts of loss allowance, which included individually impaired notes receivable and accounts receivable of debtors in significant financial difficulty, were $515 thousand. The expected credit losses were recognized at the carrying amounts of notes receivable and accounts receivable. The Corporation does not hold any collateral against the balance of these notes receivable and accounts receivable.

The movements of the loss allowance of other receivables were as follows:

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	$ 130	$ 3,090
Less: Net remeasurement of loss allowance	(8)	(10)
Balance on June 30	$ 122	$ 3,080

10. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods	$ 520	$ 67	$ 1,340
Work in progress	710,704	782,058	509,755
Raw materials	285,372	284,632	367,434
Inventory in transit	-	14,649	-
	$ 996,596	$ 1,081,406	$ 878,529

The components of operating costs related to inventories are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Cost of inventories sold	$ 1,296,041	$ 1,398,710	$ 2,719,324	$ 2,592,635
(Reversal of) inventory write-downs	$ (4,596)	$ 1,301	$ 1,470	$ 19,334
Sale of scraps	$ (21)	$ (76)	$ (21)	$ (215)

Inventory write-downs were reversed as a result of increased selling prices in certain markets.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%)			
Investor	Investee	Nature of Activities	June 30, 2025	December 31, 2024	June 30, 2024	Remark
The Corporation	MIRTEK (BVI) CORP. LTD.	Investment	100.00	100.00	100.00	2
	DAVID INVESTMENT CO., LTD.	Investment	100.00	100.00	100.00	1
	MIRLE AUTOMATION INTER CORP. LTD.	Machinery installation construction, automatic warehousing and logistics equipment and cybernation equipment construction	100.00	100.00	100.00	1

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) June 30, 2025	December 31, 2024	June 30, 2024	Remark
The Corporation	MIRLE PEROVSKITE SOLAR CORP.	Engaged in the research, development, production, and sales of machinery equipment, system integration, and material application for the calcium-titanium solar energy industry	60.01	60.01	60.01	1
	FACTORY AUTOMATION INTERNATIONAL CO., LTD.	Design of computer application package software and sale of computer peripheral equipment	75.00	75.00	51.00	1
	ORIGTEK BUSINESS CO., LTD.	Engaged in the design and development of customized software and information system integration	51.52	51.52	51.52	1
MIRTEK (BVI) CORP. LTD.	MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD.	Developing, producing and selling of various packing machines, labeling machines, other food machinery, components of thermoforming models and automatic storage management equipment, logistics, other automated product systems and services and computer and network system integration and services	100.00	100.00	100.00	3
	MIRLE HOLDING CO., LTD.	Investment	-	-	100.00	1
DAVID INVESTMENT CO., LTD.	IOT SERVICES INFORMATION SYSTEM CORPORATION	Machinery and equipment manufacturing and installation construction, wholesale and retail sale of computing and business machinery equipment	88.39	88.39	88.39	1
FACTORY AUTOMATION INTERNATIONAL CO., LTD.	IOT SERVICES INFORMATION SYSTEM CORPORATION	Machinery and equipment manufacturing and installation construction, wholesale and retail sale of computing and business machinery equipment	11.61	11.61	11.61	1
IOT SERVICES INFORMATION SYSTEM CORPORATION	VAN QUOC INFORMATION TECHNOLOGY CONSULTING SERVICES CO., LTD.	Machinery and equipment installation construction, wholesale and retail sale of computing and business machinery equipment	100.00	100.00	100.00	1
	MIRLE DIGITECH (SHANGHAI) CO., LTD.	Industrial robot manufacturing, software development, and the production of computer hardware, software, and peripheral devices	100.00	100.00	-	1
ORIGTEK BUSINESS CO., LTD.	ORIGTEK INTELLIGENCE MALAYSIA SDN. BHD.	Engaged in the design and development of customized software and information system integration	100.00	100.00	100.00	1

(Concluded)

Remarks:

1) Company is an immaterial subsidiary; its financial statements have not been reviewed. Management considers that even if these financial statements are to be reviewed, they would not have a significant impact on the Corporation.

2) Company is a material subsidiary; its financial statements have been reviewed.

3) Its financial statements have been reviewed.

On October 11, 2023, the Corporation’s board of directors resolved the capital increase of USD20,000 thousand through the Corporation's third-party investment entity, MIRTEK (BVI) CORP. LTD., in MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD. As of April 26, 2024 and August 15, 2024, the amount of investment was US$10,000 thousand and US$4,000 thousand, respectively; as of August 7, 2025, the rest of the investment had not been made.

On April 22, 2024, the Corporation’s board of directors resolved the disposal of all shares and added a new equity recognition case for reinvesting in ORIGTEK BUSINESS CO., LTD. On March 20, 2024, the Corporation remitted an investment amount of $21,250 thousand to acquire 51.52% equity and control. Refer to Note 28 for further details.

In 2024, ORIGTEK BUSINESS CO., LTD. added a new equity recognition case for reinvesting in ORIGTEK INTELLIGENCE MALAYSIA SDN. BHD. and remitted an investment amount of MYR280 thousand to acquire 100% equity and control.

On May 20, 2024, FACTORY AUTOMATION INTERNATIONAL CO., LTD. invested $10,000 thousand in IOT SERVICES INFORMATION SYSTEM CORPORATION, and its percentage of ownership increased to 11.61%; the percentage of ownership of DAVID INVESTMENT CO., LTD. decreased to 88.39%. Refer to Note 29 for further details.

On August 19, 2024, MIRLE HOLDING CO., LTD. completed its liquidation and dissolution.

On November 11, 2024, IOT SERVICES INFORMATION SYSTEM CORPORATION made a new investment in MIRLE DIGITECH (SHANGHAI) CO., LTD., remitting RMB1,000 thousand to acquire 100% equity and control over the investee through MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD.

On November 1, 2024, the Corporation acquired 600 thousand shares of FACTORY AUTOMATION INTERNATIONAL CO., LTD. from other shareholders for $22,800 thousand, increasing its continuing interest from 51% to 75%.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2025	December 31, 2024	June 30, 2024
Investments in associates			
Associates that are not individually material			
SHENZHEN HICHAIN & MIRLE AUTOMATION CO., LTD.	$ 580,032	$ 665,169	$ 264,917
SHENZHEN KOMO INNOVATION ROBOT TECHNOLOGY CO., LTD.	118,551	148,759	-
MAIN DRIVE CORPORATION	91,166	98,502	83,963
ANSIMO ROBOTIC CORPORATION LTD.	30,000	-	-
SHENZHEN WEIDALI INNOVATION TECHNOLOGY CO., LTD.	11,172	13,656	-
MIRLE AUTOMATION TECHNOLOGY (GUANGDONG) CO., LTD.	-	19,360	19,453
	$ 830,921	$ 945,446	$ 368,333

On August 8, 2024, and December 26, 2024, the Corporation’s board of directors approved subscribed for 2,573 thousand and 1,800 thousand, respectively, ordinary shares of MAIN DRIVE CORPORATION for $46,314 thousand and $28,800 thousand in cash, which increased its shareholding ratio from 20.67% to 22.76% and decreased its shareholding ratio from 22.76% to 21.81%, respectively.

On December 26, 2023, the board of directors of MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD. resolved to subscribe for the cash capital increase of SHENZHEN HICHAIN & MIRLE AUTOMATION CO., LTD. for RMB149,000 thousand (including RMB3,000 thousand approved by the board of directors on March 17, 2022 but not yet invested). On March 14, 2024, May 11, 2024 and August 30, 2024, an investment of RMB60,000 thousand, RMB3,000 thousand and RMB86,000, respectively, was prepaid; its shareholding ratio increased from 36.17% to 40.00%.

On April 22, 2024, the board of directors decided to jointly establish SHENZHEN KOMO INNOVATION ROBOT TECHNOLOGY CO., LTD. with SHENZHEN KEDALI INDUSTRY CO., LTD. and MAIN DRIVE CORPORATION. As of July 1, 2024, the investment amount was RMB34,000 thousand in cash and the shareholding ratio was 34.00%.

On September 19, 2024, the Corporation's board of directors approved a new investment in SHENZHEN WEIDALI INNOVATION TECHNOLOGY CO., LTD. As of November 7, 2024, the investment amount was RMB3,000 thousand in cash, and the shareholding ratio was 30.00%.

On March 10, 2025, the Corporation's board of directors resolved to liquidate MIRLE AUTOMATION TECHNOLOGY (GUANGDONG) CO., LTD. In accordance with the liquidation agreement, the remaining investment was recovered in March 2025, and the deregistration process was completed on April 25, 2025.

