

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS  
WITH REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE NINE-MONTH PERIODS ENDED

30 September 2025 AND 2024

Notice to readers:

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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## **Independent Reviews’ Report Translated from Chinese**

To TURVO INTERNATIONAL CO., LTD.

### **Opinion**

We have reviewed the accompanying consolidated balance sheets of TURVO INTERNATIONAL CO., LTD. (the “Company”) and its subsidiaries as at 30 September 2025 and 2024, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2025 and 2024, and consolidated statements of changes in equity and cash flows for the nine-month periods ended 30 September 2025 and 2024, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these 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” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. 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 conducted in accordance with the Standards on Auditing of the Republic of China 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.

## **Qualified Conclusion**

Based on our reviews, 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 Company and its subsidiaries as at 30 September 2025 and 2024, and their consolidated financial performance for the three-month and nine-month periods ended 30 September 2025 and 2024, and cash flows for the nine-month periods ended 30 September 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” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Huang, Ching Ya  
Lo, Wen Chen  
Ernst & Young, Taiwan  
5 November, 2025

## **Notes to Readers**

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying parent company only financial statements are intended only to present the financial position, results of operations 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 audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
30 September 2025, 31 December 2024 and 30 September 2024  
(Expressed in Thousand New Taiwan Dollars)

Assets	Notes	As at		
		30 September 2025	31 December 2024	30 September 2024
<b>Current Assets</b>				
Cash and cash equivalents	4, 6(1)	\$1,125,504	\$700,020	\$589,878
Financial assets measured at amortized cost, current	4, 6(2), 8	261,487	479,076	438,058
Notes receivable	4, 6(13)	20,387	13,344	18,357
Accounts receivable, net	4, 5, 6(3),6(13),7	809,596	847,924	862,949
Other receivables		34,260	26,210	52,509
Inventories, net	4,5, 6(4)	818,620	871,976	795,747
Prepayment		61,532	51,655	61,259
Other current assets		79,808	42,424	42,198
Total current assets		<u>3,211,194</u>	<u>3,032,629</u>	<u>2,860,955</u>
<b>Non-current assets</b>				
Financial assets measured at amortized cost, non-current	4, 6(2)	707,437	588,279	582,667
Property, plant and equipment	4, 6(5),7,8	2,218,191	2,274,985	2,233,922
Right of use assets	4, 6(14)	155,328	135,967	147,238
Intangible assets	4	20,819	12,069	10,498
Deferred tax assets	4, 6(18)	17,930	15,675	13,368
Other non-current assets	6(6)	44,884	27,560	83,026
Total non-current assets		<u>3,164,589</u>	<u>3,054,535</u>	<u>3,070,719</u>
Total assets		<u>\$6,375,783</u>	<u>\$6,087,164</u>	<u>\$5,931,674</u>

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

(continued)

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
30 September 2025, 31 December 2024 and 30 September 2024  
(Expressed in Thousand New Taiwan Dollars)

Liabilities and Equity	Notes	As at		
		30 September 2025	31 December 2024	30 September 2024
<b>Current liabilities</b>				
Short-term loans	4,6(7)	\$1,188,080	\$448,000	\$485,000
Contract liabilities, current	6(12)	-	420	-
Notes payable	7	70,202	62,865	91,459
Accounts payable		266,390	310,885	302,355
Other payables	6(8)	255,675	352,529	292,609
Current tax liabilities	4, 6(18)	53,239	97,287	78,942
Current lease liabilities	4, 6(14)	47,677	33,904	34,506
Other current liabilities		79,884	46,961	55,125
Long-term borrowings (including current portion with maturity less than 1 year)	4, 6(9)	101,394	83,525	83,525
Total current liabilities		2,062,541	1,436,376	1,423,521
<b>Non-current liabilities</b>				
Long-term loans	4, 6(9)	367,664	448,177	469,059
Deferred tax liabilities	4, 6(18)	80,088	49,182	49,683
Non-current lease liabilities	4, 6(14)	111,100	97,801	104,705
Other non-current liabilities		257	547	271
Total non-current liabilities		559,109	595,707	623,718
Total liabilities		2,621,650	2,032,083	2,047,239
<b>Equity attributable to the parent company</b>				
<b>Capital</b>				
Common stock	6(11)	602,881	602,881	602,881
Additional paid-in capital		818,217	818,217	818,217
<b>Retained earnings</b>				
Legal reserve		564,270	498,167	498,167
Special reserve		37,648	170,106	170,106
Retained earnings		1,942,271	1,995,425	1,852,861
Total Retained earnings		2,544,189	2,663,698	2,521,134
<b>Other components of equity</b>				
Exchange differences on translation of foreign operations - the parent company		(216,303)	(37,648)	(67,237)
Equity attributable to owners of the parent		3,748,984	4,047,148	3,874,995
Non-controlling interests	6(11)	5,149	7,933	9,440
Total equity		3,754,133	4,055,081	3,884,435
<b>Total liabilities and equity</b>		\$6,375,783	\$6,087,164	\$5,931,674

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

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the three-month and nine-month periods ended 30 September 2025 and 2024  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
		2025	2024	2025	2024
Net Sales	4, 6(12),7	\$793,678	\$963,997	\$2,509,020	\$2,769,158
Cost of Sales	6(4), 6(10),6(14), 6(15)	(548,732)	(599,055)	(1,728,565)	(1,742,160)
Gross Profit		244,946	364,942	780,455	1,026,998
Operating Expenses	6(10),6(14), 6(15)				
Selling and marketing		(12,567)	(14,210)	(43,264)	(48,377)
Management and administrative		(70,106)	(91,377)	(217,255)	(242,943)
Research and development		(62,411)	(68,765)	(187,314)	(194,832)
Expected credit (losses) gains	6(13)	5	(1,529)	(1,746)	(1,786)
Total Operating Expenses		(145,079)	(175,881)	(449,579)	(487,938)
Operating Income		99,867	189,061	330,876	539,060
Non-operating income and expenses					
Other income	6(16)	14,089	26,210	39,764	52,487
Other gains and loss		14,773	2,073	4,208	18,346
Financial costs	4	(6,600)	(2,546)	(15,985)	(5,756)
Total non-operating income and expenses		22,262	25,737	27,987	65,077
Income from continuing operations before income tax		122,129	214,798	358,863	604,137
Income tax income (expense)	4, 6(18)	(19,670)	(28,357)	(58,985)	(87,584)
Net income		102,459	186,441	299,878	516,553
Other comprehensive income	6(17)				
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		81,555	(21,790)	(190,358)	103,831
Income tax related to items that may be reclassified subsequently	6(18)	(16,278)	-	11,549	-
Total other comprehensive (loss) income, net of tax		65,277	(21,790)	(178,809)	103,831
Total comprehensive income		\$167,736	\$164,651	\$121,069	\$620,384
Net income attributable to:					
Stockholders of the parent		\$103,371	\$187,364	\$302,508	\$518,464
Non-controlling interests		(912)	(923)	(2,630)	(1,911)
		\$102,459	\$186,441	\$299,878	\$516,553
Comprehensive income attributable to:					
Stockholder of the parent		\$168,482	\$164,411	\$123,853	\$621,333
Non-controlling interests		(746)	240	(2,784)	(949)
		\$167,736	\$164,651	\$121,069	\$620,384
Earnings per share	6(19)				
Earnings per share-basic (NTD)		\$1.71	\$3.11	\$5.02	\$8.60
Earnings per share-diluted (NTD)		\$1.71	\$3.09	\$5.00	\$8.56

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

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the nine-month periods ended 30 September 2025 and 2024  
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Total	Non- Controlling Interests	Total Equity
Balance as of 1 January 2024	6(10)	\$602,881	\$818,217	\$444,771	\$137,354	\$1,740,072	\$(170,106)	\$3,573,189	\$10,389	\$3,583,578
Appropriations of earnings, 2024										
Legal reserve				53,396		(53,396)		-		-
Special reserve					32,752	(32,752)		-		-
Cash dividends						(319,527)		(319,527)		(319,527)
Net income(loss) for the nine-month period ended 30 September 2024						518,464		518,464	(1,911)	516,553
Other comprehensive income, net of tax for the nine-month period ended 30 September 2024							102,869	102,869	962	103,831
Total comprehensive income (loss)		-	-	-	-	518,464	102,869	621,333	(949)	620,384
Balance as of 30 September 2024		<u>\$602,881</u>	<u>\$818,217</u>	<u>\$498,167</u>	<u>\$170,106</u>	<u>\$1,852,861</u>	<u>\$(67,237)</u>	<u>\$3,874,995</u>	<u>\$9,440</u>	<u>\$3,884,435</u>
Balance as of 1 January 2025	6(10)	\$602,881	\$818,217	\$498,167	\$170,106	\$1,995,425	\$(37,648)	\$4,047,148	\$7,933	\$4,055,081
Appropriations of earnings, 2024										
Legal reserve				66,103		(66,103)		-		-
Special reserve					(132,458)	132,458		-		-
Cash dividends						(422,017)		(422,017)		(422,017)
Net income(loss) for the nine-month period ended 30 September 2025						302,508		302,508	(2,630)	299,878
Other comprehensive loss, net of tax for the nine-month period ended 30 September 2025							(178,655)	(178,655)	(154)	(178,809)
Total comprehensive income (loss)		-	-	-	-	302,508	(178,655)	123,853	(2,784)	121,069
Balance as of 30 September 2025		<u>\$602,881</u>	<u>\$818,217</u>	<u>\$564,270</u>	<u>\$37,648</u>	<u>\$1,942,271</u>	<u>\$(216,303)</u>	<u>\$3,748,984</u>	<u>\$5,149</u>	<u>\$3,754,133</u>

