

**TSC Auto ID Technology Co., Ltd. and Its Subsidiaries**  
**Consolidated Financial Statement and Auditor's Review Report**  
**First Quarter of 2025 and 2024**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.  
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## **Auditor's Review Report**

To TSC Auto ID Technology Co., Ltd.:

### **Introduction**

We have reviewed the consolidated balance sheet as of March 31, 2025 and 2024; the consolidated incomes statement from January 1 to March 31, 2025 and 2024; the consolidated statements of changes in equity and the consolidated statements of cash flows from January 1 to March 31, 2025 and 2024 of TSC Auto ID Technology Co., Ltd. and its subsidiaries ("TSC Auto ID Technology Group") and the notes to consolidated financial statements (including the summary of major accounting policies). According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards (IAS) 34 Interim Financial Reporting recognized and promulgated by the Financial Supervisory Commission, the preparation of financial reports for fair representation is the management's responsibility. Our responsibility is to reach conclusions based on the review result of consolidated financial statements.

### **Scope**

We reviewed the financial statements in accordance with the Review Standards No. 2410 "Review of Financial Statements". The procedures of a review of consolidated financial statements include inquiries (mainly to financial and accounting personnel), analytical procedures and other review procedures. A review is substantially less in scope than an audit. Therefore, we may not be able to detect all the material items which can be identified via audit work and will not be able to express an opinion accordingly.

### **Basis for Qualified Conclusion**

As stated in Note 11 to the consolidated financial statements, the financial statements of certain immaterial subsidiaries included in the aforementioned consolidated financial statements have not been reviewed by us. As of March 31, 2025, these subsidiaries had total assets of NT\$2,369,221 thousand, representing 18.82% of the consolidated total assets, and total liabilities of NT\$594,364 thousand, representing 8.17% of the consolidated total liabilities. For the

three-month period ended March 31, 2025, their total comprehensive income amounted to NT\$52,087 thousand, representing 27.27% of the consolidated total comprehensive income. In addition, as stated in Note 31 to the consolidated financial statements, information related to investments in these entities was recognized and disclosed based on their financial statements, which have not been reviewed by us.

### **Qualified Conclusion**

Based on our review and the review reports of other independent auditors (please refer to the Other Matter paragraph), except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph with respect to the financial statements of immaterial subsidiaries that were not reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of TSC Auto ID Technology Co., Ltd. and its subsidiaries as of March 31, 2025 and 2024, and the consolidated financial performance and consolidated cash flows for the three-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting”, as endorsed by the Financial Supervisory Commission of the Republic of China.

### **Emphasis of Matter**

As described in Note 14 to the consolidated financial statements, TSC Auto ID Technology Group acquired 100% of ownership of MGN sp. z o.o. on June 12, 2023 and obtained the valuation report in Q2 of 2024. Therefore, TSC Auto ID Technology Group has adjusted the original accounting treatment and provisional amount of MGN sp. z o.o. from the date of acquisition based on the valuation report and has restated the information in the comparison period.

### **Other Matters**

Among the subsidiaries consolidated in TSC Auto ID Technology Group’s financial statements, the financial statements of certain important subsidiaries were not reviewed by us but by other auditors. Therefore, our conclusion of the abovementioned financial statements was based on the review by other auditors of recognition and disclosure regarding the listed amounts and relevant information disclosed in notes of the financial statements of these companies. The total assets of these subsidiaries accounted for 21.77% and 24.71% of the consolidated total assets as of March 31, 2025 and 2024, respectively. Their operating revenue for the three months ended March 31, 2025 and 2024 accounted for 32.83% and 43.30% of the consolidated operating

revenue, respectively, and their total comprehensive income (loss) accounted for 5.61% and (536.73%) of the consolidated total comprehensive income (loss), respectively.

Deloitte Taiwan

CPA Chang Li Chun

CPA Kuo, Wen-Ji

Official Letter of Approval by Financial  
Supervisory Commission

Financial-Supervisory-Securities-Corporate-  
1100356048

Official Letter of Approval by Securities and  
Futures Commission

Taiwan-Finance-Securities-VI-0920123784

May 9, 2025

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries  
Consolidated Balance Sheet  
March 31, 2025, December 31, 2024 and March 31, 2024

Unit: NT\$ thousand

Code	Asset	March 31, 2025		December 31, 2024		March 31, 2024 (After measurement period adjustment)	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 1,521,602	12	\$ 1,822,879	14	\$ 1,081,550	12
1110	Financial assets at fair value through profit or loss (Note 7)	-	-	43	-	277	-
1170	Notes and accounts receivable, net (Notes 9, 27)	1,937,986	16	1,788,945	14	1,246,172	14
1200	Other receivables (Note 27)	77,517	1	57,166	-	35,143	-
130X	Inventory (Note 10)	2,183,123	17	2,010,639	16	1,569,239	17
1410	Prepayments	151,928	1	196,718	2	70,723	1
1470	Other current assets (Note 16)	20,470	-	72,109	1	827	-
11XX	Total current assets	<u>5,892,626</u>	<u>47</u>	<u>5,948,499</u>	<u>47</u>	<u>4,003,931</u>	<u>44</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income (Note 8)	746,928	6	849,072	7	1,182,636	13
1600	Property, plant and equipment (Note 12)	1,503,192	12	1,442,391	11	1,294,470	14
1755	Right-of-use assets (Note 13)	648,294	5	678,641	5	328,997	4
1780	Other intangible assets (Note 15)	1,062,988	8	1,073,007	9	417,551	5
1805	Goodwill (Note 14)	1,984,427	16	1,945,645	15	1,307,613	14
1840	Deferred income tax assets	661,965	5	668,750	5	406,338	5
1990	Other non-current assets (Note 16)	85,953	1	99,858	1	111,148	1
15XX	Total non-current assets	<u>6,693,747</u>	<u>53</u>	<u>6,757,364</u>	<u>53</u>	<u>5,048,753</u>	<u>56</u>
1XXX	Total assets	<u>\$ 12,586,373</u>	<u>100</u>	<u>\$ 12,705,863</u>	<u>100</u>	<u>\$ 9,052,684</u>	<u>100</u>
	Liabilities and equity						
	Current liabilities						
2100	Short-term loans (Note 17)	\$ 1,747,080	14	\$ 1,841,636	14	\$ 613,310	7
2120	Financial liabilities at fair value through profit or loss (Note 7)	65,911	1	69,261	-	2,466	-
2170	Accounts payable (Note 27)	917,322	7	709,006	6	687,978	8
2200	Other payables (Notes 18, 27)	393,256	3	482,293	4	493,756	5
2230	Income tax liability during the period	106,740	1	91,505	1	128,532	1
2250	Liability reserve	22,028	-	18,705	-	7,334	-
2280	Lease liability (Note 13)	133,366	1	120,939	1	91,845	1
2320	Long-term liabilities due within one year (Note 17)	181,124	2	207,442	2	9,155	-
2399	Other current liabilities	278,955	2	293,401	2	144,634	2
21XX	Total current liabilities	<u>3,845,782</u>	<u>31</u>	<u>3,834,188</u>	<u>30</u>	<u>2,179,010</u>	<u>24</u>
	Non-current liabilities						
2500	Financial liabilities at fair value through profit or loss (Note 7)	28,848	-	26,784	-	-	-
2540	Long-term loans (Note 17)	2,020,896	16	2,335,770	18	568,667	6
2570	Deferred income tax liabilities	759,573	6	762,850	6	530,461	6
2580	Lease liability (Note 13)	549,545	4	567,344	5	231,370	3
2640	Net defined benefit liability	16,862	-	15,431	-	16,843	-
2670	Other non-current liabilities	55,541	1	62,217	1	63,609	1
25XX	Total non-current liabilities	<u>3,431,265</u>	<u>27</u>	<u>3,770,396</u>	<u>30</u>	<u>1,410,950</u>	<u>16</u>
2XXX	Total liabilities	<u>7,277,047</u>	<u>58</u>	<u>7,604,584</u>	<u>60</u>	<u>3,589,960</u>	<u>40</u>
	Equity (Note 19)						
	Equity attributable to owners of the parent company						
3110	Ordinary share capital	474,851	3	473,791	4	471,426	5
3200	Capital surplus	738,273	6	722,280	5	680,769	7
	Retained earnings						
3310	Legal reserve	862,984	7	862,984	7	770,477	9
3320	Special reserve	8,597	-	8,597	-	8,597	-
3350	Unappropriated earnings	2,907,500	23	2,723,957	21	2,930,350	32
3300	Total retained earnings	<u>3,779,081</u>	<u>30</u>	<u>3,595,538</u>	<u>28</u>	<u>3,709,424</u>	<u>41</u>
3400	Other equity	238,501	2	234,184	2	601,105	7
31XX	Total equity attributable to owners of the parent	<u>5,230,706</u>	<u>41</u>	<u>5,025,793</u>	<u>39</u>	<u>5,462,724</u>	<u>60</u>
36XX	Non-controlling interest	<u>78,620</u>	<u>1</u>	<u>75,486</u>	<u>1</u>	-	-
3XXX	Total equity	<u>5,309,326</u>	<u>42</u>	<u>5,101,279</u>	<u>40</u>	<u>5,462,724</u>	<u>60</u>
	Total liabilities and equity	<u>\$ 12,586,373</u>	<u>100</u>	<u>\$ 12,705,863</u>	<u>100</u>	<u>\$ 9,052,684</u>	<u>100</u>