On August 7, 2025, the Corporation's board of directors ratified a proposal on incorporating ANSIMO ROBOTIC CORPORATION LTD. with other companies in an aggregate amount of $30,000 thousand with an ownership interest of 30.00%.

a. Aggregate information of associates that are not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
The Corporation's share of:				
Net loss for the period	$ (25,469)	$ (4,038)	$ (39,854)	$ (16,110)

13. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2025	December 31, 2024	June 30, 2024
Assets used by the Group	$ 2,204,565	$ 2,304,716	$ 2,345,322
Assets leased under operating leases	143,646	145,182	146,718
	$ 2,348,211	$ 2,449,898	$ 2,492,040

	Assets Used by the Group							Assets Leased under Operating Leases	
	Freehold Land	Buildings and Ancillary Equipment	Machinery Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Work In Progress	Buildings and Ancillary Equipment	Total
Cost									
Balance on January 1, 2025	$ 179,901	$ 2,663,074	$ 261,215	$ 34,151	$ 93,221	$ 3,686	$ 14,661	$ 153,036	$ 3,402,945
Additions	-	-	10,340	1,199	3,167	324	2,148	-	17,178
Disposals	-	(24,935)	(9,341)	(3,001)	(4,457)	(679)	-	-	(42,413)
Reclassified	-	4,728	-	-	-	-	(5,673)	-	(945)
Effects of foreign currency exchange differences	-	(47,218)	(2,811)	(1,616)	(2,037)	(95)	(72)	-	(53,849)
Balance on June 30, 2025	$ 179,901	$ 2,595,649	$ 259,403	$ 30,733	$ 89,894	$ 3,236	$ 11,064	$ 153,036	$ 3,322,916
Accumulated depreciation									
Balance on January 1, 2025	$ -	$ 730,736	$ 138,732	$ 22,111	$ 46,433	$ 3,024	$ -	$ 7,854	$ 948,890
Depreciation expense	-	37,684	18,419	1,868	6,645	236	-	1,536	66,388
Disposals	-	(5,398)	(9,223)	(2,766)	(4,299)	(679)	-	-	(22,365)
Effects of foreign currency exchange differences	-	(17,197)	(2,499)	(1,117)	(1,491)	(61)	-	-	(22,365)
Balance on June 30, 2025	$ -	$ 745,825	$ 145,429	$ 20,096	$ 47,288	$ 2,520	$ -	$ 9,390	$ 970,548
Accumulated impairment									
Balance on January 1, 2025 and June 30, 2025	$ -	$ -	$ 4,157	$ -	$ -	$ -	$ -	$ -	$ 4,157
Carrying amount on June 30, 2025	$ 179,901	$ 1,849,824	$ 109,817	$ 10,637	$ 42,606	$ 716	$ 11,064	$ 143,646	$ 2,348,211
Carrying amount on December 31, 2024 and January 1, 2025	$ 179,901	$ 1,932,338	$ 118,326	$ 12,040	$ 46,788	$ 662	$ 14,661	$ 145,182	$ 2,449,898

(Continued)

	Assets Used by the Group							Assets Leased under Operating Leases	
	Freehold Land	Buildings and Ancillary Equipment	Machinery Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Work In Progress	Buildings and Ancillary Equipment	Total
Cost									
Balance on January 1, 2024	$ 179,901	$ 2,605,541	$ 288,880	$ 42,386	$ 98,363	$ 4,033	$ 63,898	$ 153,036	$ 3,436,038
Additions	-	-	7,460	640	1,784	12	9,512	-	19,408
Disposals	-	(11,879)	(50,175)	(6,218)	(10,328)	(638)	-	-	(79,238)
Acquisitions through business combinations	-	-	-	-	63	-	-	-	63
Reclassified	-	-	15,296	-	(1,196)	81	(18,877)	-	(4,696)
Effects of foreign currency exchange differences	-	20,656	1,279	754	968	(15)	1,814	-	25,456
Balance on June 30, 2024	$ 179,901	$ 2,614,318	$ 262,740	$ 37,562	$ 89,654	$ 3,473	$ 56,347	$ 153,036	$ 3,397,031
Accumulated depreciation									
Balance on January 1, 2024	$ -	$ 662,114	$ 161,324	$ 27,313	$ 46,777	$ 2,072	$ -	$ 4,782	$ 904,382
Depreciation expense	-	35,556	19,187	2,229	6,529	811	-	1,536	65,848
Disposals	-	(11,266)	(50,108)	(6,212)	(10,220)	(638)	-	-	(78,444)
Reclassified	-	-	(126)	-	(323)	-	-	-	(449)
Effects of foreign currency exchange differences	-	7,294	1,101	454	656	(8)	-	-	9,497
Balance on June 30, 2024	$ -	$ 693,698	$ 131,378	$ 23,784	$ 43,419	$ 2,237	$ -	$ 6,318	$ 900,834
Accumulated impairment									
Balance on January 1, 2024 and June 30, 2024	$ -	$ -	$ 4,157	$ -	$ -	$ -	$ -	$ -	$ 4,157
Carrying amount on June 30, 2024	$ 179,901	$ 1,920,620	$ 127,205	$ 13,778	$ 46,235	$ 1,236	$ 56,347	$ 146,718	$ 2,492,040

(Concluded)

Operating leases relate to leases of buildings and ancillary equipment with lease terms between 3 and 5 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Year 1	$ 4,361	$ 4,631	$ 4,631
Year 2	3,820	3,956	4,361
Year 3	3,184	3,820	3,820
Year 4	-	1,273	3,184
	$ 11,365	$ 13,680	$ 15,996

No impairment loss or reversal of impairment loss was recognized for the six months ended June 30, 2025 and 2024.

The above items of property, plant and equipment used by the Corporation are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and ancillary equipment	5-50 years
Machinery equipment	1-20 years
Transportation equipment	5-6 years
Office equipment	3-30 years
Leasehold improvement	1-2 years

The major component of the Corporation’s buildings comprises the main building of the plant and electromechanical power equipment, which are depreciated on a straight-line basis over their estimated useful lives of 40-50 years and 5-15 years, respectively.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount			
Land	$ 193,956	$ 211,912	$ 224,951
Transportation equipment	629	786	1,042
	$ 194,585	$ 212,698	$ 225,993

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Additions to right-of-use assets			$ -	$ 3,868
Depreciation charge for right-of-use assets				
Land	$ 6,449	$ 6,644	$ 12,917	$ 13,044
Transportation equipment	78	245	157	531
	$ 6,527	$ 6,889	$ 13,074	$ 13,575

Except for the aforementioned additions and recognized depreciation, the Corporation 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	$ 25,381	$ 25,459	$ 25,311
Non-current	$ 148,490	$ 162,259	$ 175,052

Range of discount rate for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.92%-2.16%	1.92%-2.16%	1.92%-2.16%
Transportation equipment	1.44%	1.44%	1.44%

c. Material leasing activities and terms

The Corporation leases land and transportation equipment for office space and operational uses with lease terms of 9-50 years and 3-4 years, respectively. The lease agreements do not contain renewal or purchase options.

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	$ 7,512	$ 5,378	$ 13,534	$ 8,989
Expenses relating to low-value asset leases	$ 2	$ 2	$ 4	$ 4
Total cash outflow for leases			$ (27,887)	$ (23,851)

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

15. GOODWILL

	June 30, 2025	December 31, 2024	June 30, 2024
Goodwill	$ 69,937	$ 70,632	$ 69,684

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	$ 70,632	$ 61,957
Additional amounts recognized from business combinations that occurred during the period (Note 28)	-	7,915
Effects of foreign currency exchange differences	(695)	(188)
Balance on June 30	$ 69,937	$ 69,684

16. OTHER INTANGIBLE ASSETS

	Service Concession Arrangements	Computer Software	Licenses and Franchises	Others	Total
Cost					
Balance on January 1, 2025	$ 9,389	$ 33,135	$ 23,000	$ 13,356	$ 78,880
Additions	-	1,931	-	-	1,931
Disposals	-	(10,329)	-	(7,567)	(17,896)
Effects of foreign currency exchange differences	-	(1,072)	-	(17)	(1,089)
Balance on June 30, 2025	$ 9,389	$ 23,665	$ 23,000	$ 5,772	$ 61,826

(Continued)

	Service Concession Arrangements	Computer Software	Licenses and Franchises	Others	Total
Accumulated amortization					
Balance on January 1, 2025	$ 5,633	$ 25,373	$ 2,660	$ 9,627	$ 43,293
Amortization expense	235	3,126	790	1,593	5,744
Disposals	-	(10,307)	-	(7,567)	(17,874)
Effects of foreign currency exchange differences	-	(909)	-	(15)	(924)
Balance on June 30, 2025	$ 5,868	$ 17,283	$ 3,450	$ 3,638	$ 30,239
Carrying amount on June 30, 2025	$ 3,521	$ 6,382	$ 19,550	$ 2,134	$ 31,587
Carrying amount on December 31, 2024 and January 1, 2025	$ 3,756	$ 7,762	$ 20,340	$ 3,729	$ 35,587
Cost					
Balance on January 1, 2024	$ 9,389	$ 37,061	$ 8,000	$ 79,525	$ 133,975
Additions	-	674	15,000	-	15,674
Disposals	-	(3,278)	-	-	(3,278)
Effects of foreign currency exchange differences	-	533	-	(5)	528
Balance on June 30, 2024	$ 9,389	$ 34,990	$ 23,000	$ 79,520	$ 146,899
Accumulated amortization					
Balance on January 1, 2024	$ 5,164	$ 22,261	$ 1,081	$ 68,961	$ 97,467
Amortization expense	234	4,858	790	4,044	9,926
Disposals	-	(3,278)	-	-	(3,278)
Effects of foreign currency exchange differences	-	409	-	(3)	406
Balance on June 30, 2024	$ 5,398	$ 24,250	$ 1,871	$ 73,002	$ 104,521
Carrying amount on June 30, 2024	$ 3,991	$ 10,740	$ 21,129	$ 6,518	$ 42,378

(Concluded)