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

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the nine-month periods ended 30 September 2025 and 2024  
(Expressed in Thousand New Taiwan Dollars)

	For the nine-month periods ended 30 September	
	2025	2024
Cash flows from operating activities:		
Net income before tax	\$358,863	\$604,137
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	238,937	225,530
Amortization	5,901	4,828
Expected credit losses	1,746	1,786
Interest cost	15,985	5,756
Interest income	(27,074)	(13,348)
Gain on disposal of property, plant and equipment	(10,772)	(2,803)
Loss (Gains) from price recovery of inventory	21,261	(4,479)
Changes in operating assets and liabilities:		
Notes receivable	(7,948)	(18,188)
Accounts receivable	5,891	(65,551)
Other receivables	10,201	(34,383)
Inventories, net	10,796	(32,090)
Prepayments	(14,700)	18,427
Other current assets	(37,383)	(1,987)
Contract liabilities	(420)	(300)
Notes payable	7,336	(40,588)
Accounts payable	(44,399)	(18,565)
Other payables	(125,276)	40,947
Other current liabilities	32,923	(7,160)
Other non-current liabilities	(290)	10
Cash generated from operations	441,578	661,979
Income tax paid	(60,964)	(93,094)
Net cash flows from operating activities	380,614	568,885

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

(continued)

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the nine-month periods ended 30 September 2025 and 2024  
(Expressed in Thousand New Taiwan Dollars)

(Continued)	For the nine-month periods ended 30 September	
	2025	2024
Cash flows from investing activities:		
Financial assets measured at amortized cost, current	98,430	(1,019,500)
Acquisition of property, plant and equipment	(153,949)	(255,182)
Proceeds from disposal of property, plant and equipment	12,089	10,160
Acquisition of intangible assets	(9,497)	(2,068)
Increase in other non-current assets	(25,887)	(63,486)
Interest receive	8,822	10,893
Net cash used in investing activities	(69,992)	(1,319,183)
Cash flows from financing activities:		
Increase in short-term loans	5,442,200	923,000
Decrease in short-term loans	(4,702,120)	(438,000)
Decrease in long-term loans (including current portion with maturity less than 1 year)	(62,644)	(87,643)
Lease principal repayment	(29,511)	(45,142)
Cash dividends paid	(422,017)	(319,527)
Interest paid	(15,700)	(5,520)
Net cash flows from financing activities	210,208	27,168
Effect of exchange rate changes	(95,346)	26,282
Net increase in cash and cash equivalents	425,484	(696,848)
Cash and cash equivalents at beginning of period	700,020	1,286,726
Cash and cash equivalents at end of period	\$1,125,504	\$589,878

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

## TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

For the nine-month periods ended 30 September 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

#### 1. HISTORY AND OPERATIONS

Turvo International Co., Ltd. (the Company) was incorporated in 1987 to manufacture and market air tools, machine elements, hardware parts, wood lathes, and wood planers used on these products. Additionally, the Company also process, manufacture, and market optical elements. Based on the purpose of management operation, the Company conduct a simple merge with the 100% owned reinvestment companies - Yubo investment Co., Ltd. and Yuli investment Co., Ltd., after the resolution of the board of directors' meeting in June 2010, to set 1 August 2010 as the consolidation basis date. The company is a consolidated surviving company.

The Company applied to be listed on the GreTai Securities Market and was authorized for trading over the counter on 14 November 2011. On 28 June 2019, the Company was authorized to be listed on Taiwan Stock Exchange and was officially listed on 17 September 2019. The main registered location and operating base are in NO. 59, Jing 2 Rd., Taichung Harbor Export Processing Zone, Wuci Dist., Taichung City 435, Taiwan. Zeng Hsing Industrial Co., Ltd. is the parent company of the Company, and the ultimate controlling party of the group.

#### 2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the nine-month periods ended 30 September 2025 and 2024 were authorized for issue by the Company’s board of directors on 5 November 2025.

#### 3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are endorsed by the Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2025. The adoption of these new standards and amendments had no material impact on the Group.

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 17 “Insurance Contracts”	January 1, 2023
b	Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” - Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
c	Annual Improvements to IFRS Accounting Standards -Volume 11	January 1, 2026
d	Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature dependent Electricity”	January 1, 2026

(a) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects, including recognition, measurement, presentation, and disclosure requirements. The core of IFRS 17 is the General (building block) Model. Under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

In addition to the General Model, the Standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (the Premium Allocation Approach), which is primarily applicable to short-duration contracts.

IFRS 17 was originally issued in May 2017 and subsequently amended in 2020 and 2021. These amendments deferred the effective date by two years (from January 1, 2021, to January 1, 2023) through transitional provisions, granted additional exemptions, reduced the cost of implementation by simplifying certain requirements, and revised others to improve clarity and consistency. Upon its effective date, IFRS 17 replaces the interim standard, IFRS 4 "Insurance Contracts."

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” - Amendments to the Classification and Measurement of Financial Instruments

- (1) Clarify that a financial liability is derecognized on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

(c) Annual Improvements to IFRS Accounting Standards -Volume 11

- (1) Amendments to IFRS 1
- (2) Amendments to IFRS 7
- (3) Amendments to the implementation guidance of IFRS 7.
- (4) Amendments to IFRS 9
- (5) Amendments to IFRS 10
- (6) Amendments to IAS 7

(d) Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature Dependent Electricity”

- (1) Clarify the application of the “own-use” requirements
- (2) Permit hedge accounting if these contracts are used as hedging instruments
- (3) Increasing disclosure requirements in the notes to help investors understand the impact of such contracts on the company's financial performance and cash flows.

The amendments will apply for annual reporting periods beginning on 1 January

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

2026. The new or amended standards and interpretations have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
c	IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: On September 25, 2025, the Financial Supervisory Commission announced in its press release that Taiwan will adopt International Financial Reporting Standard (IFRS) 18 starting from 2028.

- (a) Amendments to IFRS 10 “Consolidated Financial Statements” (IFRS 10) and IAS 28 “Investments in Associates and Joint Ventures” (IAS 28) - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 and IAS 28, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 “Business Combinations” (IFRS 3) between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined

## TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

#### (b) IFRS 18 "Presentation and Disclosure in Financial Statements"

This standard will replace IAS 1 Presentation of Financial Statements, with the main changes as follows:

##### (1) Improved comparability in the statement of profit or loss

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

##### (2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance.

##### (3) Aggregation of Useful Financial Information"

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

#### (c) IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures"

Simplify the disclosure requirements for subsidiaries without public accountability, and allow subsidiaries that meet the definition to opt for the application of this standard.

## TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. Aside from the company currently assessing the potential impact of the newly issued or amended standards or interpretations in (b), and being temporarily unable to reasonably estimate their effects on the Company, the other new or amended standards and interpretations have no material impact on the Company.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (1) Statement of Compliance

The consolidated financial statements of the Group for the nine-month periods ended 30 September 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

##### (2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NTD") unless otherwise stated.

##### (3) Basis of consolidation

###### Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- B. exposure, or rights, to variable returns from its involvement with the

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

investee, and

- C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- A. the contractual arrangement with the other vote holders of the investee
- B. rights arising from other contractual arrangements
- C. the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

- A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- B. derecognizes the carrying amount of any non-controlling interest;
- C. recognizes the fair value of the consideration received;
- D. recognizes the fair value of any investment retained;

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- E. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss; and
- F. recognizes any surplus or deficit in profit or loss.

The consolidated entities are as follows:

Investor	Subsidiary	Main Business	Percentage of ownership (%)		
			30 September 2025	31 December 2024	30 September 2024
the Company	TIPO INTERNATIONAL CO., LTD.(SAMOA) [abbreviation: TIPO]	Investing and trading company	100.00%	100.00%	100%
the Company	T&M Joint (Cayman) Holding Co., Ltd. (note) [abbreviation: T&M]	Holding company of reinvesting MSAT	35.71%	35.71%	35.71%
the Company	TUF Technology CO., LTD. [abbreviation: TUF]	Trading	100.00%	100.00%	100.00%
TIPO	Hong Kong Xin-Feng Enterprise Limited [abbreviation: Hong Kong Xin-Feng]	Holding company of reinvesting Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	100.00%	100.00%	100.00%
TIPO & Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	TURVO International Co., Ltd. [abbreviation: Zhejiang Yu- Zuan]	Manufacturing and marketing the components of computer, medical equipment, optical, automobile, photo electricity, and precision hardware	100.00%	100.00%	100.00%
Hong Kong Xin-Feng	Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd. [abbreviation: Dong-Guan Xin-Feng]	Manufacturing and marketing the components of computer, medical equipment, optical, automobile, photo	100.00%	100.00%	100.00%

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Investor	Subsidiary	Main Business	Percentage of ownership (%)		
			30 September 2025	31 December 2024	30 September 2024
		electricity, and precision hardware			
T&M	Matec Southeast Asia (Thailand) Co., Ltd. [abbreviation: MSAT]	Manufacturing forging products	99.9991%	99.9991%	99.9991%

Note : the company included T&M in the compilation since 1 January 2018, this is due to the Company being the single largest shareholder of T&M, and the remaining rights of T&M were widely held by many other shareholders. In addition, in the absence of contractual rights, due to the reasons such as the company had acquired a relatively higher voting rights on power of attorney and eligible to appoint T&M's key management personal who have the ability to lead main stakeholder activities. Therefore, the company determine that even if it hold less than 50% of the voting rights, it has control over T&M.