The notes are an integral part of these consolidated financial statements.  
(Please refer to the auditor's review report issued by Deloitte Taiwan on May 9, 2025)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries  
Consolidated Comprehensive Income Statement  
For the three months ended March 31, 2025 and 2024

		Unit: NT\$ thousands except NT\$ for earnings per share			
		January 1 to March 31, 2025		January 1 to March 31, 2024 (After measurement period adjustment)	
Code		Amount	%	Amount	%
	Operating incomes (Notes 20, 27)				
4110	Revenues	\$ 2,856,093	100	\$ 1,875,486	100
	Operating costs (Notes 10, 21, 27)				
5110	Cost of goods sold	<u>2,007,387</u>	<u>70</u>	<u>1,284,104</u>	<u>68</u>
5900	Gross profits	<u>848,706</u>	<u>30</u>	<u>591,382</u>	<u>32</u>
	Operating expenses (Notes 9, 21, 27)				
6100	Sales & marketing expenses	317,017	11	215,545	12
6200	Administrative expenses	150,485	5	119,594	6
6300	R&D expenses	<u>150,491</u>	<u>6</u>	<u>55,859</u>	<u>3</u>
6000	Total operating expenses	<u>617,993</u>	<u>22</u>	<u>390,998</u>	<u>21</u>
6900	Operating profits	<u>230,713</u>	<u>8</u>	<u>200,384</u>	<u>11</u>
	Non-operating incomes and expenses (Note 21)				
7100	Interest income	3,847	-	2,813	-
7190	Other incomes	4,986	-	5,818	1
7020	Other gains and losses	29,109	1	23,438	1
7050	Financial cost	( <u>42,138</u> )	( <u>1</u> )	( <u>15,226</u> )	( <u>1</u> )
7000	Total non-operating incomes and expenses	( <u>4,196</u> )	<u>-</u>	<u>16,843</u>	<u>1</u>
7900	Profits before tax	226,517	8	217,227	12
7950	Income tax expenses (Note 22)	<u>41,179</u>	<u>1</u>	<u>57,388</u>	<u>3</u>
8200	Net income for the period	<u>185,338</u>	<u>7</u>	<u>159,839</u>	<u>9</u>

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Code		January 1 to March 31, 2025		January 1 to March 31, 2024 (After measurement period adjustment)	
		Amount	%	Amount	%
	Other comprehensive incomes (Note 19)				
8310	Items that are not to be reclassified to profit or loss				
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive (losses) incomes	(\$ 102,144)	( 4)	(\$ 265,398)	( 14)
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	134,415	5	127,789	7
8399	Income tax components that may be reclassified	( 26,615)	( 1)	( 25,555)	( 2)
8300	Other comprehensive income for the period (net of tax)	5,656	-	( 163,164)	( 9)
8500	Total comprehensive income for the period	<u>\$ 190,994</u>	<u>7</u>	<u>(\$ 3,325)</u>	<u>-</u>
	Net income attributable to:				
8610	Shareholders of the Company	<u>\$ 183,543</u>	<u>6</u>	<u>\$ 159,839</u>	<u>9</u>
8620	Non-controlling interest	<u>\$ 1,795</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>

	Total comprehensive income attributable to:				
8710	Shareholders of the Company	<u>\$ 187,860</u>	<u>7</u>	<u>(\$ 3,325)</u>	<u>-</u>
8720	Non-controlling interest	<u>\$ 3,134</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
	Earnings per share (Note 23)				
9710	Basic	<u>\$ 3.87</u>		<u>\$ 3.39</u>	
9810	Diluted	<u>\$ 3.85</u>		<u>\$ 3.36</u>	

The notes are an integral part of these consolidated financial statements.  
(Please refer to the auditor's review report issued by Deloitte Taiwan on May 9, 2025)

Chairman: Wang Hsing Lei      Chief Executive Officer: Chen Ming-Yi      Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries  
Consolidated Statement of Changes in equity  
For the three months ended March 31, 2025 and 2024