The Corporation signed several power purchase agreements with Taiwan Power Company that would expire in 20 years starting from the date of interconnection of the electric generators. The gains for the six months ended June 30, 2025 and 2024, which were recognized as other income, amounted to $2,265 thousand and $2,401 thousand, respectively.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Service concession arrangements	20 years
Computer software	3-5 years
Licenses and Franchises	10-21 years
Others	3-10 years

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of depreciation by function				
Operating costs	$ 837	$ 1,950	$ 2,026	$ 4,313
Selling and marketing expenses	1	34	7	72
General and administrative expenses	1,067	2,080	2,546	3,941
Research and development expenses	437	847	1,165	1,600
	$ 2,342	$ 4,911	$ 5,744	$ 9,926

17. OTHER ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Other current assets			
Prepayments for purchases	$ 86,315	$ 156,914	$ 18,876
Overpaid VAT	18,643	3,357	2,669
Prepayments for construction	16,720	16,918	8,123
Prepayments for rent	16,038	13,463	10,996
Prepayments for software maintenance	10,833	5,172	7,466
Prepayments for foreign travel	2,296	4,780	8,522
Prepayments for consulting	1,411	8,124	14,837
Others	23,245	21,388	27,680
	$ 175,501	$ 230,116	$ 99,169
Non-current			
Prepayments of investments	$ -	$ -	$ 236,768
Other non-current assets			
Prepayments for software maintenance	$ -	$ 71	$ 214
Prepayments for rents	-	5	14
	$ -	$ 76	$ 228

On May 11, 2024, MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD. participated in the issuance of common stock of the associate of SHENZHEN HICHAIN & MIRLE AUTOMATION CO., LTD. in cash amounting to RMB52,000 thousand, which was completed in August 2024.

18. BORROWINGS

a. Short-term bank loans

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured borrowings			
Working capital loan	$ 1,100,000	$ 900,000	$ 2,700,000

The effective interest rates of the working capital loan were 1.85%-1.89%, 1.85%-1.88% and 1.80%-1.93% as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

b. Short-term bills payable

	June 30, 2025	December 31, 2024	June 30, 2024
Commercial paper	$ -	$ -	$ 150,000
Less: Unamortized discounts on bills payable	-	-	(27)
	$ -	$ -	$ 149,973

Outstanding short-term bills payable were as follows:

June 30, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
DAH CHUNG BILLS FINANCE CORP	$ 150,000	$ (27)	$ 149,973	1.63%	-	$ -

c. Long-term bank loans

	June 30, 2025	December 31, 2024	June 30, 2024
Secured borrowings			
Bank loans - expiring before June 17, 2028	$ 1,471	$ 1,707	$ -
Unsecured borrowings			
Bank loans - expiring before June 17, 2028	506,332	341,598	548,956
	507,803	343,305	548,956
Less: Current portion	(222,934)	(182,445)	(318,716)
	$ 284,869	$ 160,860	$ 230,240

The effective interest rates of the long-term bank loans were 1.23%-2.22%, 1.23%-2.22% and 1.23%-3.12% as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

The Group's secured borrowings are guaranteed by the Small and Medium Enterprises Credit Guarantee Fund.

19. BONDS PAYABLE

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured domestic convertible bonds	$ 937,175	$ 946,423	$ -

As of September 16, 2024, the Corporation issued 10 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of $1,000,000 thousand.

Each bond entitles the holder to convert it into ordinary shares of the Corporation at a conversion price of $80. Conversion may occur at any time between December 17, 2024 and September 16, 2027. If the bonds have not been converted, they will be repaid in cash according to the face value of the bonds within 10 business days after maturity.

Between three months following the issuance of the convertible corporate bonds (December 17, 2024) and 40 days before the maturity date (August 7, 2027), if the closing price of the Corporation's ordinary shares meets certain conditions, the Corporation may redeem all its bonds in cash within the next 30 business days. If the outstanding balance of the converted corporate bonds is less than 10% of the total face value of the original issue, the Corporation may, at any time, thereafter, exercise its right to redeem all of its bonds in cash.

The sell-back base date is September 16, 2020, two years after the issuance of the convertible bonds, allowing bondholders to sell them back in advance. Bondholders can sell back the convertible bonds on the sell-back base date. The Corporation was required to redeem the bonds it held in cash at 100.50% of their face value within the 40 days prior to the sell-back base date, with an annual yield of 0.25% on the sale.

Due to a cash capital increase and issuance of common shares, the Corporation adjusted the conversion price of the second domestic unsecured convertible bonds from $80 to $79, effective October 14, 2024.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2.03% per annum on initial recognition.

The Corporation redeemed bonds at fair market value in the open market. As of June 30, 2025, 197 lots of bonds were redeemed with a principal amount of $19,700 thousand. The redemption price was allocated between the liability and equity components. The difference between the amount allocated to the liability component and its carrying amount was recognized as a gain on redemption of $1,676 thousand for the six months ended June 30, 2025.

Proceeds from issuance (less transaction costs of $2,175 thousand)	$ 1,174,201
Equity component (less transaction costs allocated to the equity component of $428 thousand)	(230,748)
Derivative components on issuance date	(2,600)
Liability component at the date of issue (less transaction costs allocated to the liability component of $1,747 thousand)	940,853
Interest charged at an effective interest rate of 2.03%	5,570
Liability component on December 31, 2024	946,423
Interest charged at an effective interest rate of 2.03%	9,500
Convertible bonds redeemed	(18,748)
Liability component on June 30, 2025	$ 937,175

20. OTHER LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Accrued expenses and other current liabilities			
Salaries	$ 116,068	$ 136,510	$ 123,471
Bonuses	78,520	173,351	60,410
Temporary receipts	39,331	35,120	39,010
Outsourcing fees	26,428	36,690	27,633
Purchases of equipment	13,913	20,207	8,406

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Compensation of employees and remuneration of directors	$ 1,857	$ 3,919	$ 5,907
Others	120,823	171,762	125,586
	$ 396,940	$ 577,559	$ 390,423

Non-current

	June 30, 2025	December 31, 2024	June 30, 2024
Other non-current liabilities			
Long-term payables	$ 6,000	$ 9,000	$ 9,000
Others	435	435	316
	$ 6,435	$ 9,435	$ 9,316

(Concluded)

21. PROVISIONS - CURRENT

	June 30, 2025	December 31, 2024	June 30, 2024
Warranties	$ 9,536	$ 4,987	$ 3,565

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	$ 4,987	$ 3,905
Additional provisions recognized	43,903	23,480
Amount used	(39,289)	(23,867)
Effects of foreign currency exchange differences	(65)	47
Balance on June 30	$ 9,536	$ 3,565

The provision for warranty claims represents the present value of management’s best estimate of the future outflow of economic benefits that will be required under the Corporation’s obligations for warranties under contracts for the sale of goods. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

22. RETIREMENT BENEFIT PLANS

For the three months and six months ended June 30, 2025 and 2024, the pension expenses of defined benefit plans were $713 thousand, $997 thousand, $1,426 thousand and $1,993 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

23. EQUITY

a. Share capital

1) Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
Shares authorized (in thousands of shares)	250,000	250,000	250,000
Shares authorized	$ 2,500,000	$ 2,500,000	$ 2,500,000
Shares issued and fully paid (in thousands of shares)	204,531	204,531	195,531
Shares issued	$ 2,045,312	$ 2,045,312	$ 1,955,312

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

A total of 20,000 thousand ordinary shares are reserved for the exercise of employee share options, preferred shares with share options or bonds with attached share options.

On July 11, 2024, the Corporation’s board of directors resolved to issue 9,000 thousand ordinary shares with a par value of $10, for a consideration of $63 per share which increased the share capital issued and fully paid to $2,045,312 thousand. On August 20, 2024, the above transaction was approved by the FSC, and the subscription base date was determined by the board of directors to be October 14, 2024, and registered on October 24, 2024.

The Corporation's shareholders resolved to issue additional 2,000,000 restricted shares to employees in their annual general meeting held on May 26, 2025, which was approved under Rule No. 1140349594 issued by the FSC dated July 9, 2025. Subsequently, the board of directors resolved to the proposed issuance of 1,920,000 shares at an price of $0 per share on August 7, 2025.

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	$ 477,000	$ 477,000	$ -
Conversion of bonds	234,579	234,579	234,579
Treasury share transactions	22,351	19,150	19,150
Employee share options	15,822	15,822	-
<u>May only be used to offset a deficit</u>			
Share of changes in capital surplus of associates (2)	20,509	20,509	11,459
<u>May not be used for any purpose</u>			
Convertible bonds share warrants	226,202	230,748	-
	$ 996,463	$ 997,808	$ 265,188

1) 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).

2) Pursuant to IAS 28, if the Corporation subscribes for the shares of its associates at a percentage different from its existing ownership percentage, causing the proportion of ownership to change but still having significant influence on the associate, its adjusted capital surplus may only be used to offset deficit.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. If the surplus distribution is issued as cash dividends, the board of directors shall be authorized to distribute by special resolution and shall be reported to the shareholders in their meeting. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 25(h).