(4) Except for the accounting policies described below, the significant accounting policies adopted in the Group's consolidated financial statements for the first three quarters of 2025 are the same as those applied in the consolidated financial statements for 2024. Please refer to Note 4 of the Group's consolidated financial statements for 2024.

A. Post- employment benefits

Pension costs for the interim periods are calculated based on the pension cost rate determined by actuarial valuation as of the end of the previous fiscal year, applied to the period from the beginning of the year to the end of the interim reporting period. Adjustments are made, and disclosures provided, for significant market fluctuations after that date, as well as for material curtailments, settlements, or other significant one-time events.

## TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

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#### B. Income Tax

Income tax expense for the interim periods is accrued and disclosed using the tax rate applicable to the expected total annual earnings, that is, by applying the estimated annual average effective tax rate to the profit before tax for the interim period. The estimation of the annual average effective tax rate includes only current income tax expense, while deferred income tax is recognized and measured in accordance with IAS 12 'Income Taxes,' consistent with the treatment in the annual financial statements. When a change in tax rates occurs during the interim period, the effect of the tax rate change on deferred income tax is recognized in full in profit or loss, other comprehensive income, or directly in equity, as appropriate.

#### 5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements require management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

##### (1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Judgement of control over subsidiaries without the majority of voting rights.

The Company does not have majority of the voting rights in certain invested companies. However, after taking into consideration factors such as absolute ratio of the Company's holding, relative ratio of the other shareholdings, dispersion degree of shareholdings, contractual arrangements between shareholders, potential voting rights, etc., the Company reached the conclusion that it has de facto control over these invested companies. Please refer to Note 4 for further details.

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(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carry-forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

B. Accounts receivables – estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is

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measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

C. Inventories evaluation

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As at		
	30 September 2025	31 December 2024	30 September 2024
Cash on hand	\$1,242	\$1,812	\$603
Bank deposits	1,116,262	698,208	589,275
Repurchase Agreement Bond Investments	8,000		
Total	<u>\$1,125,504</u>	<u>\$700,020</u>	<u>\$589,878</u>

Cash and cash equivalents were not pledged.

(2) Financial assets measured at amortized cost, current

	As at		
	30 September 2025	31 December 2024	30 September 2024
Deposit	\$967,586	\$1,067,151	\$1,020,524
Restricted bank deposits	1,338	204	201
	<u>\$968,924</u>	<u>\$1,067,355</u>	<u>\$1,020,725</u>

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	As at		
	30 September 2025	31 December 2024	30 September 2024
Current	\$261,487	\$479,076	\$438,058
Non-Current	707,437	588,279	582,667
	<u>\$968,924</u>	<u>\$1,067,355</u>	<u>\$1,020,725</u>

Please refer to Note 8 for more details on restricted bank deposits under pledge.

(3) Accounts receivable, net

	As at		
	30 September 2025	31 December 2024	30 September 2024
Accounts receivable	\$822,115	\$859,163	\$874,043
Less: loss allowance	(12,519)	(11,239)	(11,094)
Total	<u>\$809,596</u>	<u>\$847,924</u>	<u>\$862,949</u>

A. Account receivables are generally on 60~120 days. The total carrying amount as at 30 September 2025, 31 December 2024 and 30 September 2024 were \$822,115 thousand, 859,163 thousand and \$874,043 thousand, respectively. Please refer to Note 6 (13) for more details on loss allowance of account receivables for the nine-month periods ended 30 September 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

B. No accounts receivables were pledged.

(4) Inventories

A. Details as follows:

	As at		
	30 September 2025	31 December 2024	30 September 2024
Merchandise inventories	\$355	\$306	\$366
Raw materials	191,007	212,783	212,129
Work in progress	234,288	254,466	255,430
Finished goods	392,970	404,421	327,822
Total	<u>\$818,620</u>	<u>\$871,976</u>	<u>\$795,747</u>

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

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B. The Group cost of inventories recognized in cost of goods sold amounted to \$548,732 thousand, \$599,055 thousand, \$1,728,565 thousand and \$1,742,160 thousand for the three-month and nine-month periods ended 30 September 2025 and 2024, including the losses (gain) from market value decline, obsolete and slow-moving of inventories \$5,444 thousand, \$2,135 thousand, \$21,261 thousand and \$(4,479) thousand.

C. Gain from price recovery of inventories was due to the sale of obsolete products and the net realized value recovery for the nine-month periods ended 30 September 2024.

D. No inventories were pledged.

(5) Property, plant and equipment

	As at		
	30 September 2025	31 December 2024	30 September 2024
Owner occupied property, plant and equipment	\$2,218,191	\$2,274,985	\$2,233,922

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

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(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Owner occupied property, plant and equipment

	Land	Buildings and Facilities	Machinery and equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As at 1 January 2025	\$11,507	\$1,115,975	\$2,521,455	\$15,652	\$117,971	\$547,306	\$20,058	\$4,349,924
Additions	-	11,794	98,306	-	3,124	44,895	20,227	178,346
Disposals	-	-	(110,572)	(192)	(881)	(3,687)	-	(115,332)
Transfers	-	14,783	5,633	-	-	1,737	(16,555)	5,598
Exchange differences	(87)	(977)	(108,566)	(513)	(6,835)	(20,112)	5	(137,085)
As at 30 September 2025	<u>\$11,420</u>	<u>\$1,141,575</u>	<u>\$2,406,256</u>	<u>\$14,947</u>	<u>\$113,379</u>	<u>\$570,139</u>	<u>\$23,735</u>	<u>\$4,281,451</u>
Depreciation and impairment:								
As at 1 January 2025	\$-	\$135,900	\$1,537,186	\$11,466	\$83,616	\$306,771	\$-	\$2,074,939
Depreciation	-	26,726	135,884	583	5,824	32,875	-	201,892
Disposals	-	-	(109,255)	(192)	(881)	(3,687)	-	(114,015)
Exchange differences	-	(393)	(77,496)	(460)	(4,963)	(16,244)	-	(99,556)
As at 30 September 2025	<u>\$-</u>	<u>\$162,233</u>	<u>\$1,486,319</u>	<u>\$11,397</u>	<u>\$83,596</u>	<u>\$319,715</u>	<u>\$-</u>	<u>\$2,063,260</u>

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	Land	Buildings and Facilities	Machinery and equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As at 1 January 2024	\$11,158	\$861,709	\$2,382,355	\$14,808	\$121,546	\$376,334	\$30,278	\$3,798,188
Additions	-	49,903	77,947	244	-	75,904	51,300	255,298
Disposals	-	(390)	(51,661)	(1,297)	(9,206)	(11,209)	-	(73,763)
Transfers	-	101,340	17,252	-	-	58,896	19,635	197,123
Exchange differences	497	5,555	70,701	364	4,405	12,295	326	94,143
As at 30 September 2024	<u>\$11,655</u>	<u>\$1,018,117</u>	<u>\$2,496,594</u>	<u>\$14,119</u>	<u>\$116,745</u>	<u>\$512,220</u>	<u>\$101,539</u>	<u>\$4,270,989</u>
Depreciation and impairment:								
As at 1 January 2024	\$-	\$109,651	\$1,386,608	\$11,525	\$79,933	\$272,890	\$-	\$1,860,607
Depreciation	-	17,061	137,124	684	7,480	23,732	-	186,081
Disposals	-	(303)	(46,036)	(1,286)	(9,206)	(9,575)	-	(66,406)
Exchange differences	-	2,155	42,468	318	2,871	8,973	-	56,785
As at 30 September 2024	<u>\$-</u>	<u>\$128,564</u>	<u>\$1,520,164</u>	<u>\$11,241</u>	<u>\$81,078</u>	<u>\$296,020</u>	<u>\$-</u>	<u>\$2,037,067</u>
Net carrying amount as at:								
30 September 2025	<u>\$11,420</u>	<u>\$979,342</u>	<u>\$919,937</u>	<u>\$3,550</u>	<u>\$29,783</u>	<u>\$250,424</u>	<u>\$23,735</u>	<u>\$2,218,191</u>
31 December 2024	<u>\$11,507</u>	<u>\$980,075</u>	<u>\$984,269</u>	<u>\$4,186</u>	<u>\$34,355</u>	<u>\$240,535</u>	<u>\$20,058</u>	<u>\$2,274,985</u>
30 September 2024	<u>\$11,655</u>	<u>\$889,553</u>	<u>\$976,430</u>	<u>\$2,878</u>	<u>\$35,667</u>	<u>\$216,200</u>	<u>\$101,539</u>	<u>\$2,233,922</u>

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A. Operating lease of properties, plants, and equipment:

No properties, plants, and equipment were leased.