Unit: NT\$ thousand unless otherwise indicated

Equity attributable to owners of the parent company															
		Equity attributable to owners of the parent company								Other equity					
		Share capital			Retained earnings					Exchange differences on translation of financial statements of foreign operations	Unrealized gain (loss) of financial assets measured at fair value through other comprehensive incomes	Total	Equity attributable to owners of the parent	Non-controlling interest	Total equity
Code		No. of shares (thousand shares)	Ordinary share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total						
A1	Balance on January 1, 2024	47,141	\$ 471,406	\$ 471,406	\$ 676,011	\$ 770,477	\$ 8,597	\$ 2,770,511	\$ 3,549,585	( \$ 83,887 )	\$ 848,156	\$ 764,269	\$ 5,461,271	\$ -	\$ 5,461,271
G1	Exercise of employee stock options	2	20	20	256	-	-	-	-	-	-	-	276	-	276
D1	Net income from January 1 to March 31, 2024	-	-	-	-	-	-	159,839	159,839	-	-	-	159,839	-	159,839
D3	Other comprehensive income (net of tax) from January 1 to March 31, 2024	-	-	-	-	-	-	-	-	102,234	( 265,398 )	( 163,164 )	( 163,164 )	-	( 163,164 )
D5	Total comprehensive income from January 1 to March 31, 2024	-	-	-	-	-	-	159,839	159,839	102,234	( 265,398 )	( 163,164 )	( 3,325 )	-	( 3,325 )
N1	Share-based compensation – employee stock options (Note 24)	-	-	-	4,502	-	-	-	-	-	-	-	4,502	-	4,502
Z1	Balance on March 31, 2024	47,143	\$ 471,426	\$ 471,426	\$ 680,769	\$ 770,477	\$ 8,597	\$ 2,930,350	\$ 3,709,424	\$ 18,347	\$ 582,758	\$ 601,105	\$ 5,462,724	\$ -	\$ 5,462,724
A1	Balance on January 1, 2025	47,379	\$ 473,791	\$ 473,791	\$ 722,280	\$ 862,984	\$ 8,597	\$ 2,723,957	\$ 3,595,538	( \$ 15,010 )	\$ 249,194	\$ 234,184	\$ 5,025,793	\$ 75,486	\$ 5,101,279
G1	Exercise of employee stock options	106	1,060	1,060	12,731	-	-	-	-	-	-	-	13,791	-	13,791
D1	Net income from January 1 to March 31, 2025	-	-	-	-	-	-	183,543	183,543	-	-	-	183,543	1,795	185,338
D3	Other comprehensive income (net of tax) from January 1 to March 31, 2025	-	-	-	-	-	-	-	-	106,461	( 102,144 )	4,317	4,317	1,339	5,656
D5	Total comprehensive income from January 1 to March 31, 2025	-	-	-	-	-	-	183,543	183,543	106,461	( 102,144 )	4,317	187,860	3,134	190,994
N1	Share-based compensation – employee stock options (Note 24)	-	-	-	3,262	-	-	-	-	-	-	-	3,262	-	3,262
Z1	Balance on March 31, 2025	47,485	\$ 474,851	\$ 474,851	\$ 738,273	\$ 862,984	\$ 8,597	\$ 2,907,500	\$ 3,779,081	\$ 91,451	\$ 147,050	\$ 238,501	\$ 5,230,706	\$ 78,620	\$ 5,309,326

The notes are an integral part of these consolidated financial statements.  
(Please refer to the auditor's review report issued by Deloitte Taiwan on May 9, 2025)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries  
Consolidated Statement of Cash Flows  
For the three months ended March 31, 2025 and 2024

		Unit: NT\$ thousand	
		January 1 to March 31, 2024	
Code		January 1 to March 31, 2025	(After measurement period adjustment)
	Cash flows from operating activities		
A10000	Profit before tax	\$ 226,517	\$ 217,227
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation	84,768	61,607
A20200	Amortization	46,697	12,478
A20300	Expected credit loss (gain on reversal)	1,902	( 223 )
A20900	Financial cost	42,138	15,226
A21200	Interest income	( 3,847 )	( 2,813 )
A22500	Gain (loss) on disposal and scrapping of equipment	( 20 )	428
A21900	Cost of employee stock options	3,262	4,502
A23700	Loss for market price decline and obsolete inventory	5,682	2,117
A24100	Unrealized foreign exchange gains	( 17,746 )	( 13,360 )
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets designated at fair value through profit or loss	43	4,266
A31150	Notes and accounts receivable	( 66,560 )	108,983
A31180	Other receivables	( 8,464 )	7,961
A31200	Inventory	( 126,941 )	( 37,918 )
A31230	Prepayments	36,642	( 21,186 )
A31240	Other current assets	8,237	58
A31990	Other non-current assets	1,033	1,173
A32110	Financial liabilities held for trading	( 8,097 )	2,466
A32150	Accounts payable	144,973	( 39,342 )
A32180	Other payables	( 80,134 )	( 75,639 )
A32200	Liability reserve	3,173	691
A32230	Other current liabilities	( 17,643 )	21,478
A32240	Net defined benefit liability	1,431	1
A32990	Other non-current liabilities	( 7,064 )	16,097
A33000	Cash inflows from operating activities	269,982	286,278
A33100	Interest received	4,289	3,216
A33500	Income tax paid	( 49,189 )	( 6,189 )
AAAA	Net cash flows from operating activities	<u>225,082</u>	<u>283,305</u>

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Code		January 1 to March 31, 2025	January 1 to March 31, 2024 (After measurement period adjustment)
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive incomes	\$ -	(\$ 93,834)
B02700	Purchase of property, plant and equipment	( 39,080)	( 24,523)
B02800	Proceeds from sale of property, plant and equipment	2,126	-
B03700	Increase in refundable deposits	( 507)	( 90)
B03800	Decrease in refundable deposits	-	13
B04500	Purchase of intangible assets	( 8,276)	( 1,120)
B07100	Increase in equipment prepayments	( <u>9,113</u> )	( <u>15,260</u> )
BBBB	Net cash outflows from investing activities	( <u>54,850</u> )	( <u>134,814</u> )
	Cash flows from financing activities		
C00100	Decrease in net short-term loans	( 121,987)	( 63,623)
C01600	Borrowing of long-term loans	760,396	-
C01700	Repayment of long-term loans	( 1,102,085)	( 42,218)
C04020	Repayment of lease principals	( 15,930)	( 29,155)
C04800	Exercise of employee stock options	13,791	276
C05600	Interest paid	( <u>37,032</u> )	( <u>16,689</u> )
CCCC	Net cash outflows from financing activities	( <u>502,847</u> )	( <u>151,409</u> )
DDDD	Currency impact on cash and cash equivalents	<u>31,338</u>	<u>18,918</u>
EEEE	Net increase (decrease) in cash and cash equivalents during the period	( 301,277)	16,000
E00100	Cash and cash equivalents at the beginning of the period	<u>1,822,879</u>	<u>1,065,550</u>
E00200	Cash and cash equivalents at the end of the period	<u>\$ 1,521,602</u>	<u>\$ 1,081,550</u>

The notes are an integral part of these consolidated financial statements.

(Please refer to the auditor's review report issued by Deloitte Taiwan on May 9, 2025)

Chairman: Wang Hsing Lei    Chief Executive Officer: Chen Ming-Yi    Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Notes to Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Unit: NT\$ thousand unless otherwise indicated)

I. Company history

TSC Auto ID Technology Co., Ltd. (“the Company”), founded on March 19, 2007, is a global company in auto-identification systems/products manufacturing and services. The Company was listed on the TPEx on November 26, 2008.