In accordance with the Corporation's Articles, the dividends policy is to enable the shareholders to have a share in the Corporation's profit, for continuous expansion of its business and stabilization of profitability. At least 30% of the dividends should be distributed to shareholders, and the total cash dividends paid in any given year should be at least 40% of the total dividends distributed.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. 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.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

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

	For the Year Ended December 31	
	2024	**2023**
Legal reserve	$ 15,368	$ 20,018
Special reserve	$ (135,152)	$ 7,775
Cash dividends	$ 71,586	$ 97,766
Cash dividends per share (NT$)	$ 0.35	$ 0.50

The above 2024 and 2023 appropriations for cash dividends were resolved by the Corporation's board of directors on March 10, 2025 and March 12, 2024, respectively; the other proposed appropriations were resolved by the shareholders in their meetings on May 26, 2025 and May 29, 2024, respectively.

d. Special reserve

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	$ 135,152	$ 127,377
Appropriations in respect of		
Debits to other equity items	-	7,775
Reversals:		
Reversal of the debits to other equity items	(135,152)	-
Balance on June 30	$ -	$ 135,152

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	$ (40,250)	$ (145,183)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	(192,923)	94,286
Other comprehensive income (loss) recognized for the period	(192,923)	94,286
Balance on June 30	$ (233,173)	$ (50,897)

2) Unrealized valuation gain on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	$ 57,973	$ 10,031
Recognized for the period		
Unrealized (loss) gain - equity instruments	(9,355)	23,588
Other comprehensive (loss) income recognized for the period	(9,355)	23,588
Balance on June 30	$ 48,618	$ 33,619

f. Non-controlling interests

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	$ 64,238	$ 60,608
Share in profit for the period	3,309	4,219
Other comprehensive loss during the period		
Exchange differences on the translation of the financial statements of foreign operations	(178)	(73)

(Continued)

	For the Six Months Ended June 30	
	2025	2024
Non-controlling interests arising from acquisition of subsidiaries (see Note 28)	$ -	$ 12,550
Changes in percentage of ownership interests in subsidiaries (see Note 29)	-	255
Balance on June 30	$ 67,369	$ 77,559

(Concluded)

24. 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 construction contracts	$ 1,224,704	$ 1,422,746	$ 2,736,855	$ 2,552,761
Revenue from the sale of goods	332,030	243,795	452,760	453,926
Revenue from the rendering of services	79,231	77,062	175,239	167,911
	$ 1,635,965	$ 1,743,603	$ 3,364,854	$ 3,174,598

a. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Notes receivable (Note 9)	$ 6,858	$ 24,955	$ 29,078	$ 116,247
Accounts receivable (Note 9)	$ 312,450	$ 394,122	$ 353,859	$ 385,809
Receivables from related parties (Note 31)	$ 53,757	$ 67,055	$ 8,064	$ 60,121
Contract assets - current				
Construction contracts	$ 4,906,085	$ 5,039,146	$ 4,663,954	$ 5,059,068
Contract liabilities - current				
Construction contracts	$ 234,994	$ 293,616	$ 241,641	$ 383,088
Sale of goods	159,246	192,004	149,587	240,227
	$ 394,240	$ 485,620	$ 391,228	$ 623,315

The Corporation measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the corresponding invoice is billed to the client, and the contract assets have substantially the same risk characteristics as the accounts receivable for the same types of contracts. Therefore, the Corporation concluded that the expected loss rates for accounts receivable can be applied to the contract assets.

	June 30, 2025	December 31, 2024	June 30, 2024
Expected credit loss rate	1.28%	1.29%	1.63%
Gross carrying amount	$ 4,969,928	$ 5,104,840	$ 4,741,190
Allowance for impairment loss (Lifetime ECLs)	(63,843)	(65,694)	(77,236)
	$ 4,906,085	$ 5,039,146	$ 4,663,954

The movements of the loss allowance of contract assets were as follows:

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	$ 65,694	$ 73,971
Add: Net remeasurement of loss allowance	-	3,265
Less: Net remeasurement of loss allowance	(1,851)	-
Balance on June 30	$ 63,843	$ 77,236

b. Disaggregation of revenue

	Reportable Segments		
	Intelligent Automation System and Equipment	Digital Technology Products and Industrial Controllers	Total
For the six months ended June 30, 2025			
Type of goods or services			
Revenue from construction contracts	$ 2,706,343	$ 30,512	$ 2,736,855
Revenue from the sale of goods	334,344	118,416	452,760
Revenue from the rendering of services	98,793	76,446	175,239
	$ 3,139,480	$ 225,374	$ 3,364,854
For the six months ended June 30, 2024			
Type of goods or services			
Revenue from construction contracts	$ 2,526,181	$ 26,580	$ 2,552,761
Revenue from the sale of goods	177,674	276,252	453,926
Revenue from the rendering of services	77,696	90,215	167,911
	$ 2,781,551	$ 393,047	$ 3,174,598

25. NET (LOSS) PROFIT FROM CONTINUING OPERATIONS

a. Other operating income and expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Gain (loss) on disposal of property, plant and equipment	$ 2,229	$ (122)	$ 2,202	$ (794)
Loss on disposal of other intangible assets	(22)	-	(22)	-
	$ 2,207	$ (122)	$ 2,180	$ (794)

b. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Bank deposits	$ 4,274	$ 9,704	$ 6,268	$ 15,211
Others	5	99	13	108
	$ 4,279	$ 9,803	$ 6,281	$ 15,319

c. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Grants income	$ 1,598	$ 2,812	$ 2,669	$ 15,524
Rental income	1,556	1,853	3,707	3,582
Concession income (Note 16)	1,265	1,294	2,265	2,401
Dividends	-	-	2,471	627
Others	1,445	3,207	2,641	5,217
	$ 5,864	$ 9,166	$ 13,753	$ 27,351

d. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Gain on redemption of bonds	$ 1,676	$ -	$ 1,676	$ -
Gain (loss) on financial assets and liabilities				
Financial liabilities held for trading	197	-	(3,803)	-
Financial assets mandatorily classified as at FVTPL	28	49	215	115
Gain on lease modification	-	-	-	69
Construction penalties	-	(20)	(1,703)	(20)
Other net loss	(3,816)	(3,502)	(5,617)	(5,559)
	$ (1,915)	$ (3,473)	$ (9,232)	$ (5,395)

e. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank loans	$ 6,636	$ 14,308	$ 12,035	$ 27,703
Interest on convertible bonds	4,746	-	9,500	-
Interest on lease liabilities	906	1,057	1,844	2,101
	$ 12,288	$ 15,365	$ 23,379	$ 29,804

f. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Property, plant and equipment	$ 32,911	$ 32,733	$ 66,388	$ 65,848
Right-of-use assets	6,527	6,889	13,074	13,575
Other intangible assets	2,342	4,911	5,744	9,926
	$ 41,780	$ 44,533	$ 85,206	$ 89,349
An analysis of depreciation by function				
Operating costs	$ 14,894	$ 15,012	$ 29,894	$ 30,171
Operating expense	24,544	24,610	49,568	49,252
	$ 39,438	$ 39,622	$ 79,462	$ 79,423
An analysis of amortization by function				
Operating costs	$ 837	$ 1,950	$ 2,026	$ 4,313
Operating expense	1,505	2,961	3,718	5,613
	$ 2,342	$ 4,911	$ 5,744	$ 9,926

Refer to Note 16 for information relating to the line items in which any amortization of intangible assets is included.

g. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Post-employment benefits				
Defined contribution plans	$ 18,975	$ 15,066	$ 33,926	$ 29,911
Defined benefit plans (Note 22)	713	997	1,426	1,993
	19,688	16,063	35,352	31,904

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Termination benefits	$ 305	$ 1,528	$ 11,200	$ 3,070
Other employee benefits	350,421	362,921	737,095	720,375
Total employee benefits expense	$ 370,414	$ 380,512	$ 783,647	$ 755,349
An analysis of employee benefits expense by function				
Operating costs	$ 202,408	$ 204,440	$ 464,455	$ 443,102
Operating expenses	168,006	176,072	319,192	312,247
	$ 370,414	$ 380,512	$ 783,647	$ 755,349

(Concluded)

h. Compensation of employees and remuneration of directors

According to the Corporation’s Articles, the Corporation accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. Following the amendment to the Securities and Exchange Act in August 2024, the Corporation has made an amendment to its Articles of Incorporation at the 2025 shareholders’ meeting, which will stipulate that no less than 0.5% of the profit before income tax, excluding the distribution of compensation of employees and remuneration of directors, will be allocated to compensation for rank-and-file employees. For the three months and six months ended June 30, 2025 and 2024, the Corporation had a pre-tax loss; therefore, compensation of employees and remuneration of directors were not estimated. The compensation of employees and the remuneration of directors for the three months and six months ended June 30, 2025 and 2024 are as follows:

Accrual rate

	For the Six Months Ended June 30, 2024
Compensation of employees	1%
Remuneration of directors	1.5%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Compensation of employees	$ (102)	$ 168	$ -	$ 168
Remuneration of directors	$ (153)	$ 252	$ -	$ 252

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

The appropriations of employees' compensation and remuneration of directors for 2024 and 2023 that were resolved by the board of directors on March 10, 2025 and March 12, 2024, respectively, are as shown below:

Amount

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	$ 1,072	$ 2,182
Remuneration of directors	$ 2,143	$ 3,274

There is 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.

26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	$ (1,661)	$ 2,989	$ 2,989	$ 6,459
Adjustments for prior years	(14,195)	15	(14,195)	(26,987)
Deferred tax				
In respect of the current period	(25,420)	2,815	(22,656)	17,202
Income tax (benefit) expense recognized in profit or loss	$ (41,276)	$ 5,819	$ (33,862)	$ (3,326)

b. Income tax assessments

The Corporation's income tax returns through 2023 have been assessed by the tax authorities.