B. Components of building that have different useful lives are mainly company accommodation, main buildings, fire engineering of water and electricity, air conditioning engineering, etc., which are depreciated over 50 years, 35~50 years, 20 years, and 10 years, respectively.

C. Please refer to Note 8 for property, plant and equipment pledged as collateral.

D. The capitalization amount of the borrowing costs of the Group for the nine-month periods ended 30 September 2025 and 2024, and its interest rates are as follows:

Items	For the nine-month periods ended 30 September 2025	For the nine-month periods ended 30 September 2024
Construction in progress	\$509	\$4,189
Borrowing cost capitalization interest rate interval	1.720%	1.720%

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(6) Other non-current assets

	As at		
	30 September 2025	31 December 2024	30 September 2024
Prepayments for business facilities	\$28,260	\$7,880	\$65,270
Guarantee deposits paid	14,095	15,213	14,654
Other non-current assets, others	2,529	4,467	3,102
<b>Total</b>	<b>\$44,884</b>	<b>\$27,560</b>	<b>\$83,026</b>

(7) Short-term loan

	Interest Rates (%)	As at		
		30 September 2025	31 December 2024	30 September 2024
Unsecured bank loans	1.750%~ 1.800%	\$1,188,080	\$448,000	\$485,000

As of 30 September 2025, 31 December 2024, and 30 September 2024, the Group's unused short-term borrowing facilities amounted to approximately \$ 580,638 thousand, \$1,439,040 thousand and \$1,395,309 thousand, respectively.

(1) Other payables

	As at		
	30 September 2025	31 December 2024	30 September 2024
Wages and salaries payable	\$86,669	\$170,259	\$107,236
Accrued manufacturing overhead	30,004	55,655	49,796
Payables on equipment	29,259	1,918	8,451
Accrued employee bonus	25,450	26,840	43,290
Others	84,293	97,857	83,836
<b>Total</b>	<b>\$255,675</b>	<b>\$352,529</b>	<b>\$292,609</b>

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(2) Long-term loans

Details of long-term loans as at 30 September 2025, 31 December 2024 and 30 September 2024 are as follows:

A. As at 30 September 2025

Creditor	Content	30 September 2025	Repayment period and methods	Security
Bank of Taiwan	Secured loan	\$174,448	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is repaid in equal installments on the 15th of each month.	Buildings and facilities
Bank of Taiwan	Secured loan	214,433	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is repaid in equal installments on the 15th of each month.	Buildings and facilities
Bank of Taiwan	Secured loan	80,177	Period is 7 years, and the loan is allocated in installments and cannot be recycled; the principal is divided into 84 installments in 1 month from the date of initial allocation, and interest is charged monthly, and the principal is repaid on the 15th of each month.	Machinery and equipment, and other equipment

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Creditor	Content	30 September 2025	Repayment period and methods	Security
Subtotal		469,058		
Less: current portion (with maturity less than 1 year)		<u>(101,394)</u>		
Total		<u>\$367,664</u>		
Interest rates		1.720%		

Please refer to Note 8 for more details on unsecured bank loans.

B. As at 31 December 2024

Creditor	Content	31 December 2024	Repayment period and methods	Security
Bank of Taiwan	Secured loan	\$214,433	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is repaid in equal installments on the 15th of each month.	Buildings and facilities
Bank of Taiwan	Secured loan	209,338	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is repaid in equal installments on the 15th of each month..	Buildings and facilities

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Creditor	Content	31 December		Security
		2024	Repayment period and methods	
Bank of Taiwan	Secured loan	107,931	Period is 7 years, and the loan is allocated in installments and cannot be recycled; the principal is divided into 84 installments in 1 month from the date of initial allocation, and interest is charged monthly, and the principal is repaid on the 15th of each month.	Machinery and equipment, and other equipment
Subtotal		531,702		
Less: current portion (with maturity less than 1 year)		(83,525)		
Total		\$448,177		
Interest rates		1.720%		

Please refer to Note 8 for more details on unsecured bank loans.

C. As at 30 September 2024

Creditor	Content	30 September		Security
		2024	Repayment period and methods	
Bank of Taiwan	Secured loan	\$220,968	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is repaid in equal installments on the 15th of each month.	Buildings and facilities
Bank of Taiwan	Secured loan	214,433	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the	Buildings and facilities

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Creditor	Content	30 September 2024	Repayment period and methods	Security
			principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is repaid in equal installments on the 15th of each month.	
Bank of Taiwan	Secured loan	117,183	Period is 7 years, and the loan is allocated in installments and cannot be recycled; the principal is divided into 84 installments in 1 month from the date of initial allocation, and interest is charged monthly, and the principal is repaid on the 15th of each month.	Machinery and equipment, and other equipment
Subtotal		552,584		
Less: current portion (with maturity less than 1 year)		(83,525)		
Total		<u>\$469,059</u>		
Interest rates		1.720%		

Please refer to Note 8 for more details on unsecured bank loans.

(3) Post-employment Benefits-Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. According to the Act, the rate of contributions of the Company and its domestic subsidiaries shall be no lower than 6% of each individual employees' monthly salaries. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute to the social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Expenses under the defined benefits plan for the three-month periods and nine-month periods ended 30 September 2025 and 2024 were \$3,267 thousand, \$3,055 thousand,

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\$9,679 thousand and \$8,628 thousand respectively.

(4) Equities

A. Common stock

The Company's authorized and issued capital was NT\$800,000 as at 1 January 2024, divided into 60,288,089 shares with par value of NT\$10 each. The paid-in capital amounted to NT\$602,881 with 60,288,089 shares issued.

As at 30 September 2025, there was no change in the authorized and issued share capital of the Company.

B. Capital surplus

	As at		
	30 September 2025	31 December 2024	30 September 2024
Premium from common stock issuance	\$788,696	\$788,696	\$788,696
Treasury Stock transaction	180	180	180
Changes in the net value of related companies and joint venture equity using the equity method	2,213	2,213	2,213
Employee stock option	26,848	26,848	26,848
Other	280	280	280
Total	<u>\$818,217</u>	<u>\$818,217</u>	<u>\$818,217</u>

According to the Company Act, the capital reserve shall not be used except when offsetting the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policy

(A) According to the Articles of Incorporation, 3.5%~7% of profit of the current year is distributable as employees' compensation and no higher than 1.7% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in

## TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

cash; and in addition, there to a report of such distribution is submitted to the shareholders' meeting. Employee remuneration may be distributed in the form of shares or cash. Eligible recipients may include employees of the Company's controlled or affiliated entities who meet specified criteria.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

- (B) If there is a surplus in the current year, if any, shall be distributed in the following order: payment of all taxes and dues; offset prior years' operation losses; set aside 10% of the remaining amount. However, When the accumulated legal reserve reaches the capital stock, there is no longer a requirement to set aside or reverse special reserve in accordance with relevant rules and regulations. Additionally, special reserve allocation should be made according to laws and regulations. If there is any surplus remaining, it is considered as undistributed earnings for the year. The remaining balance, combined with the accumulated undistributed earnings from previous years, is considered as distributable earnings for the shareholders. If distribution is done through the issuance of new shares, it requires approval at a shareholders' meeting after a proposal is made.

The company's dividend policy will based on the forecasted investment expense in the future and fund demand, to allocate 20% of balance from distributable surplus in the current year as dividend distribution, in the form of stock dividend and cash dividend to allocate to shareholders; of which the ratio of cash dividend not lower than 30% of the total dividends of shareholders. However, category and ratio of the distribution surplus should adjust through the shareholders meeting based on the actual gain and fund condition at that year, after the distribution decision made by the shareholders meeting.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (C) Details of the 2024 and 2023 earnings distribution and dividends per share as approved and resolved by the shareholders' meeting on 29 May 2025 and 13 June 2024, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2024	2023	2024	2023
Legal Reserve	\$66,103	\$53,396		
Special reserve	(132,458)	32,752		
Common stock - cash dividends	422,017	319,527	\$7.0	\$5.3

- (D) For information about the earnings distribution plan, please visit the Market Observation Post System of the Taiwan Stock Exchange.

- (E) Please refer to Note 6(15) for information on the basis of estimating and recognizing employee compensation and directors' compensation.