The composition of the Company’s consolidated financial statements includes the Company and its subsidiaries (hereinafter referred to as the “consolidated company”).

The consolidated financial statements are expressed in NT dollars, the Company’s functional currency.

II. Dates and procedures of approving financial reports

The consolidated financial reports were published on May 9, 2025 after approval by the Board of Directors.

III. Applicability of new and modified standards and interpretations

- (I) First adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) Interpretations recognized and promulgated by the Financial Supervisory Commission (hereinafter collectively referred to “IFRSs”)

According to the consolidated company’s assessment, the adoption of the IFRSs recognized and promulgated in 2025 by the Financial Supervisory Commission will not cause material changes to the consolidated company’s accounting policies.

- (II) IFRSs published by International Accounting Standards Board (IASB), recognized by the Financial Supervisory Commission and applicable in 2026

Newly published/amended/revised standards and interpretations	IASB release and effective date
The amendments to the application of the classification of financial assets in the amendments to IFRIS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” are as follows:	January 1, 2026 (Note 1)

Note 1: The amendments are applicable for annual reporting periods beginning after January 1, 2026. Entities may choose to apply the same earlier on January 1, 2025.

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the IFRSs endorsed by the FSC and to be effective in 2026 will not result in significant changes in the Group's accounting policies.

(III) IFRSs published by International Accounting Standards Board (IASB) but yet to be recognized by the Financial Supervisory Commission

Newly published/amended/revised standards and interpretations	IASB release and effective date
“Annual Improvements to IFRS Accounting Standards — Volume 11”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments” regarding liability derecognition	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts referencing nature-dependent electricity”.	January 1, 2026
IFRS 10 and IAS 28 Amendment: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Undecided
IFRS 17 Insurance Contracts	January 1, 2023
IFRS 17 Amendment	January 1, 2023
IFRS 17 Amendment: Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
IFRS 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability”	January 1, 2027

Note 1: Unless otherwise indicated, the abovementioned newly published, amended or revised standards and interpretations shall take effect on annual reporting periods after respective dates.

#### IFRS 18 "Presentation and Disclosures of Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements" and the main changes include:

- The income and loss items should be divided into business, investment, financing, income tax and discontinued operations.
- The income statement shall be reported as operating income, pre-tax income before financing, and the sum and total of profit and loss.
- Provide guidance to strengthen the requirements of aggregation and segmentation: The consolidated company must identify assets, liabilities, equity, revenues,

expenses and cash flows from individual transactions or other events and classify and summarize each line item presented which shall have at least one similar characteristic. Items that are dissimilar from other items should be disaggregated. The Consolidated Company only labels such items as "other" when no more informative label can be found.

- Increase the disclosure of performance measures defined by management: When the consolidated company engages in public communication outside of financial statements, and when communicating perspective on a specific aspect of the consolidated company's overall financial performance to users of the financial statements, it should disclose information about performance measures defined by management in a single note to the financial statements. This includes a description of the measure, how it is calculated, a reconciliation with subtotals or totals specified by IFRS accounting standards, and the impact of related reconciliation items on income tax and non-controlling interests.

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

#### IV. Summary of significant accounting policies

##### (I) Statement of Compliance

These consolidated financial statements were prepared according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards (IAS) 34 Interim Financial Reporting recognized and promulgated by the Financial Supervisory Commission. These consolidated financial statements did not include all the information required for disclosure by the IFRSs for the entire year.

##### (II) Basis of Preparation

These consolidated financial statements were prepared according to historical costs except for the financial instruments measured at fair value, contingent consideration of business combination, and the net defined benefit liability calculated with the present value of the defined benefit obligation less the fair value of the asset plan.

The measurement of fair values can be classified into Level 1, Level 2 and Level 3 according to the level of observability and importance of relevant inputs.

1. Level 1 inputs: (unadjusted) quoted prices for identical assets or liabilities in active and liquid markets.
2. Level 2 inputs: input values of assets or liabilities observable directly (i.e., prices) or indirectly (i.e., inferred prices) other than Level 1 quoted prices.
3. Level 3 inputs: unobservable inputs for assets or liabilities.

(III) Basis of Consolidation

These consolidated financial statements include the Company and the entities (subsidiaries) controlled by the Company. The financial statements of subsidiaries have been adjusted so that their accounting policies are consistent with the consolidated company. All the transactions, account balances, incomes and gains, expenses and losses among individual entities have been canceled out in the preparation of the consolidated financial statements. The total comprehensive income of the subsidiary is attributed to the owners of the Company and non-controlling interests, even if the non-controlling interests have a loss balance.

Please refer to Note 11, Table 7 and 8 for a detailed list of the subsidiaries, shareholding percentages in these subsidiaries and their businesses.

(IV) Other major accounting policies

In addition to the following explanations, please refer to the summary of the major accounting policies for 2024 consolidated financial statements.

1. Defined-benefit post-employment benefit

Interim pension costs from the beginning of the year to the end of the reporting period are calculated with the discount rate determined actuarially on the closing date of the prior year and adjusted by reflecting significant market volatility, major plan changes, repayments or other material one-offs.

2. Other long-term employee benefits

The accounting treatment for other long-term employee benefits and defined retirement benefit plans is the same and any related re-measurement is recognized as profit or loss.

3. Income tax expense

Income tax expenses are the aggregate of the income taxes and deferred taxes during the period. Interim income taxes are assessed on an annualized

basis, by applying the effective tax rate on the expected annual earnings to the interim profits before tax.

V. Critical accounting judgements, estimates and key sources of assumption uncertainty

With regard to the adoption of accounting policies by the consolidated company, management must make judgments, estimates and assumptions based on historical experience and other relevant factors if relevant information is not readily available from other sources. The actual outcome may be different from the estimates.

The consolidated company, when making significant accounting estimates, incorporated the inflation, fluctuations in market interest rates and foreign exchange market, and so on changes in the economic environment, including inflation, fluctuations in market interest rates, foreign exchange volatility, and U.S. reciprocal tariff measures. Management will continue to review these estimates and assumptions.

Please refer to the explanations about the main sources of uncertainty with major accounting judgments, estimates and assumptions in the 2024 consolidated financial statements.