27. (LOSS) EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Basic (loss) earnings per share	$ (0.60)	$ 0.07	$ (0.59)	$ 0.13
Diluted (loss) earnings per share	$ (0.60)	$ 0.07	$ (0.59)	$ 0.13

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

Net (Loss) Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
(Loss) profit for the period attributable to shareholders of the Corporation	$ (123,569)	$ 13,872	$ (119,994)	$ 25,371
(Loss) earnings used in the computation of basic (loss) earnings per share	$ (123,569)	$ 13,872	$ (119,994)	$ 25,371
Effect of potentially dilutive ordinary shares				
Compensation of employees	-	-	-	-
(Loss) earnings used in the computation of diluted (loss) earnings per share	$ (123,569)	$ 13,872	$ (119,994)	$ 25,371

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Weighted average number of ordinary shares used in the computation of basic (loss) earnings per share	204,531	195,531	204,531	195,531
Effect of potentially dilutive ordinary shares				
Compensation of employees	-	2	-	25
Weighted average number of ordinary shares used in the computation of diluted (loss) earnings per share	204,531	195,533	204,531	195,556

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

If the outstanding convertible bonds are converted, there would be an anti-dilutive effect; therefore, they were excluded from the computation of diluted losses per share.

28. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
ORIGTEK BUSINESS CO., LTD.	Engaged in the design and development of customized software and information system integration	March 20, 2024	51.52	$ 21,250

Refer to Note 11, the Corporation acquired 51.52% of the equity shares of ORIGTEK BUSINESS CO., LTD. in March 2024.

b. Consideration transferred

	ORIGTEK BUSINESS CO., LTD.
Cash	$ 21,250

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

	ORIGTEK BUSINESS CO., LTD.
Current assets	
Cash and cash equivalents	$ 16,646
Accounts receivable	2,479
Receivables from related parties	3,312
Other receivables	7,602
Other current assets	452
Non-current assets	
Property, plant and equipment	63
Refundable deposits	135
Current liabilities	
Current portion of long-term bank loans	(981)
Accrued expenses and other current liabilities	(935)
Non-current liabilities	
Long-term bank loans	(2,888)
	$ 25,885

At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have been finalized, and they have, therefore, only been provisionally determined based on management’s best estimate of the likely tax values.

d. Goodwill recognized on acquisitions

	ORIGTEK BUSINESS CO., LTD.
Consideration transferred	$ 21,250
Plus: Non-controlling interests	12,550
Less: Fair value of identifiable net assets acquired	(25,885)
Goodwill recognized on acquisitions	$ 7,915

The goodwill recognized in the acquisitions of ORIGTEK BUSINESS CO., LTD. mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforces of ORIGTEK BUSINESS CO., LTD. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

e. Net cash outflow on the acquisition of subsidiaries

	ORIGTEK BUSINESS CO., LTD.
Consideration paid in cash	$ 21,250
Less: Cash and cash equivalent balances acquired	(16,646)
	$ 4,604

f. Impact of acquisitions on the results of the Corporation

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	ORIGTEK BUSINESS CO., LTD.
Revenue	$ 10,042
Profit	$ 1,033

Had ORIGTEK BUSINESS CO., LTD. concluded the acquisition at the beginning of 2024, the Corporation’s revenue would have been $1,743,603 thousand and $3,176,390 thousand, and the profit would have been $14,683 thousand and $33,026 thousand for the three months and six months ended June 30, 2024, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Corporation that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2024, nor is it intended to be a projection of future results.

In determining the pro-forma revenue and profit of the Corporation had ORIGTEK BUSINESS CO., LTD. been acquired at the beginning of the financial year, the management considered the following:

1) The fair values of property, plant and equipment, rather than their carrying amounts recognized in the respective pre-acquisition financial statements at the initial accounting for the business combination, were used as the basis for the depreciation of property, plant and equipment.

2) Borrowing costs were estimated based on the financial status, credit rating and debt/equity position of the Corporation after the business combination.

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On May 20, 2024, FACTORY AUTOMATION INTERNATIONAL CO., LTD. invested in IOT SERVICES INFORMATION SYSTEM CORPORATION, and its percentage of ownership increased to 11.61%; the percentage of ownership of DAVID INVESTMENT CO., LTD. decreased to 88.39%.

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

	FACTORY AUTOMATION INTERNATIONAL CO., LTD.
Consideration received	$ 4,900
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	(5,155)
Differences recognized from equity transactions	$ (255)
Line items adjusted for equity transactions	
Capital surplus - changes in percentage of ownership interests in subsidiaries	$ (12)
Retained earnings	(243)
	$ (255)

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

June 30, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 937,175	$ -	$ 940,206	$ -	$ 940,206

December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 946,423	$ -	$ 945,400	$ -	$ 945,400

The fair values of the financial liabilities included in the Level 2 categories above have been determined in accordance with the income approach based on a discounted cash flow analysis.

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

1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ -	$ 59,731	$ -	$ 59,731
Domestic unlisted shares	-	-	12,300	12,300
Foreign unlisted shares	-	-	80,485	80,485
	$ -	$ 59,731	$ 92,785	$ 152,516
Financial liabilities at FVTPL				
Derivatives	$ -	$ 4,705	$ -	$ 4,705

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ -	$ 65,507	$ -	$ 65,507
Domestic unlisted shares	-	-	13,777	13,777
Foreign unlisted shares	-	-	87,500	87,500
	$ -	$ 65,507	$ 101,277	$ 166,784
Financial liabilities at FVTPL				
Derivatives	$ -	$ 1,000	$ -	$ 1,000

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 29,457	$ -	$ -	$ 29,457
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ -	$ 39,040	$ -	$ 39,040
Domestic unlisted shares	-	-	16,098	16,098
Foreign unlisted shares	-	-	97,258	97,258
	$ -	$ 39,040	$ 113,356	$ 152,396

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

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

Financial Assets	Financial Assets at FVTOCI Equity Instruments For the Six Months Ended June 30 2025	2024
Balance on January 1	$ 101,277	$ 57,703
Recognized in other comprehensive income	(3,579)	7,844
Purchases	-	46,275
Effects of foreign currency exchange differences	(4,913)	1,534
Balance on June 30	$ 92,785	$ 113,356

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

Financial Instrument	Valuation Technique and Inputs
Investments in equity instruments	Equity instruments measured at fair value through other comprehensive income or loss in Level 2 of the fair value hierarchy are subject to restrictions on transfer or sale, and their fair values are based on quoted prices in active markets for similar unrestricted equity instruments, after discounted prices are taken into account.
Derivatives - Call and put options on convertible bonds	Binomial tree valuation model: Use a binary tree to track the evolution of the key option variables over multiple discrete time steps from the evaluation date to the maturity date. Each node represents a possible price at a given time.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of unlisted shares is estimated based on the financial statements of the issuer of such shares or based on the observable price of stock of comparable companies at the end of the period. The estimated fair value is further evaluated by comparing the financial position and financial performance of the issuer with the comparable companies and by applying the implied value multiplier to the estimated price at the balance sheet date.

c. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ -	$ -	$ 29,457
Amortized cost			
Cash and cash equivalents	1,478,011	1,720,776	1,799,073
Notes receivable (including related parties)	6,858	24,955	29,078
Accounts receivable (including related parties)	366,207	461,177	361,923

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Other receivables (including related parties)	$ 16,414	$ 17,742	$ 19,429
Refundable deposits	32,786	33,347	41,812
Financial assets at FVTOCI			
Equity instruments	152,516	166,784	152,396
<u>Financial liabilities</u>			
FVTPL			
Held for trading	4,705	1,000	-
Amortized cost			
Short-term bank loans	1,100,000	900,000	2,700,000
Short-term bills payable	-	-	149,973
Notes payable	38,707	23,450	25,708
Accounts payable (including related parties)	3,032,779	3,656,740	2,531,562
Accrued expenses and other current liabilities	143,753	215,770	148,979
Bonds payable	937,175	946,423	-
Long-term bank loans (including current portion)	507,803	343,305	548,956
Guarantee deposits received	748	748	748
Long-term payables	6,000	9,000	9,000

(Concluded)

d. Financial risk management objectives and policies

The Corporation's financial risk management objectives are to manage market risk, credit risk and liquidity risk relating to the operations of the Corporation. To reduce the related financial risks, the Corporation is committed to identify, evaluate and avoid the uncertainty of the market to reduce the potentially negative effects of market volatility on the Corporation's financial performance.

The Corporation's important financial activities were reviewed by the management in accordance with relevant regulations and internal control system. During the execution of the financial plans, the Corporation strictly complied with the relevant financial operating procedures.

1) Market risk

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

There has been no change to the Corporation's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

Several subsidiaries of the Corporation have foreign currency denominated sales and purchases, which expose the Corporation to foreign currency risk.

The Corporation's main operating activities are foreign currency denominated sales and purchases, which expose the Corporation to the risk of exchange rate changes.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 33.

Sensitivity analysis

The Corporation is mainly exposed to the USD, RMB and JPY.

The following table details the Corporation's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for a 5% change in foreign currency rates. A negative number below indicates a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be positive.