D. Non-controlling interests

	For the nine-month periods ended 30 September	
	2025	2024
Balance as at 1 January	\$7,933	\$10,389
Net loss for the period attributable to non-controlling interests	(2,630)	(1,911)
Other comprehensive income or loss attributable to non-controlling interests		
Exchange differences on translation of financial statements of foreign operating companies	(154)	962
Balance as at 30 September	\$5,149	\$9,440

(5) Net sales

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2025	2024	2025	2024
Revenue from contracts with customers				
Sale of goods	\$793,678	\$963,997	\$2,509,020	\$2,769,158

Analysis of revenue from contracts with customers during the nine-month periods ended 30 September 2025 and 2024 is as follows:

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES  
Notes to Consolidated Financial Statements (Continued)  
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A. Disaggregation of revenue

For the three-month periods ended 30 September 2025

	<u>Taiwan</u>	<u>China</u>	<u>Other</u>	<u>Total</u>
Sale of goods	<u>\$468,144</u>	<u>\$325,534</u>	<u>\$-</u>	<u>\$793,678</u>

For the three-month periods ended 30 September 2024

	<u>Taiwan</u>	<u>China</u>	<u>Other</u>	<u>Total</u>
Sale of goods	<u>\$492,117</u>	<u>\$471,880</u>	<u>\$-</u>	<u>\$963,997</u>

For the nine-month periods ended 30 September 2025

	<u>Taiwan</u>	<u>China</u>	<u>Other</u>	<u>Total</u>
Sale of goods	<u>\$1,490,421</u>	<u>\$1,018,599</u>	<u>\$-</u>	<u>\$2,509,020</u>

For the nine-month periods ended 30 September 2024

	<u>Taiwan</u>	<u>China</u>	<u>Other</u>	<u>Total</u>
Sale of goods	<u>\$1,433,301</u>	<u>\$1,334,965</u>	<u>\$892</u>	<u>\$2,769,158</u>

The Group recognizes revenues when control of the products is transferred to the customers, therefore the performance obligation is satisfied at a point in time.

B. Contract balances

Contract liabilities – current

	<u>As at</u>			
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>	<u>2023</u>
Sales of goods	<u>\$-</u>	<u>\$420</u>	<u>\$-</u>	<u>\$300</u>

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The significant changes in the Group's balances of contract liabilities for the nine-month periods ended 30 September 2025 and 2024 are as follows:

	For the nine-month periods ended	
	30 September	
	2025	2024
The opening balance		
transferred to revenue	\$(420)	\$(300)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	-	
Changes during the period	<u>\$(420)</u>	<u>\$(300)</u>

C. Transaction price allocated to unsatisfied performance obligations

None.

D. Assets recognized from costs to fulfil a contract

None.

(6) Expected credit losses (gains)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2025	2024	2025	2024
Operating expenses –				
Expected credit losses (gains)				
Accounts receivable	<u>\$(5)</u>	<u>\$1,529</u>	<u>\$1,746</u>	<u>\$1,786</u>

Please refer to Note 12 for more details on credit risk.

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Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group measures the loss allowance of its accounts receivable (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as at 30 September 2025, 31 December 2024 and 30 September 2024 is as follows:

30 September 2025

	Overdue						Total
	Not yet due (Note)	<=90 days	91-180 days	181-360 days	361-720 days	>=721 days	
Gross carrying amount	\$762,640	\$74,871	\$3,742	\$168	\$1,081	\$-	\$842,502
Loss ratio	0-1%	4-5%	22-23%	46-47%	50-51%	-%	
Lifetime expected credit losses	(7,934)	(3,122)	(842)	(78)	(543)	-	(12,519)
Carrying amount	<u>\$754,706</u>	<u>\$71,749</u>	<u>\$2,900</u>	<u>\$90</u>	<u>\$538</u>	<u>\$-</u>	<u>\$829,983</u>

31 December 2024

	Overdue						Total
	Not yet due (Note)	<=90 days	91-180 days	181-360 days	361-720 days	>=721 days	
Gross carrying amount	\$777,406	\$93,475	\$201	\$1,420	\$5	\$-	\$872,507
Loss ratio	0-1%	4-5%	17-18%	49-50%	60%	-%	
Lifetime expected credit losses	(6,591)	(3,909)	(35)	(701)	(3)	-	(11,239)
Carrying amount	<u>\$770,815</u>	<u>\$89,566</u>	<u>\$166</u>	<u>\$719</u>	<u>\$2</u>	<u>\$-</u>	<u>\$861,268</u>

30 September 2024

	Overdue						Total
	Not yet due (Note)	<=90 days	91-180 days	181-360 days	361-720 days	>=721 days	
Gross carrying amount	\$840,245	\$49,985	\$800	\$1,365	\$5	\$-	\$892,400
Loss ratio	0-1%	4-5%	30%	29-30%	60%	-%	
Lifetime expected credit losses	(8,172)	(2,270)	(240)	(409)	(3)	-	(11,094)
Carrying amount	<u>\$832,073</u>	<u>\$47,715</u>	<u>\$560</u>	<u>\$956</u>	<u>\$2</u>	<u>\$-</u>	<u>\$881,306</u>

Note: The Group's note receivables are not overdue.

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Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The movement in the provision for impairment of accounts receivable during the nine-month periods ended 30 September 2025 and 2024 is as follows:

	Accounts receivable
Beginning balance at 1 January 2025	\$11,239
Addition for the current period	1,746
Exchange differences	(466)
Ending balance at 30 September 2025	<u>\$12,519</u>
Beginning balance at 1 January 2024	\$9,110
Reversal for the current period	1,786
Exchange differences	198
Ending balance at 30 September 2024	<u>\$11,094</u>

(7) Leases

Group as a lessee

The Group leases various properties, including real estate such as land and buildings, transportation equipment and office equipment. The lease terms range from 2 to 10 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

(A) Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	As at		
	30 September 2025	31 December 2024	30 September 2024
Land	\$16,579	\$3,390	\$4,065
Land Improvements	67	-	124
Buildings	136,508	127,411	137,013
Transportation equipment	2,132	5,092	5,949
Office equipment	42	74	87
Total	<u>\$155,328</u>	<u>\$135,967</u>	<u>\$147,238</u>

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Notes to Consolidated Financial Statements (Continued)  
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b. Lease liabilities

	As at		
	30 September 2025	31 December 2024	30 September 2024
Lease liabilities			
Current	\$47,677	\$33,904	\$34,506
Non-current	111,100	97,801	104,705
Total	\$158,777	\$131,705	\$139,211

Please refer to Note 6(16)(c) for the interest on lease liabilities recognized during the nine-month periods ended 30 September 2025 and 2024, and refer to Note 12(5) liquidity risk management for the maturity analysis for lease liabilities as at 30 September 2025 and 2024.

(B) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2025	2024	2025	2024
	Land	\$515	\$675	\$1,865
Land Improvements	44	15	126	58
Buildings	10,891	10,822	32,064	33,725
Transportation equipment	911	1,143	2,959	3,611
Office equipment	10	11	31	30
Total	\$12,371	\$12,666	\$37,045	\$39,449

(C) Income and costs relating to leasing activities

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2025	2024	2025	2024
	The expenses relating to short-term leases	\$308	\$253	\$1,058

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

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(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(D) Cash outflow relating to lessee and leasing activities

During the nine-month periods ended 30 September 2025 and 2024, the Group's total cash outflows for leases amounted to \$34,595 thousands and \$50,422 thousands, respectively.

- (8) Summary statement of employee benefits, depreciation and amortization expenses by function for the nine-month periods ended 30 September 2025 and 2024:

Function Nature	For the three-month periods ended 30 September					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$99,334	\$63,003	\$162,337	\$106,033	\$84,909	\$190,942
Labor and health insurance	13,782	7,035	20,817	13,031	6,985	20,016
Pension	1,775	1,492	3,267	1,492	1,563	3,055
Other employee benefits expense	5,088	4,577	9,665	4,760	5,501	10,261
Depreciation	61,170	17,544	78,714	58,135	16,001	74,136
Amortization	303	1,796	2,099	236	1,720	1,956

Function Nature	For the nine-month periods ended 30 September					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$292,998	\$196,290	\$489,288	\$304,982	\$233,727	\$538,709
Labor and health insurance	40,796	22,365	63,161	37,601	20,588	58,189
Pension	5,004	4,675	9,679	3,997	4,631	8,628
Other employee benefits expense	14,658	13,576	28,234	13,137	14,058	27,195
Depreciation	186,252	52,685	238,937	177,887	47,643	225,530
Amortization	817	5,084	5,901	687	4,141	4,828

The number of employees in the Group were 1,212 and 1,280 as at 30 September 2025 and 2024, respectively.

According to the Articles of Incorporation, 3.5%~7% of profit of the current year is distributable as employees' compensation and no higher than 1.7% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a

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meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, there to a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit of the nine-month periods ended 30 September 2025 and 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors in 2024 to be 3.5% to 7% and no higher than 1.7% recognized as employee and director benefits expenses. The estimate basis is distributing based on the current year's profit; the previous mentioned amount is accounted under salary expense. If the resolution of shareholders meeting distribute employee compensation by stocks, then use the closing price on previous day as the calculation basis of distributing the number of shares, the profit and loss is recognized in the next year if a difference exist between the estimation number and the actual distribution amount by the resolution of shareholders meeting.

The details of employees' compensation and remuneration to directors and supervisors for the nine-month periods ended 30 September 2025 and 2024 are as follows:

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2025	2024	2025	2024
Employees' compensation	\$8,724	\$15,372	\$25,450	\$43,290
Remuneration to directors and supervisors	2,119	3,733	6,181	10,513

A resolution was passed at a board of directors meeting held on 5 March 2025 to distribute \$26,840 thousands and \$12,703 thousands in cash as the employees' compensation and remuneration to directors and supervisors of 2024, respectively. No material differences existed between the estimated amount and the amount determined at the board meeting for the employees' compensation and remuneration to directors and supervisors for the year ended 31 December 2024.