VI. Cash and Cash Equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Vault cash and petty cash	\$ 98	\$ 140	\$ 210
Bank checks and demand deposits	1,421,504	1,542,852	881,340
Cash equivalents			
Fixed-term bank deposits with original maturity within three months	<u>100,000</u>	<u>279,887</u>	<u>200,000</u>
	<u>\$ 1,521,602</u>	<u>\$ 1,822,879</u>	<u>\$ 1,081,550</u>

VII. Financial instruments measured at fair value through profit or loss

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial Assets – Current</u>			
Designated at fair value through profit or loss			
Derivatives (non-hedging)			
- Currency forward contracts (1)	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 277</u>
<u>Financial Liabilities – Current</u>			
Held for trading			
Derivatives			

	(non-hedging)			
	Currency forwards	\$ 1,561	\$ 330	\$ 2,466
Contingent consideration		<u>64,350</u>	<u>68,931</u>	<u>-</u>
		<u>\$ 65,911</u>	<u>\$ 69,261</u>	<u>\$ 2,466</u>
<u>Financial</u>	<u>Liabilities</u>	-		
	<u>Non-current</u>			
Contingent consideration		<u>\$ 28,848</u>	<u>\$ 26,784</u>	<u>\$ -</u>

- (I) A summary of the outstanding currency forward contracts not under hedge accounting as of the balance sheet date is as follows:

March 31, 2025

	<u>Currency</u>	<u>Maturity</u>	<u>Nominal value (NT\$ thousand)</u>
Short forwards	Euro to NTD	2025.4.22	EUR 1,000/NTD 34,331

December 31, 2024

	<u>Currency</u>	<u>Maturity</u>	<u>Nominal value (NT\$ thousand)</u>
Short forwards	USD to NTD	2025.1.20-2025.1.21	USD 2,000/NTD 65,129
	Euro to NTD	2025.1.20	EUR 1,000/NTD 34,154

March 31, 2024

	<u>Currency</u>	<u>Maturity</u>	<u>Nominal value (NT\$ thousand)</u>
Short forwards	USD to NTD	2024.4.19 - 2024.5.21	USD 4,000/NTD 125,275
	Euro to NTD	2024.4.19 - 2024.5.21	EUR 3,000/NTD 103,282

The consolidated company primarily engages in currency forward transactions to hedge the risks associated with exchange rate fluctuations for assets and liabilities denominated in foreign currencies.

VIII. Financial assets measured at fair value through other comprehensive incomes

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Equity</u>			
<u>Investments – Non-Current</u>			
Domestic investments			
TPEX-listed stocks	<u>\$ 746,928</u>	<u>\$ 849,072</u>	<u>\$ 1,182,636</u>

The consolidated company invests in ordinary shares listed on the TPEX for mid-to-long term strategic purposes and seeks to profit from long-term investments. The consolidated company's management does not think recognizing the short-term fair value volatility of such investments as profit or loss aligned with the long-term

investment planning abovementioned. Therefore, management decided to designate such investments measured at fair value through other comprehensive incomes.

IX. Notes and accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 56	\$ -	\$ 7
Accounts receivable	2,000,330	1,847,554	1,274,269
Less: allowance for losses	( 62,400 )	( 58,633 )	( 28,124 )
Accounts receivable – affiliated parties (Note 27)	-	24	20
	<u>\$ 1,937,986</u>	<u>\$ 1,788,945</u>	<u>\$ 1,246,172</u>

Accounts receivable

The consolidated company's average credit period for products sold is 45 to 90 days after the issuance of invoices or 25 to 90 days based on monthly statements. Accounts receivable do not accrue interests. Before accepting new customers, the consolidated company assesses the credit quality of the potential customers and determines the credit allowance for such customers through internal credit evaluation procedures. The credit allowance and ratings for customers are periodically reviewed according to actual requirements. When determining the recoverability of accounts receivable, the consolidated company takes into account any change of the credit quality from the original credit date to the balance sheet date. It refers to past late payments and current financial statuses of counterparties. The unrecoverable amount of receivables is reviewed and estimated case by case in order to recognize an appropriate allowance for credit losses for the receivables that may not be recovered.

In addition to the recognition of allowance for credit losses for individual customers experiencing credit impairment, the consolidated company recognizes an allowance for expected credit loss during the lifetime of receivables. The consolidated company decides whether to categorize individual customers into different risk groups by considering past default records and current financial status of the customers and the economic and business environment during the period. Lifetime expected credit losses are calculated according to the historical loss rates and reference to customers' default records. The consolidated company categorizes customers according to the countries and regions they are located and defines the expected credit loss rates by taking into account GDP forecasts and unemployment levels and the overdue days of accounts

receivable. An allowance for losses will be recognized at 100% of any receivable overdue for more than one year and without any credit guarantees.

If there is evidence indicating a counterparty is in severe financial difficulty (such as in liquidation) and the consolidated company cannot reasonably expect to recover the amount, the consolidated company will write off the relevant receivables but will continue to pursue the payments. Any recovered amount will be recognized in profit or loss.

The consolidated company measures the allowance loss for notes and accounts receivable based on the provision matrix as follows:

#### March 31, 2025

	No sign of defaults						Sign of defaults	Total
	Not overdue	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days	Overdue 271~365 days	Overdue by 365 days		
Total account value	\$ 1,543,771	\$ 277,125	\$ 115,608	\$ 12,865	\$ 12,294	\$ 36,304	\$ 2,419	\$ 2,000,386
Allowance for losses (lifetime expected credit losses)	( 15,566)	( 2,771)	( 3,468)	( 643)	( 1,229)	( 36,304)	( 2,419)	( 62,400)
Amortized cost	<u>\$ 1,528,205</u>	<u>\$ 274,354</u>	<u>\$ 112,140</u>	<u>\$ 12,222</u>	<u>\$ 11,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,937,986</u>

#### December 31, 2024

	No sign of defaults						Sign of defaults	Total
	Not overdue	Overdue by 1~90 days	Overdue by 91~180 days	Overdue by 181~270 days	Overdue by 271~365 days	Overdue by 365 days		
Total account value	\$ 1,369,204	\$ 399,486	\$ 22,192	\$ 12,949	\$ 2,663	\$ 38,717	\$ 2,343	\$ 1,847,554
Allowance for losses (lifetime expected credit losses)	( 11,999)	( 3,995)	( 666)	( 647)	( 266)	( 38,717)	( 2,343)	( 58,633)
Amortized cost	<u>\$ 1,357,205</u>	<u>\$ 395,491</u>	<u>\$ 21,526</u>	<u>\$ 12,302</u>	<u>\$ 2,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,788,921</u>

#### March 31, 2024

	No sign of defaults						Sign of defaults	Total
	Not overdue	Overdue by 1~90 days	Overdue by 91~180 days	Overdue by 181~270 days	Overdue by 271~365 days	Overdue by 365 days		
Total account value	\$ 999,143	\$ 232,402	\$ 14,137	\$ 8,225	\$ 3,908	\$ 8,147	\$ 8,314	\$ 1,274,276
Allowance for losses (lifetime expected credit losses)	( 9,971)	( 2,324)	( 424)	( 411)	( 391)	( 8,147)	( 6,456)	( 28,124)
Amortized cost	<u>\$ 989,172</u>	<u>\$ 230,078</u>	<u>\$ 13,713</u>	<u>\$ 7,814</u>	<u>\$ 3,517</u>	<u>\$ -</u>	<u>\$ 1,858</u>	<u>\$ 1,246,152</u>

Change to allowance of losses of receivables is as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Balance at the beginning of the period	\$ 58,633	\$ 27,822
Add: Impairment loss recognized (reversed) during this period	1,902	( 223)
Difference in foreign currency translation	<u>1,865</u>	<u>525</u>
Balance at the end of the period	<u>\$ 62,400</u>	<u>\$ 28,124</u>