	USD Impact		**RMB Impact**		**JPY Impact**	
	For the Six Months Ended June 30		**For the Six Months Ended June 30**		**For the Six Months Ended June 30**	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Profit or loss	$ (68,603)	$(108,294)	$ (1,826)	$ (22,854)	$ (107)	$ (356)

The Corporation's sensitivity to USD, RMB and JPY decreased during the period mainly due to a decrease in USD-, RMB- and JPY-denominated net assets.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Corporation by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Corporation'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			
Financial assets	$ 334,331	$ 466,535	$ 745,828
Financial liabilities	1,711,046	1,434,141	2,350,336
Cash flow interest rate risk			
Financial assets	1,142,652	1,252,828	1,051,712
Financial liabilities	1,007,803	943,305	1,248,956

Sensitivity analysis

The sensitivity analysis below was determined based on the Corporation's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole year. 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 Corporation's pre-tax profit for the six months ended June 30, 2025 and 2024 would have decreased by $5,039 thousand and $6,245 thousand, respectively, which was mainly attributable to the Corporation's exposure to cash flow interest rate risk on its variable-rate borrowings.

The Corporation's sensitivity to interest rates increased during the current year mainly due to the increase in variable rate debt instruments.

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 Corporation. At the end of the period, the Corporation's maximum exposure to credit risk, which would cause a financial loss to the Corporation due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Corporation, arises from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Corporation's concentration of credit risk of 47.18%, 52.28% and 51.82% of total amounts of accounts receivable and contract assets as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively, was attributable to the Corporation's ten largest customers in the property construction business segment. The concentration of credit risk of the remaining accounts receivable and contract assets was not significant.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation'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 Corporation relies on bank borrowings as a significant source of liquidity. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Corporation had available unutilized short-term bank loan facilities set out in (b) below.

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

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

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the period.

June 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years
Non-interest bearing (Note)	$ 283,154	$ 484,705	$ 111,128	$ -
Lease liabilities	2,391	4,783	21,524	162,550
Variable interest rate liabilities	17,549	135,437	579,622	287,986
Fixed interest rate liabilities	100,021	200,776	302,749	980,300
	$ 403,115	$ 825,701	$ 1,015,023	$ 1,430,836

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	20+ Years
Lease liabilities	$ 28,698	$ 92,529	$ 43,907	$ 26,114	$ -	$ -
Variable interest rate liabilities	732,608	287,986	-	-	-	-
Fixed interest rate liabilities	603,546	980,300	-	-	-	-
	$1,364,852	$1,360,815	$ 43,907	$ 26,114	$ -	$ -

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years
Non-interest bearing (Note)	$ 211,354	$ 532,395	$ 294,657	$ -
Lease liabilities	2,421	4,841	21,785	177,946
Variable interest rate liabilities	34,431	46,105	714,018	162,124
Fixed interest rate liabilities	150,077	150,247	-	1,000,000
	$ 398,283	$ 733,588	$ 1,030,460	$ 1,340,070

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	20+ Years
Lease liabilities	$ 29,047	$ 100,233	$ 47,868	$ 29,845	$ -	$ -
Variable interest rate liabilities	794,554	162,124	-	-	-	-
Fixed interest rate liabilities	300,324	1,000,000	-	-	-	-
	$1,123,925	$1,262,357	$ 47,868	$ 29,845	$ -	$ -

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years
Non-interest bearing (Note)	$ 216,294	$ 415,712	$ 97,683	$ -
Lease liabilities	2,471	4,892	21,785	192,469
Variable interest rate liabilities	34,681	370,332	621,993	232,769
Fixed interest rate liabilities	1,100,719	752,197	302,365	-
	$ 1,354,165	$ 1,543,133	$ 1,043,826	$ 425,238

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	20+ Years
Lease liabilities	$ 29,148	$ 107,065	$ 51,829	$ 33,575	$ -	$ -
Variable interest rate liabilities	1,027,006	232,769	-	-	-	-
	$1,056,154	$ 339,834	$ 51,829	$ 33,575	$ -	$ -

Note: Non-interest bearing liabilities do not include estimated accounts payable.

b) Financing facilities

	June 30, 2025	December 31, 2024	June 30, 2024
Long-term bank loan facilities:			
Amount used	$ 698,527	$ 570,443	$ 741,875
Amount unused	623,773	1,590,192	1,215,075
	$ 1,322,300	$ 2,160,635	$ 1,956,950
Short-term bank loan facilities:			
Amount used	$ 1,936,166	$ 1,743,320	$ 3,734,518
Amount unused	5,250,961	4,677,820	2,968,844
	$ 7,187,127	$ 6,421,140	$ 6,703,362

31. 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. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
MAIN DRIVE CORPORATION	Associate
MIRLE AUTOMATION TECHNOLOGY (GUANGDONG) CO., LTD.	Associate
SHENZHEN HICHAIN & MIRLE AUTOMATION CO., LTD.	Associate
JIANGSU HAIKUNMENG INTELLIGENT TECHNOLOGY CO., LTD.	Associate
MIRLE AUTOMATION (KUNSHAN) CO., LTD.	Associate
SHENZHEN KOMO INNOVATION ROBOT TECHNOLOGY CO., LTD.	Associate
I-MEI FOODS CO., LTD.	Key management personnel
I-MEI JISHENG CO., LTD.	Substantive related party
I-MEI BIOMEDICINE CO., LTD.	Substantive related party
I-MEI STORE COMPANY LTD.	Substantive related party
I-ME-I INFORMATION TECHNOLOGY CO., LTD.	Substantive related party
OPENFIND INFORMATION TECHNOLOGY INC.	Substantive related party
SHINE MEI FOODS MARKETING & DISTRIBUTION CO., LTD.	Substantive related party
FU MEI CO., LTD.	Substantive related party

b. Operating transaction

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Sales				
Associates				
JIANGSU HAIKUNMENG INTELLIGENT TECHNOLOGY CO., LTD.	$ 5,505	$ 11,815	$ 5,645	$ 305,709
Others	63,271	14,910	118,987	25,776
Key management personnel	1,655	2,378	5,672	2,408
Substantive related parties	535	144	535	439
	$ 70,966	$ 29,247	$ 130,839	$ 334,332
Purchases				
Associates				
SHENZHEN HICHAIN & MIRLE AUTOMATION CO., LTD.	$ 73,987	$ 100,049	$ 203,985	$ 100,049
Others	85,154	30,859	182,503	32,616
	$ 159,141	$ 130,908	$ 386,488	$ 132,665
Manufacturing expenses				
Associates	$ 6,365	$ -	$ 9,150	$ -
Substantive related parties	-	-	5	-
	$ 6,365	$ -	$ 9,155	$ -
Operating expenses				
Associates	$ 528	$ 85	$ 1,718	$ 95
Substantive related parties	47	136	143	171
	$ 575	$ 221	$ 1,861	$ 266
Other income				
Associates	$ 24	$ 24	$ 48	$ 48
Other gains and losses				
Substantive related parties				
I-MEI STORE COMPANY LTD.	$ 855	$ 585	$ 855	$ 585

Lease arrangements - the Group is lessor

Lease arrangements - the Group is lessor under operating leases

The Corporation leases out its plant and dormitory to its associate, MAIN DRIVE CORPORATION, under operating leases with lease terms of 3-5 years. As of June 30, 2025, December 31, 2024 and June 30, 2024, the balance of the operating lease receivable was $11,365 thousand, $13,680 thousand and $15,996 thousand, respectively. The amounts of lease income recognized for the three months and six months ended June 30, 2025 and 2024 were as follows:

	For the Three Months Ended June 30		**For the Six Months Ended June 30**	
Related Party Category/Name	**2025**	**2024**	**2025**	**2024**
Associates				
MAIN DRIVE CORPORATION	$ 1,157	$ 1,157	$ 2,315	$ 2,315

Acquisition of property, plant and equipment

	Purchase Price For the Six Months Ended June 30	
Related Party Category/Name	**2025**	**2024**
Associates	$ 220	$ -

Disposals of property, plant and equipment

	Proceeds For the Six Months Ended June 30		**Gain (Loss) on Disposal For the Six Months Ended June 30**	
Related Party Category/Name	**2025**	**2024**	**2025**	**2024**
Associates	$ 35	$ -	$ -	$ -

The products sold to related parties and purchases from related parties have no other suitable counterparties to compare with, so the collection and payment term are the same as general customers. Manufacturing expenses and operating expenses of the Corporation and related parties are outsourcing fee, management and support expenses, which are based on the prices decided by both parties and payment terms.