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(9) Non-operating income and expenses

A. Other income

	For the three-month periods		For the nine-month	
	ended 30 September		periods ended 30 September	
	2025	2024	2025	2024
Interest income				
Amortized cost of a financial asset	\$9,782	\$4,954	\$27,074	\$13,348
Grant revenue	448	17,620	958	26,872
Rent revenue	115	124	245	256
Others	3,744	3,512	11,487	12,011
Total	<u>\$14,089</u>	<u>\$26,210</u>	<u>\$39,764</u>	<u>\$52,487</u>

B. Other gains and losses

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2025	2024	2025	2024
Foreign exchange gains(loss), net	\$8,111	\$2,638	\$(5,997)	\$16,958
Gains on disposal of property, plant and equipment	6,989	78	10,772	2,803
Others	(327)	(643)	(567)	(1,415)
Total	<u>\$14,773</u>	<u>\$2,073</u>	<u>\$4,208</u>	<u>\$18,346</u>

C. Finance costs

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2025	2024	2025	2024
Interest on loans from bank	\$(4,963)	\$(952)	\$(11,959)	\$(1,116)
Interest on lease liabilities	(1,637)	(1,594)	(4,026)	(4,640)
Total	<u>\$(6,600)</u>	<u>\$(2,546)</u>	<u>\$(15,985)</u>	<u>\$(5,756)</u>

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(10) Components of other comprehensive income

For the three-month period ended 30 September 2025:

	Arising during the period	Reclassificatio n adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods: Exchange differences resulting from translating the financial statements of a foreign operation	\$81,555	\$-	\$81,555	\$(16,278)	\$65,277

For the three-month period ended 30 September 2024:

	Arising during the period	Reclassificatio n adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods: Exchange differences resulting from translating the financial statements of a foreign operation	\$(21,790)	\$-	\$(21,790)	\$-	\$(21,790)

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For the nine-month period ended 30 September 2025:

	Arising during the period	Reclassificatio n adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	\$(190,358)	\$-	\$(190,358)	\$11,549	\$(178,809)

For the nine-month period ended 30 September 2024:

	Arising during the period	Reclassificatio n adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	\$103,831	\$-	\$103,831	\$-	\$103,831

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(11) Income tax

(1) The major components of income tax expense are as follows:

A. Income tax (income) expense recognized in profit or loss

	For the three-month periods		For the nine-month	
	ended 30 September		periods ended 30 September	
	2025	2024	2025	2024
Current income tax expense:				
Current income tax payable	\$12,178	\$28,143	\$70,549	\$90,888
Adjustments in respect of current income tax of prior periods	(8,811)	(285)	(51,616)	(5,897)
Deferred income tax expense:				
Deferred income tax expense related to origination and reversal of temporary differences	16,303	499	40,052	2,593
The income tax (income) expense	<u>\$19,670</u>	<u>\$28,357</u>	<u>\$58,985</u>	<u>\$87,584</u>

B. Income tax relating to components of other comprehensive income

	For the three-month periods		For the nine-month	
	ended 30 September		periods ended 30 September	
	2025	2024	2025	2024
Deferred income tax (income) expense:				
Exchange differences on translation of foreign operations	\$16,278	\$-	\$ (11,549)	\$-
Income tax relating to components of other comprehensive income	<u>\$16,278</u>	<u>\$-</u>	<u>\$ (11,549)</u>	<u>\$-</u>

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C. The assessment of income tax returns

As of 30 September 2025, the assessment of income tax returns filed by the Company under Taiwan tax jurisdiction is as follows

	<u>The assessment of income tax returns</u>
TURVO INTERNATIONAL CO., LTD	Assessed and approved up to 2023

As of 30 September 2025, all foreign subsidiaries governed by foreign tax authorities have filed income tax returns up to 2024.

(12) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

A. Basic earnings per share

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2025	2024	2025	2024
	Profit attributable to ordinary equity holders of the Company (in thousand NTD)	\$103,371	\$187,364	\$302,508
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	60,288	60,288	60,288	60,288
Basic earnings per share (NTD)	\$1.71	\$3.11	\$5.02	\$8.60

B. Diluted earnings per share

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2025	2024	2025	2024
	Profit attributable to ordinary equity holders of the Company (in thousand NTD)	\$103,371	\$187,364	\$302,508

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(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2025	2024	2025	2024
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	60,288	60,288	60,288	60,288
Effect of dilution:				
Employees' compensation – stock (in thousands)	126	260	154	296
Weighted average number of ordinary shares outstanding after dilution (in thousands)	60,414	60,548	60,442	60,584
Diluted earnings per share (NTD)	\$1.71	\$3.09	\$5.00	\$8.56

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

7. RELATED PARTY TRANSACTIONS

- (1) Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
GOODWAY Machine CORP. (GOODWAY)(Note)	Related party of the Group
AWEA Electromechanical Co.,Ltd.(AWEA)	Related party of the Group

Note: From March 28, 2025 to May 28, 2025, the party was not a related party. Starting from May 29, 2025, the party became a substantive related party of the Group.

- (2) Significant transactions with related parties

A. Sales

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2025	2024	2025	2024
GOODWAY	\$976	\$303	\$1,648	\$1,120

The Company sets the sales prices for transactions with the aforementioned related parties based on the factors including market segmentation, business competition,

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product characteristics, bulk purchasing, and payment terms. These prices were determined in a manner that has no significant differences from the general sales processing procedures

B. Accounts receivable

	As at		
	30 September	31 December	30 September
	2025	2024	2024
GOODWAY	\$1,323	\$471	\$637

C. Notes Payables

	As at		
	30 September	31 December	30 September
	2025	2024	2024
GOODWAY	\$6,872	\$79	\$226
AWEA	152	252	473
Total	\$7,024	\$331	\$699

D. Acquisition of property, plant, and equipment

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2025	2024	2025	2024
GOODWAY	\$1,085	\$-	\$11,075	\$3,910

E. Key management personnel compensation

	For the three-month periods		For the nine-month	
	ended 30 September		periods ended 30 September	
	2025	2024	2025	2024
Short-term employee benefits	\$10,745	\$10,931	\$32,723	\$28,239
Post-employment Benefits	243	271	801	849
Total	\$10,988	\$11,202	\$33,524	\$29,088

The key management of the Group comprises the chairman, directors, independent directors, and general manager.

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES  
Notes to Consolidated Financial Statements (Continued)  
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8. ASSETS PLEDGED AS SECURITY

The following table lists assets of the Group pledged as security:

Item	As at			Secured liabilities
	30 September 2025	31 December 2024	30 September 2024	
Financial assets measured at amortized cost, current	\$1,338	\$204	\$1,224	Performance guarantee mechanism
Property, Plant and Equipment- building	690,922	702,085	108,953	Bank loan
Property, Plant and Equipment- equipment	156,526	175,822	182,516	Bank loan
Property, Plant and Equipment- other	6,343	7,383	7,730	Bank loan

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The Group issued guaranty notes as security for borrowings in the sum of \$2,779,703 thousands, \$2,779,703 thousands and \$2,803,083 thousand as at 30 September 2025, 31 December 2024 and 30 September 2024.

(2) The important contracts of construction in progress

A. As at 30 September 2025

On March 5, 2025, the Board of Directors of the Company resolved that the major subsidiary, TURVO International Co., Ltd.(YZ), adjust its acquisition of land use rights by increasing the land area from approximately 60 acres to approximately 70 acres, with the total expected acquisition cost adjusted to approximately RMB27,300 thousand.

B. As at 31 December 2024

None.

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES  
Notes to Consolidated Financial Statements (Continued)  
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C. As at 30 September 2024

Contracting parties	Subject matter	Project	Total contract amount	Contract amount paid as at 30 September 2024
LOYU INTERIOR DESIGN CO., LTD.	Design construction	Plant	\$76,190	\$68,571

The above construction payment is based on construction progress.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Categories of financial instruments

Financial assets

	As at		
	30 September 2025	31 December 2024	30 September 2024
Financial assets measured at amortized cost			
Cash and cash equivalents (exclude cash on hand)	\$1,124,262	\$698,208	\$589,275
Financial assets measured at amortized cost	968,924	1,067,355	1,020,725
Notes receivable	20,387	13,344	18,357
Accounts receivable	809,596	847,924	862,949
Other receivables	34,260	26,210	52,509

Financial liabilities

	As at		
	30 September 2025	31 December 2024	30 September 2024
Financial liabilities at amortized cost:			
Short-term loans	\$1,188,080	\$448,000	\$485,000
Notes and accounts payables	336,592	373,750	393,814

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As at		
	30 September 2025	31 December 2024	30 September 2024
Other payables	255,675	352,529	292,609
Lease liability	158,777	131,705	139,211
Long-term loans (Long-term loans due within one year)	469,058	531,702	552,584

(2) Financial risk management objectives and policies

The Group's risk management objective is to manage the market risk, credit risk, and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on policy and risk appetite.

The Group has established appropriate policies, procedures, and internal controls for financial risk management. Before entering into significant financial activities, due approval process by the board of directors and audit committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

The market risk of the Group is the risk that the financial instruments will be subject to fluctuations in fair value or cash flows due to changes in market prices. Market risks mainly include exchange rate risk, interest rate risk, and other price risks (such as equity instruments).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

A. Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore, natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and RMB. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 1%, the profit for the nine-month periods ended 30 September 2025 and 2024 is decreased/increased by \$6,133 thousands and \$4,085 thousands, respectively; and no impact on the equity.