X. Inventory

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 786,195	\$ 852,798	\$ 744,994
Semi-finished goods	521,078	424,752	259,065
Work in process	73,093	27,450	74,162
Raw materials	<u>802,757</u>	<u>705,639</u>	<u>491,018</u>
	<u>\$ 2,183,123</u>	<u>\$ 2,010,639</u>	<u>\$ 1,569,239</u>

Cost of goods sold by nature:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Inventory cost for sold goods	\$ 2,001,705	\$ 1,281,987
Loss for market price decline and obsolete inventory	<u>5,682</u>	<u>2,117</u>
	<u>\$ 2,007,387</u>	<u>\$ 1,284,104</u>

XI. Subsidiaries

(I) Subsidiaries in the consolidated financial statements

The entities covered by these consolidated financial statements are as follows:

Name of the investment company	Name of the subsidiary	Nature of the business	Shareholding percentage			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	TSC Auto ID (H.K.) Ltd. (TCHK)	Investment in production businesses and general imports/exports	100%	100%	100%	-
The Company	TSC Auto ID Technology EMEA GmbH (TSCAE)	Selling and buying of barcode printers and relevant components	100%	100%	100%	-
The Company	TSC Auto ID Technology America Inc. (TSCAA)	Selling and buying of barcode printers and relevant components	100%	100%	100%	-
The Company	Printronix Auto ID Technology Co., Ltd. ("Printronix Auto ID Technology")	Selling and buying of barcode printers and relevant components	-	-	100%	Note 1
The Company	Diversified Labeling Solutions, Inc. (DLS)	Printer consumables and customized design, integration, production and marketable of a variety of labels	100%	100%	100%	-

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Name of the investment company	Name of the subsidiary	Nature of the business	Shareholding percentage			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	TSC Auto ID Technology India Private limited (TSCIN)	Selling and buying of barcode printers and relevant components	100%	100%	100%	-
The Company	Mosfortico Investments sp. z o.o. (TSCPL)	General investment	100%	100%	100%	-
The Company	Bluebird Inc. (BB)	Production and sales of enterprise hand-held computers and their components	96.54%	96.54%	-	Note 2
The Company and BB	Bluebird Latin America S. de R.L. de CV (BBMX)	Production and sales of enterprise hand-held computers and their components	100%	100%	-	Note 2
TSC HK	Tianjin TSC Auto ID Technology Co., Ltd. (Tianjin TSC Auto ID Technology)	Production and marketing of barcode printers and relevant components	100%	100%	100%	-
TSCAE	TSC Auto ID Technology ME, Ltd. FZE (TSCAD)	Selling and buying of barcode printers and relevant components	100%	100%	100%	-
TSCAE	TSC Auto ID Technology Spain, S.L. (TSCAS)	Selling and buying of barcode printers and relevant components	100%	100%	100%	-
DLS	Precision Press & Label, Inc. (PPL)	Selling of a variety of labels and printer consumables	100%	100%	100%	-
TSCPL	MGN sp. z o.o. (MGN)	Printer consumables and customized design, integration, production and marketable of a variety of labels	100%	100%	100%	-
BB	Bluebird USA Inc. (BBUS)	Production and sales of enterprise hand-held computers and their components	100%	100%	-	-
BB	Bluebird India R&D Center Private Ltd. (BBIN)	R&D and design of enterprise hand-held computers and technical services	99%	99%	-	-
BB	Bluebird Germany GmbH (BBDE)	Production and sales of enterprise hand-held computers and their components	100%	100%	-	-
BB	Bluebird Europe SL (BBES)	Production and sales of enterprise hand-held computers and their components	100%	100%	-	-

Note 1: The Board of Directors of the company resolved to dissolve and liquidate the company in May 2024. The liquidation was reported to the court in November 2024.

Note 2: Blue Bird Inc. (BB) acquired the equity in November 2024. Blue Bird Latin America S. de R.L. (BBMX) is a subsidiary in which BB holds 99.97% of the equity. After the Company acquired 0.03% of the remaining equity of BB in November 2024, the Company and BB jointly hold 100% of BB's equity.

- (II) Subsidiaries not included in the consolidated financial statements: none.
- (III) Other information: The financial statements of the abovementioned subsidiaries, with exception to BB, BBMX, BBUS, BBIN, BBDE and BBES, were included in the consolidated financial statements during the same period which were reviewed by the Company's CPAs and other CPAs.

## XII. Property, plant and equipment

	March 31, 2025	December 31, 2024	March 31, 2024
Land	\$ 230,978	\$ 230,580	\$ 230,504
Buildings and structures	302,573	299,382	304,843
Machinery and equipment	763,380	734,223	653,797
Other equipment	106,276	101,506	82,830
Construction in progress	99,985	76,700	22,496
	<u>\$ 1,503,192</u>	<u>\$ 1,442,391</u>	<u>\$ 1,294,470</u>

Other than the recognized depreciation expenses, there was no significant purchase, disposal or impairment of the consolidated company's property, plant and equipment from January 1 to March 31, 2025 and from January 1 to March 31, 2024, respectively.

Depreciation is recognized in a straight line method according to following service lives:

Buildings and structures	
Office	10-52 years
Factories and auxiliary equipment	17-37 years
Indoor decoration engineering	5 years
Machinery and molding equipment	3-20 years
Office and other equipment	3-20 years
Lease hold improvements	10 years
Transportation equipment	4-7 years

The consolidated company has created a collateral for the bank as a guarantee for the borrowing of amount for property, plant and equipment. Please refer to Note 28 for detailed information.

XIII. Lease agreement

(I) Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of right-of-use assets			
Buildings	\$ 621,558	\$ 651,955	\$ 298,545
Transportation equipment	10,235	10,648	13,534
Machinery and equipment	16,501	16,038	16,918
	<u>\$ 648,294</u>	<u>\$ 678,641</u>	<u>\$ 328,997</u>
	January 1 to March 31, 2025	January 1 to March 31, 2024	
Purchase of right-of-use assets	<u>\$ 660</u>	<u>\$ 202,653</u>	

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	January 1 to March 31, 2025	January 1 to March 31, 2024
Depreciation of right-of-use assets		
Buildings	\$ 39,048	\$ 26,878
Transportation equipment	1,628	1,662
Machinery and equipment	673	590
	<u>\$ 41,349</u>	<u>\$ 29,130</u>
Sublease incomes from right-of-use assets (rental incomes)	( <u>\$ 2,733</u> )	( <u>\$ 2,562</u> )

Other than the purchase and recognized depreciation expenses above listed, there was no significant sublease or impairment of the consolidated company's right-of-use assets from January 1 to March 31, 2025 and from January 1 to March 31, 2024.