The transaction prices and payment terms for the acquisition and disposal of property, plant, and equipment across the Corporation and related parties are mutually negotiated and agreed upon.

c. Balances on balance sheet date

	June 30, 2025	**December 31, 2024**	**June 30, 2024**
Contract assets			
Associates	$ 148,267	$ 232,554	$ 166,545
Key management personnel	5,691	-	-
	$ 153,958	$ 232,554	$ 166,545

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Contract liabilities			
Associates	$ 1,737	$ 34,975	$ 7,053
Key management personnel	219	-	-
Substantive related parties	-	-	295
	$ 1,956	$ 34,975	$ 7,348
Accounts receivable from related parties			
Associates			
SHENZHEN HICHAIN & MIRLE AUTOMATION CO., LTD.	$ 48,237	$ 61,548	$ -
JIANGSU HAIKUNMENG INTELLIGENT TECHNOLOGY CO., LTD.	4,771	5,223	5,090
Others	656	38	397
Substantive related parties	93	122	92
Key management personnel			
I-MEI FOODS CO., LTD.	-	124	2,485
	$ 53,757	$ 67,055	$ 8,064
Accounts payable to related parties			
Associates			
MIRLE AUTOMATION (KUNSHAN) CO., LTD.	$ 87,667	$ 155,229	$ -
MAIN DRIVE CORPORATION	61,680	4,707	488
SHENZHEN HICHAIN & MIRLE AUTOMATION CO., LTD.	29,451	8,766	29,870
MIRLE AUTOMATION TECHNOLOGY (GUANGDONG) CO., LTD.	-	13,743	13,720
Others	-	-	150
	$ 178,798	$ 182,445	$ 44,228
Other receivables from related parties			
Associates			
MAIN DRIVE CORPORATION	$ 1,563	$ 1,500	$ 1,585
Others	-	-	24
	$ 1,563	$ 1,500	$ 1,609
Prepayments			
Associates			
SHENZHEN HICHAIN & MIRLE AUTOMATION CO., LTD.	$ 9,624	$ 127,250	$ 3,062
Others	-	18,243	-
Substantive related parties	108	63	176
	$ 9,732	$ 145,556	$ 3,238

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Accrued expenses and other current liabilities			
Associates	$ 7,207	$ 82	$ 89
Substantive related parties	855	-	666
	$ 8,062	$ 82	$ 755
Guarantee deposits received			
Associates			
MAIN DRIVE CORPORATION	$ 748	$ 748	$ 748

(Concluded)

No collateral is provided for the outstanding payables to related parties, which will be paid off by cash. The outstanding accounts receivable from related parties are unsecured. For the six months ended June 30, 2025 and 2024, no impairment losses were recognized for accounts receivable from related parties.

d. 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	$ 12,965	$ 15,293	$ 31,194	$ 32,946
Post-employment benefits	517	611	1,066	1,205
	$ 13,482	$ 15,904	$ 32,260	$ 34,151

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

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Corporation as of June 30, 2025 were as follows:

a. As of June 30, 2025, the endorsements/guarantees provided by the Corporation for MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD. amounted to $293,000 thousand.

b. On April 11, 2022, the Corporation received a notice from the Intellectual Property and Commercial Court that the Securities Investor and Futures Trader Protection Center (hereinafter referred to as the “Insurance Center”) filed a lawsuit against the Corporation’s financial statements from 2012 to 2017. For actual reasons, a lawsuit for damages was filed against the Corporation, its principal, directors, supervisors and accounting supervisors, and the requested amount was $158,959 thousand. The Corporation has appointed lawyers to deal with the lawsuit brought by Shanghai Kai Insurance Center, which has no significant impact on the Corporation’s financial and operation at this stage.

33. 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 were as follows:

(In thousands of foreign currencies)

	June 30, 2025	
	Foreign Currency	Exchange Rate
Financial assets		
Monetary items		
USD	$ 47,872	29.300 (USD:NTD)
USD	65	7.1586 (USD:RMB)
RMB	57,925	4.091 (RMB:NTD)
JPY	55,527	0.2034 (JPY:NTD)
Financial liabilities		
Monetary items		
USD	1,065	29.300 (USD:NTD)
USD	44	7.1586 (USD:RMB)
RMB	48,999	4.091 (RMB:NTD)
JPY	45,028	0.2034 (JPY:NTD)

	December 31, 2024	
	Foreign Currency	Exchange Rate
Financial assets		
Monetary items		
USD	$ 52,977	32.785 (USD:NTD)
USD	86	7.1884 (USD:RMB)
RMB	66,681	4.478 (RMB:NTD)
JPY	82,984	0.2099 (JPY:NTD)
Financial liabilities		
Monetary items		
USD	964	32.785 (USD:NTD)
USD	163	7.1884 (USD:RMB)
RMB	64,587	4.478 (RMB:NTD)
JPY	123,110	0.2099 (JPY:NTD)

	June 30, 2024		
	Foreign Currency		Exchange Rate
Financial assets			
Monetary items			
USD	$	68,390	32.450 (USD:NTD)
USD		691	7.1268 (USD:RMB)
RMB		145,104	4.445 (RMB:NTD)
JPY		44,127	0.2017 (JPY:NTD)
Financial liabilities			
Monetary items			
USD		1,252	32.450 (USD:NTD)
USD		1,084	7.1268 (USD:RMB)
RMB		42,272	4.445 (RMB:NTD)
JPY		8,488	0.2017 (JPY:NTD)
JPY		378	0.0447 (JPY:RMB)

For the three months and six months ended June 30, 2025 and 2024, realized and unrealized net foreign exchange (loss) gains were $(135,289) thousand, $31,807 thousand, $(119,355) thousand and $92,095 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

34. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

6) Intercompany relationships and significant intercompany transactions (Table 5)

b. Information on investees (Table 6)

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 7)

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 (None)

35. 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 sold, which are measured on the same basis as the Group's consolidated financial statements. The reported segments of the consolidated financial statements are the intelligent automation system and equipment segment and the digital technology products and industrial controller segment.

a. Segment revenue and results

	Segment Revenue		**Segment Income**	
	For the Six Months Ended June 30		**For the Six Months Ended June 30**	
	2025	**2024**	**2025**	**2024**
Intelligent automation system and equipment segment	$ 3,139,480	$ 2,781,551	$ 607,902	$ 507,307
Digital technology products and industrial controller segment	225,374	393,047	42,314	49,543
Total amounts from continuing operations	$ 3,364,854	$ 3,174,598	650,216	556,850
Unallocated amount:				
Operating expenses			(631,157)	(613,248)
Other gains and losses			2,180	(794)
Non-operating income and expenses			(171,786)	83,456
(Loss) income income tax			$ (150,547)	$ 26,264

The revenue reported above is generated from transactions with external customers. There were no sales between segments for the six months ended June 30, 2025 and 2024.

Segment profit refers to the profit earned by various segments, which exclude allocated operating expenses, other gains and losses and non-operating income and expenses. These measured amounts will be reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets

The measured amounts of the Group's assets were not reported to the chief operating decision maker, so the measured amount of segment assets was zero.

TABLE 1

MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Note 4)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 3)	Note
													Item	Value			
1	MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD.	The Corporation	Other current assets	Yes	$ 245,460	$ -	$ -	-	2	$ -	Working capital	$ -	-	$ -	$ 642,268	$ 642,268	-

Note 1: The total amount of financing provided to others shall not exceed 40% of the net value of the Corporation’s net value based on its most recent audited or reviewed financial statements. The limit of funds lent may not exceed 5% of the Corporation’s net value in the most recent audited or reviewed financial statements. However, foreign companies in which the Corporation directly and indirectly held 100% of the voting shares are not subject to the preceding restrictions in the preceding requirement, but their total amount of financing provided to others shall not exceed 40% of the Corporation’s net value.

Note 2: Nature of financing:

1. For business

2. For short-term financing

Note 3: The total amount of financing provided to others shall not exceed 40% of the Corporation’s net value in its most recent audited or reviewed financial statements. The total amount of financing provided by MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD. to others shall not exceed 40% of its net value in its most recent audited or reviewed financial statements.

Note 4: Financing limit approved by the board of directors.

TABLE 2

MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

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

Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	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	Note
	Name	Relationship											
The Corporation	MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD.	Note 1	$ 1,436,576	$ 293,000	$ 293,000	$ -	$ -	6	$ 2,394,294	Yes	No	Yes	-

Note 1: The Corporation’s indirect wholly-owned subsidiaries.

Note 2: The amount of guarantees provided by the Corporation to any individual entity shall not exceed 10% of the Corporation’s net worth. The aggregate amount of guarantees available shall not exceed 50% of the Corporation’s net worth. The aggregate amount of guarantees given by the parent company on behalf of subsidiaries or subsidiaries on behalf of the parent company shall not exceed 30% of the Corporation’s net worth.

TABLE 3

MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	HYE TECHNOLOGY CO., LTD.	-	Financial assets at FVTOCI - non-current	880,472	$ 59,731	2	$ 59,731	Note 1

Note 1: The market value was based on the fair value as of June 30, 2025.

Note 2: As of June 30, 2025, the above marketable securities had not been pledged or mortgaged.

Note 3: See Tables 6 and 7 for detailed information on subsidiaries and associates.

Note 4: The above table presents the securities that the company has identified for disclosure based on the materiality principle.

TABLE 4

MIRLE AUTOMATION 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, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Corporation	MAIN DRIVE CORPORATION	Associates	Purchases	$ 109,267	8.31	Net 90 days	$ -	-	$ 61,680	2.60	-
MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD.	SHENZHEN HICHAIN & MIRLE AUTOMATION CO., LTD.	Associates	Purchases	203,985	29.42	Net 60 days	-	-	28,942	5.09	-

Note: The actual capital amount is the actual amount from the parent company; the issuer of no par stock or par value stock less than $10 New Taiwan dollars shall follow the actual capital amount as 20% of the transaction amount rule; equity is calculated at 10% of the equity in the parent company’s balance sheet.

MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

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

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note 2)	% of Total Sales or Assets
0	The Corporation	MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD.	1	Accrued expenses and other current liabilities	$ 41,642	-	-
		IOT SERVICES INFORMATION SYSTEM CORPORATION	1	Sales	34,870	-	1
			1	Manufacturing expenses	33,505	-	1
			1	Accrued expenses and other current liabilities	65,567	-	1

Note 1: 1 represents transactions between the parent company and its subsidiaries.

Note 2: Sales and purchases between the parent company and its subsidiaries are handled in accordance with general sales and payment terms.

Note 3: The table presents the details of significant transactions and related party transactions that the company has determined must be disclosed based on the materiality principle.

TABLE 6

MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2025			Net (Loss) Income of the Investee	Share of (Loss) Profit	Note
				June 30, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
The Corporation	MIRTEK (BVI) CORP. LTD.	British Virgin Islands	Investment	$ 853,543	$ 853,543	26,641	100	$ 1,512,830	$ (4,879)	$ (4,879)	Subsidiary
	DAVID INVESTMENT CO., LTD	Taipei City	Investment	76,100	76,100	-	100	86,561	5,002	5,002	Subsidiary
	MIRLE PEROVSKITE SOLAR CORP.	Hsinchu County	Engaged in the research, development, production, and sales of machinery and equipment, system integration, and material applications for the calcium and titanium ore solar energy industry.	70,000	70,000	23,333,330	60.01	67,182	(1,250)	(750)	Subsidiary
	MIRLE AUTOMATION INTER CORP. LTD.	Thailand	Machinery installation construction, automatic warehousing and logistics equipment and cybernation equipment construction	103,921	103,921	10,299,998	100	70,911	2,373	2,373	Subsidiary
	FACTORY AUTOMATION INTERNATIONAL CO., LTD.	Hsinchu County	Computer application package software design, computer and peripheral equipment sales	64,875	64,875	1,875,000	75	94,316	12,915	9,686	Subsidiary
	ORIGTEK BUSINESS CO., LTD.	Taipei City	Engaged in the design and development of customized software and information system integration	21,250	21,250	850,000	51.52	23,082	1,197	617	Subsidiary
	MAIN DRIVE CORPORATION	Hsinchu County	Machinery and equipment manufacturing and installation construction, wholesale and retail sale of computing and business machinery equipment	252,239	252,239	19,419,000	21.81	91,166	(33,849)	(7,336)	Associate
	ANSIMO ROBOTIC CORPORATION LTD.	Taipei City	Research, development, manufacturing, and installation of intelligent industrial robots.	30,000	-	3,000,000	30	30,000	-	-	Associate
	FORMOSA MEDICAL DEVICES INC.	Taipei City	Medical equipment wholesale and retail	21,911	21,911	2,522,978	21.03	-	-	-	Note 2
DAVID INVESTMENT CO., LTD.	IOT SERVICES INFORMATION SYSTEM CORPORATION	Taipei City	Machinery and equipment manufacturing and installation construction, wholesale and retail sale of computing and business machinery equipment	76,100	76,100	7,610,000	88.39	86,558	5,659	5,002	Second-tier subsidiary
FACTORY AUTOMATION INTERNATIONAL CO., LTD.	IOT SERVICES INFORMATION SYSTEM CORPORATION	Taipei City	Machinery and equipment manufacturing and installation construction, wholesale and retail sale of computing and business machinery equipment	10,000	10,000	1,000,000	11.61	11,369	5,659	657	Second-tier subsidiary
IOT SERVICES INFORMATION SYSTEM CORPORATION	VAN QUOC INFORMATION TECHNOLOGY CONSULTING SERVICES CO., LTD.	Vietnam	Machinery and equipment installation construction, wholesale and retail sale of computing and business machinery equipment	15,520	15,520	-	100	31,819	1,385	1,385	Third-tier subsidiary
ORIGTEK BUSINESS CO., LTD.	ORIGTEK INTELLIGENCE MALAYSIA SDN. BHD.	Malaysia	Engaged in the design and development of customized software and information system integration	1,969	1,969	280,000	100	1,326	4	4	Second-tier subsidiary

Note 1: Refer to Table 7 for information on investments in mainland China.

Note 2: FORMOSA MEDICAL DEVICES INC. was dissolved on May 27, 2020, but the liquidation procedures have not been completed, yet.

TABLE 7

MIRLE AUTOMATION CORPORATION AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025	Note
					Outward	Inward							
MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD.	Developing, producing and selling of various packing machines, labeling machines, other food machinery, components of thermoforming models and automatic storage management equipment, logistics, other automated product systems and services and computer and network system integration and services	US$ 27,230 thousand (Note 2)	Note 1	US$ 25,610 thousand (Note 3)	$ -	$ -	US$ 25,610 thousand	$ (4,769)	100	$ (4,769) (Note 5)	$ 1,605,671	$ -	-
MIRLE AUTOMATION TECHNOLOGY (GUANGDONG) CO., LTD.	Selling and manufacturing of industrial automatic control system devices; technical services, development, consulting, communication, transfer and promotion; electronic components and electromechanical component equipment manufacturing and selling; hardware research development, manufacturing and wholesale; electronic product sales; distribution switcher control equipment manufacturing, power transmission and distribution and control equipment manufacturing; motor and its control system research and development; servo control mechanism manufacturing and sales; electromechanical coupling system research and development; electrical equipment manufacturing; intelligent control system integration	RMB 10,000 thousand (Note 2)	Note 1	-	-	-	-	(1,300)	-	(2,113) (Note 6)	-	-	-
SHENZHEN HICHAIN & MIRLE AUTOMATION CO., LTD.	Engaged in technical services, technical development, technical consultation; general machinery installation; intelligent control system integration, software development, material handling equipment sales, internet equipment sales, computer hardware and software and auxiliary equipment retail	RMB 415,000 thousand (Note 2)	Note 1	-	-	-	-	(48,388)	40	(13,034) (Note 6)	580,032	-	-

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025	Note
					Outward	Inward							
SHENZHEN KOMO INNOVATION ROBOT TECHNOLOGY CO., LTD.	Engaged in manufacturing of industrial robots; intelligent robot development; manufacturing of cog and gearbox; manufacturing of bearing, cog and gear; motor and its control system research and development; import and export of mechanical parts and parts processing goods; import and export of technique; hardware manufacturing; tooling manufacturing; technical services and technical development; software development.	RMB 74,000 thousand (Note 2)	Note 1	$ -	$ -	$ -	$ -	$ (35,564)	34	$ (16,197) (Note 6)	$ 118,551	$ -	-
SHENZHEN WEIDALI INNOVATION TECHNOLOGY CO., LTD.	Engaged in the research and development of motors and their control systems; manufacturing of electric motors; production of bearings, gears, and transmission components; precision machining of mechanical parts; sales of bearings, gears, and transmission components; distribution of mechanical and electrical equipment; import and export of goods; and technology trade.	RMB 9,000 thousand (Note 2)	Note 1	-	-	-	-	(3,381)	30	(1,174) (Note 6)	11,172	-	-
MIRLE DIGITECH (SHANGHAI) CO., LTD.	Engaged in technical services, technology development, consulting, exchange, transfer, and promotion; manufacturing of industrial robots; software development; production of computer hardware, software, and peripherals; manufacturing of specialized electronic equipment; precision machining of mechanical components; import and export of goods; and technology trade.	RMB 1,000 thousand	Note 4	RMB 1,000 thousand	-	-	RMB 1,000 thousand	1	100	1 (Note 6)	4,092	-	-

Company	Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Corporation	US$ 25,610 thousand	US$ 34,560 thousand	$ 2,873,153
IOT SERVICES INFORMATION SYSTEM CORPORATION	RMB 1,000 thousand	RMB 1,000 thousand	58,756

(Continued)

Note 1: By establishing MIRTEK (BVI) CORP. LTD. through investment in the third region and then invested in companies in mainland China.

Note 2: Accumulated outward remittance for investment from Taiwan is US$21,900 thousand. The amount of retained earnings transferred to ordinary shares is US$2,950 thousand and the investment amount of XINJI PHOTOELECTRIC CO., LTD. is US$2,380 thousand. After that, the Corporation acquired full ownership of MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD. through MIRTEK (BVI) CORP. LTD.; meanwhile, the Corporation reinvested in MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD. to acquire a 49% ownership of MIRLE AUTOMATION TECHNOLOGY (GUANGDONG) CO., LTD., a 40% ownership of SHENZHEN HICHAIN & MIRLE AUTOMATION CO., LTD, a 34% ownership of SHENZHEN KOMO INNOVATION ROBOT TECHNOLOGY CO., LTD. and a 30% ownership of SHENZHEN WEIDALI INNOVATION TECHNOLOGY CO., LTD. MIRLE AUTOMATION TECHNOLOGY (GUANGDONG) CO., LTD. completed the deregistration process on April 25, 2025.

Note 3: Accumulated outward remittance for investment from Taiwan is US$21,900 thousand. The Corporation obtained the shares of MIRLE AUTOMATION TECHNOLOGY (SHANGHAI) CO., LTD. by paying US$3,710 thousand to XINJI PHOTOELECTRIC CO., LTD.

Note 4: Indirect investment in the company of Mainland China through IOT SERVICES INFORMATION SYSTEM CORPORATION.

Note 5: Calculated by reviewed financial statements of the investees for the same reporting periods as those of the Corporation.

Note 6: Calculated by unreviewed financial statements of the investees for the same reporting periods as those of the Corporation.

(Concluded)