When NTD strengthens/weakens against EUR by 1%, the profit for the nine-month periods ended 30 September 2025 and 2024 is decreased/increased by \$2,347 thousands and \$705 thousands, respectively; and no impact on the equity.

B. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to Group's bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings. Hedge accounting does not apply to these swaps as they do not qualify for it.

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### Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The interest rate sensitivity analysis is performed on the borrowings with variable interest rates as at the end of the reporting period. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the nine-month periods ended 30 September 2025 and 2024 to increase/decrease by \$ 1,243 thousands and \$778 thousands, respectively.

#### (4) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, trade and note receivables and lease receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures, and control relating to credit risk management. Credit limits are established for all counterparties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition, and the Group's internal rating criteria, etc. Certain counterparties' credit risk will also be decreased by taking credit enhancement procedures, such as requesting for prepayment.

As at 30 September 2025, 31 December 2024 and 30 September 2024, trade receivables from top ten customers represented 71%, 69% and 77% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivable is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies, and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

#### (5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

equity investments, bank borrowings, convertible bonds and finance lease. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as at the end of the reporting period.

Non-derivative financial liabilities

	<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>&gt; 5 years</u>	<u>Total</u>
As at 30 September 2025					
Short-term borrowings	\$1,193,756	\$-	\$-	\$-	\$1,193,756
Notes and accounts payable	336,592	-	-	-	336,592
Leases liabilities	53,140	96,800	14,135	5,749	169,824
Long-term loans	106,058	203,820	99,385	75,395	484,658
As at 31 December 2024					
Short-term borrowings	\$450,061	\$-	\$-	\$-	\$450,061
Notes and accounts payable	373,750	-	-	-	373,750
Leases liabilities	47,635	68,859	34,509	750	151,753
Long-term loans	88,710	227,955	135,255	99,331	551,251
As at 30 September 2024					
Short-term borrowings	\$487,099	\$-	\$-	\$-	\$487,099
Notes and accounts payable	393,814	-	-	-	393,814
Leases liabilities	52,941	69,046	42,140	798	164,925
Long-term loans	88,861	223,870	153,424	107,365	573,520

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the nine-month period ended 30 September 2025:

	<u>Short-term borrowings</u>	<u>Long-term borrowings</u>	<u>Leases liabilities</u>	<u>Total liabilities from financing activities</u>
As at 1 January 2025	\$448,000	\$531,702	\$131,705	\$1,111,407
Cash flows	740,080	(62,644)	(29,511)	647,925
Non-cash flows	-	-	64,063	64,063
Foreign exchange differences	-	-	(7,480)	(7,480)
As at 30 September 2025	<u>\$1,188,080</u>	<u>\$469,058</u>	<u>\$158,777</u>	<u>\$1,815,915</u>

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Reconciliation of liabilities for the nine-month period ended 30 September 2024:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Total liabilities from financing activities
As at 1 January 2024	\$-	\$640,227	\$38,442	\$678,669
Cash flows	485,000	(87,643)	(45,142)	352,215
Non-cash flows	-	-	144,957	144,957
Foreign exchange differences	-	-	954	954
As at 30 September 2024	\$ 485,000	\$552,584	\$139,211	\$1,176,795

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds, and futures, etc.) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (d) Fair value of debt instruments without market quotations, bank loans, bonds payable, and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- (e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

The carrying amounts of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12 for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring or recurring basis.

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As at 30 September 2025			As at 31 December 2024			As at 30 September 2024		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>									
Monetary items:									
USD	\$20,132	30.4650	\$613,321	\$11,787	32.7810	\$386,390	\$12,905	31.6510	\$408,456
EUR	7,931	35.7590	283,605	3,731	34.1316	127,345	3,328	35.3621	117,685
<u>Financial liabilities</u>									
Monetary items:									
EUR	1,369	35.7590	48,954	1,611	34.1316	54,986	1,334	35.3621	47,173

Due to the large number of functional currencies used in the Group, it's unable to disclose foreign exchange gains and losses on the basis of each monetary item which has significant impact. The Group recognized \$(5,997) thousand and \$16,958 thousands for foreign exchange (loss) gains for the nine-month periods ended 30 September 2025 and 2024, respectively.

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value. The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

TURVO INTERNATIONL CO., LTD., AND SUBSIDIARIES  
Notes to Consolidated Financial Statements (Continued)  
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13. OTHER DISCLOSURE

A. Information on significant transactions

(a) Financing provided to others for the nine-month period ended 30 September 2025: All transactions below were between consolidated entities and have been eliminated in consolidation.

No.	Lender	Borrower	Financial statement account	Related Parties	Maximum balance for the period	Ending Balance (By resolution of the Board of Directors)	Amount Actually Drawn	Interest Rate (%)	Nature of loan (Note 3)	Transaction amount	Reasons for short-term financing	Allowance for doubtful account	Collateral		Financing limits for a single borrowing company (Note 1)	Limits on total loans granted (Note 2)
													Item	Value		
0	Turvo International Co.,Ltd.	TIPO INTERNATIONAL CO.,LTD	Other receivables - related parties	Yes	\$121,860	\$60,930	\$-	NA	2	\$-	Operating purposes	\$-	-	\$-	\$374,898	\$1,499,593
0	Turvo International Co.,Ltd.	T&M JOINT (CAYMAN) HOLDING CO., LTD.	Other receivables - related parties	Yes	\$2,742	\$2,742	\$2,590	NA	2	\$-	Operating purposes	\$-	-	\$-	\$374,898	\$1,499,593
0	Turvo International Co.,Ltd.	MATEC SOUTHEAST ASIA (THAILAND) CO., LTD.	Other receivables - related parties	Yes	\$70,650	\$28,260	\$27,318	3.0%~3.5%	2	\$-	Operating purposes	\$-	-	\$-	\$374,898	\$1,499,593

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

No.	Lender	Borrower	Financial statement account	Related Parties	Maximum balance for the period	Ending Balance (By resolution of the Board of Directors)	Amount Actually Drawn	Interest Rate (%)	Nature of loan (Note 3)	Transaction amount	Reasons for short-term financing	Allowance for doubtful account	Collateral		Financing limits for a single borrowing company (Note 1)	Limits on total loans granted (Note 2)
													Item	Value		
1	Dong-Guan Xin-Feng Hardware Machine	TURVO INTERNATIONAL Co., LTD	Other receivables due from related parties	Yes	\$300,125	\$-	\$-	NA	2	\$-	Operating purposes	\$-	-	\$-	\$3,748,984 (Note 4)	\$3,748,984 (Note 4)
2	TURVO International Co., Ltd.(YZ)	TURVO INTERNATIONAL Co., LTD	Other receivables due from related	Yes	\$300,125	\$-	\$-	NA	2	\$-	Operating purposes	\$-	-	\$-	\$3,748,984 (Note 4)	\$3,748,984 (Note 4)

Note 1: Financing to single borrowing company was limited to 10% of net equity of the lender's latest financial statement.

Note 2: Financing to single borrowing company was limited to 40% of net equity of the lender's latest financial statement.

Note 3: The filling way of the nature of loan is as follows:

(1) For business transactions: 1.

(2) Required for short-term financing: 2.

Note 4: The company direct or indirect hold 100% of voting shares and engage in loan financing between foreign companies, or the company direct or indirect hold 100% of voting shares and engage in loan financing with the company, the financing amount is not limited to 40% of the net equity of the lender but limit to 100% of the net equity of the borrower.

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Endorsement/guarantee provided to others: None.

(c) Securities held as at 30 September 2025 (excluding subsidiaries, associates and joint venture): None.

(d) Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20% of the capital stock: refer to Note 13 A (f).

(e) Receivables from related parties with amount exceeding the lower of NT\$100 million or 20% of the capital stock: None.

(f) Inter-company relationships and significant intercompany transactions:

No (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Transactions			
				Financial Statement Items	Amount	Transaction terms	Percentage of Consolidated Total Gross Sales or Total Assets (%) (Note 3)
0	TURVO INTERNATIONAL Co., LTD	Dong-Guan Xin- Feng Hardware Machinery Plastic Industry Co., Ltd.	(1)	Purchase	\$480,330 (USD 15,089,073 EUR21,032)	Regular trade	19.14%
0	TURVO INTERNATIONAL Co., LTD	Dong-Guan Xin- Feng Hardware Machinery Plastic Industry Co., Ltd.	(1)	Other payables	\$157,575 (USD 5,158,201 EUR 12,040)	Regular trade	2.47%
0	TURVO INTERNATIONAL Co., LTD	TURVO International Co., Ltd.(YZ)	(1)	Purchase	\$230,649 (USD 3,085 EUR 50,131 RMB 52,230,178)	Regular trade	9.19%
0	TURVO INTERNATIONAL Co., LTD	TURVO International Co., Ltd.(YZ)	(1)	Other payables	\$84,671 (USD 3,085 EUR 14,904 RMB 19,602,127)	Regular trade	1.33%
1	Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	TURVO INTERNATIONAL Co., LTD	(2)	Sales	\$480,330 (USD 15,089,073 EUR21,032)	Regular trade	19.14%

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

No (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Transactions			
				Financial Statement Items	Amount	Transaction terms	Percentage of Consolidated Total Gross Sales or Total Assets (%) (Note 3)
1	Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	TURVO INTERNATIONAL Co., LTD	(2)	Other receivables	\$157,575 (USD 5,158,201 EUR 12,040)	Regular trade	2.47%
2	TURVO International Co., Ltd.(YZ)	TURVO INTERNATIONAL Co., LTD	(2)	Sales	\$230,649 (USD 3,085 EUR 50,131 RMB 52,230,178)	Regular trade	9.19%
2	TURVO International Co., Ltd.(YZ)	TURVO INTERNATIONAL Co., LTD	(2)	Other receivables	\$84,671 (USD 3,085 EUR 14,904 RMB 19,602,127)	Regular trade	1.33%

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

- (1) The Company is coded "0".
- (2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: (1) Represents the transactions from the parent company to a subsidiary.