(II) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of lease liabilities			
Current	<u>\$ 133,366</u>	<u>\$ 120,939</u>	<u>\$ 91,845</u>
Non-current	<u>\$ 549,545</u>	<u>\$ 567,344</u>	<u>\$ 231,370</u>

The range of the discount rates for lease liabilities is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Lease liabilities	0.69% ~ 10.58%	0.25% ~ 10.58%	0.25% ~ 8.25%

(III) Important activities and clauses as a lessee

The consolidated company leases certain buildings, transportation equipment and machinery equipment for offices, plants, company vehicles and daily operations, with lease periods of 1 to 11 years. For the offices and warehouses in the United States, it is agreed that the lease payment will be increased by 2.5% to 10.8% per year; in addition, the lease payment of the office in India will be adjusted by 4-5% per year.

(IV) Other information on leases

	January 1 to March 31, 2025	January 1 to March 31, 2024
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	January 1 to March 31, 2025	January 1 to March 31, 2024
Short-term lease expenses	\$ 655	\$ 590
Low-value asset lease expenses	\$ 3,317	\$ 968
Total cash (outflow) for leases	(\$ 32,937)	(\$ 34,308)

The consolidated company chooses to exempt the recognition of office equipment leases qualified for short-term leases and low-value asset leases. In other words, no right-of-use assets or liabilities will be recognized for such leases.

XIV. Goodwill

	January 1 to March 31, 2025	January 1 to March 31, 2024
<u>Cost</u>		
Balance at the beginning of the period	\$ 1,945,645	\$ 1,261,280
Net exchange difference	38,782	46,333
Balance at the end of the period	<u>\$ 1,984,427</u>	<u>\$ 1,307,613</u>

Distribution of carrying amount of goodwill to the following cash generating units:

	March 31, 2025	December 31, 2024	March 31, 2024
Printer business group	\$ 930,438	\$ 918,669	\$ 896,672
Label business - DLS	213,595	210,893	205,844
Label business			
- MGN brand (I)	219,986	204,252	205,097
Mobile device business			
- Bluebird brand (II)	620,408	611,831	-
	<u>\$ 1,984,427</u>	<u>\$ 1,945,645</u>	<u>\$ 1,307,613</u>

- (1) On June 12, 2023, the consolidated company acquired 100% equity interest in MGN. In the second quarter of 2024, a valuation report was obtained. Based on the purchase price allocation (PPA) report, the consolidated company has adjusted the initial accounting treatment and provisional amounts from the acquisition date and has restated the comparative information accordingly.

The increase (decrease) in retrospective adjustments of relevant accounts in the Balance Sheets is as follows:

	March 31, 2024	Acquisition date
<u>Assets</u>		
Property, plant and equipment	\$ 140	\$ 149
Intangible assets	( 2,314)	( 2,257)
Goodwill	239	224
<u>Liabilities</u>		

Other payables	( 3,036)	( 2,849)
Other current liabilities	1,455	1,366
Deferred income tax liabilities	( 427)	( 401)

Equity

Retained earnings	59	-
Other equity	14	-

- (II) In order to provide customers with a comprehensive automatic identification system solution and to enhance the consolidated company's overall market share and brand competitiveness, the Company acquired a 96.54% equity interest in Bluebird Inc. in November 2024 for KRW 118,740,223 thousand (equivalent to approximately NT\$2,783,490 thousand based on the exchange rate on the acquisition date).

XV. Other Intangible Assets

	March 31, 2025	December 31, 2024	March 31, 2024
Customer relations	\$ 728,829	\$ 722,902	\$ 329,100
Trademark	98,289	102,168	-
Software cost	91,565	96,864	61,464
Knowhow & technology	75,935	81,934	26,987
Patent rights	61	80	-
Others	68,309	69,059	-
	<u>\$ 1,062,988</u>	<u>\$ 1,073,007</u>	<u>\$ 417,551</u>

Other than the recognized amortization, there was no significant addition, disposal or impairment of the consolidated company's intangible assets from January 1 to March 31, 2025 and from January 1 to March 31, 2024, respectively.

Amortization is recognized in a straight line method according to following service lives:

Licensed technology	5-10 years
Customer relations	7-19.6 years
Patent rights	8 years
Software cost	1-10 years
Trademark	5 years
Others	5 years

XVI. Other Assets

	March 31, 2025	December 31, 2024	March 31, 2024
Prepayment of equipment amount	\$ 50,846	\$ 59,903	\$ 52,795
Refundable deposits	34,470	33,468	11,748
Current tax assets	5,069	4,990	-
Other financial asset (I)	-	43,659	45,970

Others	<u>16,038</u>	<u>29,947</u>	<u>1,462</u>
	<u>\$ 106,423</u>	<u>\$ 171,967</u>	<u>\$ 111,975</u>
Current	<u>\$ 20,470</u>	<u>\$ 72,109</u>	<u>\$ 827</u>
Non-current	<u>\$ 85,953</u>	<u>\$ 99,858</u>	<u>\$ 111,148</u>

- (I) The consolidated company acquired 100% equity interest in MGN on June 12, 2023 and deposited EUR 1,292 thousand in an escrow account as the balance payment to ensure that both parties have fulfilled their obligations in the acquisition agreement. The special account was settled on January 7, 2025.

## XVII. Loans

- (I) Short-term loans

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Unsecured loans	\$ 1,740,946	\$ 1,835,419	\$ 603,309
Secured loans	<u>6,134</u>	<u>6,217</u>	<u>10,001</u>
	<u>\$ 1,747,080</u>	<u>\$ 1,841,636</u>	<u>\$ 613,310</u>
Interest Rate Interval for Unsecured Loans (%)	1.77%~5.12%	1.77%~5.63%	4.50%~6.13%
Interest Rate Interval for Secured Borrowings (%)	7.55%	7.52%	7.53%

The bank loan is secured by the consolidated company's own land and buildings (refer to Note 28), and the loan is due in March 2026.

- (II) Long-term loans

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Unsecured borrowings (1)	\$ 1,100,000	\$ 540,000	\$ 560,000
Secured borrowings (2), (3)	1,109,421	2,011,009	17,822
Less: The balance of the long-term loan arrangement fee that has not been amortized	( 7,401 )	( 7,797 )	-
Less: portion due within one year	( <u>181,124</u> )	( <u>207,442</u> )	( <u>9,155</u> )
	<u>\$ 2,020,896</u>	<u>\$ 2,335,770</u>	<u>\$ 568,667</u>
Interest Rate Interval for Unsecured Loans (%)	1.83%~1.93%	1.77%~1.88%	1.65%~2.00%
Interest Rate Interval for Secured Borrowings (%)	2.38%~4.42%	2.37%~4.91%	4.40%~8.80%
Final maturity	118/11/14	118/11/14	116/12/15

1. To enhance mid-term working capital, the Company has signed loan agreements with different banks and paid interest incurred periodically. Before the expiry of contracts, short-term loans can be made within the revolving credit lines. There are no revolving credit lines for mid-term or long-term loans. The maturity dates above are based on the end dates of the loan periods.