(2) Represents the transactions from a subsidiary to the parent company.

(3) Represents the transactions between subsidiaries.

Note 3: The ratio of transaction amount to the consolidated income or assets is recognized as follows: for assets or liability, the ratio is accounted as the ending balance to consolidated total assets; however, for income or loss accounts, the ratio is based on mid-term accumulated amount to consolidated income.

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

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B. Information on investees:

(A) Names, locations, main businesses and products, original investment amount, investment as at 30 September 2025, net income (loss) of investee company and investment income (loss) recognized as at 30 September 2025: (excluding investees in Mainland China):

Investor Company	Investee Company	Location	Main businesses and products	Original investment amount		Balance as at 30 September 2025			Net Income (Losses) of the Investee (Note 1)	Equity in Earnings (Losses) (Note2)	Notes
				30 September 2025	31 December 2024	Shares	Percentage of Ownership	Carrying Value			
TURVO INTERNATIONAL CO., LTD.	TIPO INTERNATIONAL CO., LTD.	Samoa	Purchase and sale	\$946,313 (USD31,133,211)	\$946,313 (USD31,133,211)	31,133,211	100%	\$3,263,481	\$238,249	\$241,499	Subsidiary
TURVO INTERNATIONAL CO., LTD.	T&M Joint (Cayman) Holding Co., LTD.	Cayman Island	Financial investment	\$61,760 (USD2,045,753)	\$61,760 (USD2,045,753)	4,912,749	35.71%	\$2,860	\$(4,089)	\$(1,460)	Subsidiary
TURVO INTERNATIONAL CO., LTD.	TUF Technology CO., LTD.	Taiwan	Purchase and sale	\$900	\$900	90,000	100%	\$879	\$12	\$12	Subsidiary
TIPO INTERNATIONAL CO., LTD.	Hong Kong Xin-feng Co., Ltd	Hong Kong	Financial investment	\$216,811 (USD7,133,211 HKD220,000)	\$216,811 (USD7,133,211 HKD220,000)	-	100%	\$1,837,368	\$142,540	Cope with subsidiary	Second-tier subsidiary
T&M Joint (Cayman) Holding Co., LTD.	Matec Southeast Asia (Thailand) Co., Ltd.	Thailand	Manufacturing	\$204,635 (USD6,606,203)	\$204,635 (USD6,606,203)	216,276	99.99%	\$10,684	\$(4,197)	Cope with subsidiary	Second-tier subsidiary

Note1: The investment gains and losses recognized this period incurred by investees included the gains and losses on reinvestment.

Note2: The investment gains and losses recognized this period included the investment gains and losses from upstream transactions.

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Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Information on investments in mainland China

(A) Information on investments in mainland China from the Company through  
TIPO INTERNATIONAL CO., LTD :

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as at 1 January 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as at 30 September 2025	Percentage of Ownership	Equity in Earnings (Losses) (Note 3)	Carrying Value as at 30 September 2025	Accumulated Inward Remittance of Earnings as at 30 September 2025
					Outflow	Inflow					
Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	Manufacturing and trading	HKD 58,385,000 (Note 1)	Indirect investments through TIPO International Co., Ltd.	\$230,289 (USD7,120,536)	\$-	\$-	\$230,289 (USD 7,120,536)	100%	\$142,860	\$1,833,817	\$717,836
TURVO International Co., Ltd.(YZ)	Manufacturing and trading	USD 28,000,000 (Note 4)	Indirect investments through TIPO International Co., Ltd.	\$686,956 (USD23,000,000)	\$-	\$-	\$686,956 (USD 23,000,000)	100% (Note 4)	\$87,966	\$1,336,694	\$-

Accumulated Investment in Mainland China as at 30 September 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$917,245 (USD30,120,536)	\$917,245 (USD30,120,536)	(Note 2) \$2,249,390

Note 1: Part of the voting right acquired through the equity transfer.

Note 2: Investment amounts in mainland China authorized by the Investment Commission, MOEA are capped at 60% of the net value of the investment company.

Note 3: The recognized profit and loss base on the financial statement reviewed by independent accountants.

Note 4 : Funds of US\$5,000,000 were injected into TURVO International Co., Ltd. (Zhejiang Yu-Zuan) by Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd. on 10 July 2024; therefore, Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd. Acquired 17.86% ownership in TURVO International Co., Ltd.(YZ). The Company holds a 100% ownership via TIPO INTERNATIONAL CO., LTD.(SAMOA).

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Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (B) As at 30 September 2025, for information on significant transactions and prices, payments, etc. between the parent company and subsidiaries, please refer to Note 13 A (f). The unrealized profit amount generated due to the previous significant transaction items accounted for \$908 thousands.

14. SEGMENT INFORMATION

- A. For management purposes, the Group is organized into business units based on operating strategies and has two reportable segments as follows:
- (A) Taiwan segment: In charge of producing, manufacturing, and trading precision metal processing including automobile, industrial application, and household application, etc.
  - (B) China segment: In charge of producing, manufacturing, and trading precision metal processing, including computer, medical equipment, optical, precision metal hardware, etc.
  - (C) Other segment: In charge of transposing during departments.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements.

Transfer prices between operating segment are based on the executed function and affordable risks as the basis of consideration.

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. The information on profit or loss of the reportable segment:

(A) For the three-month period ended 30 September 2025:

	Taiwan	China	Other	Adjustments and eliminations	Consolidated
External customer	\$468,144	\$325,534	\$-	\$-	\$793,678
Inter-segment	14,148	246,709	-	(260,857)	-
Total revenue	\$482,292	\$572,243	\$-	\$(260,857)	\$793,678
Segment profit (loss)	\$113,782	\$86,588	\$82,140	\$(160,381)	\$122,129

(B) For the three-month period ended 30 September 2024:

	Taiwan	China	Other	Adjustments and eliminations	Consolidated
External customer	\$492,117	\$471,880	\$-	\$-	\$963,997
Inter-segment	463	201,575	61	(202,099)	-
Total revenue	\$492,580	\$673,455	\$61	\$(202,099)	\$963,997
Segment profit (loss)	\$200,499	\$156,149	\$144,945	\$(286,795)	\$214,798

(C) For the nine-month period ended 30 September 2025:

	Taiwan	China	Other	Adjustments and eliminations	Consolidated
External customer	\$1,490,421	\$1,018,599	\$-	\$-	\$2,509,020
Inter-segment	14,379	711,636	-	(726,015)	-
Total revenue	\$1,504,800	\$1,730,235	\$-	\$(726,015)	\$2,509,020
Segment profit (loss)	\$331,954	\$259,293	\$234,159	\$(466,543)	\$358,863

(D) For the nine-month period ended 30 September 2024:

	Taiwan	China	Other	Adjustments and eliminations	Consolidated
External customer	\$1,433,301	\$1,334,965	\$892	\$-	\$2,769,158
Inter-segment	1,135	642,430	61	(643,626)	-
Total revenue	\$1,434,436	\$1,977,395	\$953	\$(643,626)	\$2,769,158
Segment profit (loss)	\$564,624	\$398,749	\$386,835	\$(746,071)	\$604,137

TURVO INTERNATIONAL CO., LTD., AND SUBSIDIARIES  
Notes to Consolidated Financial Statements (Continued)  
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. The information on assets and liabilities of the reportable segment:

(A) Segment assets:

	Taiwan	China	Other	Adjustments and eliminations	Consolidated
30 September 2025	\$6,085,807	\$3,344,570	\$5,207,254	\$(8,261,848)	\$6,375,783
31 December 2024	\$5,642,909	\$3,856,123	\$5,139,582	\$(8,551,450)	\$6,087,164
30 September 2024	\$5,565,817	\$3,689,012	\$4,834,521	\$(8,157,676)	\$5,931,674

(B) Segment liabilities:

	Taiwan	China	Other	Adjustments and eliminations	Consolidated
30 September 2025	\$2,335,944	\$511,171	\$75,992	\$(301,457)	\$2,621,650
31 December 2024	\$1,594,894	\$562,317	\$80,330	\$(205,458)	\$2,032,083
30 September 2024	\$1,689,955	\$570,358	\$71,469	\$(284,543)	\$2,047,239