In the duration of each loan, the covenant of the loans with KGI Bank requires the Company to maintain the following financial ratios for annual and interim consolidated financial statements:

- (1) Liabilities ratio (total liabilities/shareholders' equity): >150%.
  - (2)  $(\text{Cash and cash equivalents} + \text{annualized EBITDA}) / (\text{short-term borrowings} + \text{medium- and long-term borrowings due within one year})$  must not be less than 1.
2. Certain long-term secured bank borrowings of the consolidated company are secured by the consolidated company's own land, buildings, and machinery and equipment (refer to Note 28). The borrowings are due in December 2027. The interest rates on the borrowings were 3.89%–4.42%, 4.38%–4.91%, and 4.40%–8.88% as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.
  3. Certain long-term secured bank borrowings of the consolidated company are secured by the pledged shares of Bluebird Inc. (BB Company) acquired by the Company. The borrowings are due on November 14, 2029. As of March 31, 2025 and December 31, 2024, the interest rates on the borrowings were floating at 2.377% and 2.374%, respectively (TAIBOR + 0.65%). The first installment is due 12 months from the drawdown date, with repayments scheduled every six months over a total of nine installments. The principal repayment ratios for each installment are as follows: 3%, 3%, 5%, 5%, 5%, 7.5%, 7.5%, 10%, and 54%. In addition, according to the syndicated loan agreement, the Company shall maintain the following financial ratios during the duration of the contract and review them once every six months from the 2024 consolidated financial statements.
    - (1) Current ratio (current assets/current liabilities): >100%;
    - (2) Debt burden ratio  $([\text{medium- to long-term and short-term bank borrowings (including long-term debt due within one year or one$

- business cycle) + bills payable + domestic and foreign corporate bonds (including convertible bonds)]/tangible net worth): > 3 times;
- (3) Principal times interest earned [past 12 months (pre-tax net income + depreciation + amortization + interest expense)/payable principal and interest expenses on all borrowings in the past 12 months]: >1.5 times;
- (4) Tangible net worth (shareholders' equity - intangible assets):>NT\$2 billion in 2024; >NT\$2.5 billion in 2025; >NT\$3 billion in 2026 and onwards.

XVIII. Other Payables

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Salaries and bonuses payable	\$ 147,774	\$ 191,762	\$ 119,698
Employees' remuneration payable	56,276	45,030	72,692
Taxes payable	34,112	29,284	17,553
Directors' remuneration payable	28,138	22,515	36,346
Service fees payable	27,209	37,579	29,299
Insurance premiums payable	24,120	25,565	17,950
Equipment amount payable	9,340	2,427	3,371
R&D expenses payable	7,085	12,790	8,946
Contingent marketable funds payable	-	-	74,821
Payable - final payment for acquisition	-	55,361	46,509
Others (Note 27)	<u>59,202</u>	<u>59,980</u>	<u>66,571</u>
	<u>\$ 393,256</u>	<u>\$ 482,293</u>	<u>\$ 493,756</u>

XIX. Equity

(I) Ordinary share capital

	March 31, 2025	December 31, 2024	March 31, 2024
Authorized shares (thousand shares)	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Authorized share capital	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>
Issued shares (thousand shares)	<u>47,485</u>	<u>47,379</u>	<u>47,141</u>
Issued share capital	<u>\$ 474,851</u>	<u>\$ 473,791</u>	<u>\$ 471,426</u>

The change in the Company's issued share capital was mainly due to the exercise of stock options by employees. The face value per ordinary share issued is NT\$10. Each share is entitled to one voting right and one right to dividends.

Out of the authorized capital, the capital reserved for the issuance of employee share options is 8,000 thousand shares.

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Company had 106 thousand, 22.9 thousand and 2 thousand issued share capital, respectively, that had not yet been filed with the New Taipei City Government for change registration.

(II) Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
<u>May be used to offset losses, issue cash or appropriate to share capital (1)</u>			
Premium of share issuance	\$ 514,105	\$ 501,374	\$ 472,827
Difference between the actual disposal price and book value of the subsidiaries' equity	1,984	1,984	1,984
<u>May be used to offset losses only</u>			
Lapsed stock options	123,244	123,244	123,244
Exercised employee stock options	68,591	63,466	51,957
<u>May not be used for any purposes (2)</u>			
Employee stock options	30,349	32,212	30,757
	<u>\$ 738,273</u>	<u>\$ 722,280</u>	<u>\$ 680,769</u>

1. This type of capital surplus may be used to offset losses or to issue cash dividends or appropriate share capital in the absence of losses. Share capital appropriation is limited to a certain percentage of paid-in capital each year.
2. Capital surplus generated due to the issuance of employee stock options may not be used for any purposes.

(III) Retained earnings and dividend policy

According to the earnings distribution policy stated in the Company's Articles of Incorporation, any earnings for the year should be used to pay taxes according to laws, offset losses from prior years and then appropriate 10% as legal reserves and recognize or reverse any special reserves required by laws. The remaining balance, along with accumulative and undistributed earnings from the previous year, may be used for earnings distribution. However, a portion may be reserved for business

needs before the issuance of dividends to shareholders. The Company is in a growth stage. To fund the future operation and development, the Board of Directors proposes the earnings distribution and the issuance of dividends to shareholders is proceeded after resolution from the shareholders' meeting. The Company's policy regarding employees' remuneration and directors' remuneration is stated in the Articles of Incorporation. Please refer to Note 21 (7) for employees' remuneration and directors' remuneration.

According to the Company's Articles of Incorporation, the percentage of earnings to be distributed according to the resolution, in principle, may not fall below 10% of the distributable earnings for the year. Dividends may be issued in cash or with shares. The percentage of dividends distributed in cash may not fall below 10% of the total dividends. However, stock dividends will be issued in lieu of cash dividends below NT\$0.2 per share.

Appropriation to the legal reserve shall continue and may stop when the legal reserve reaches the same amount as the paid-in capital. The legal reserve may be used to offset losses. If the legal reserve exceeds 25% of the paid-in capital and there are no losses, the exceeding portion may be distributed in cash.

The Company held the Board of Directors meeting on March 14, 2025 for the proposal and the shareholders' meeting on June 18, 2024 for the resolution of the 2024 and 2023 earnings distribution as follows:

	Earnings distribution		Dividend per share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$ 65,881	\$ 92,507		
Cash dividends	<u>474,481</u>	<u>612,854</u>	\$ 10	\$ 13
	<u>\$ 540,362</u>	<u>\$ 705,361</u>		

The 2024 earnings distribution is subject to the resolution of the annual general shareholders' meeting scheduled for June 17, 2025.

(IV) Other equity

1. Exchange differences on translation of financial statements of foreign operations

	January 1 to March 31, 2025	January 1 to March 31, 2024
Balance at the beginning of the period	(\$ 15,010)	(\$ 83,887)
Incurred during the period		
Exchange differences on translation of financial statements	133,076	127,789

of foreign operations		
Relevant income taxes	( <u>26,615</u> )	( <u>25,555</u> )
Balance at the end of the period	<u>\$ 91,451</u>	<u>\$ 18,347</u>

2. Unrealized gain (loss) of financial assets measured at fair value through other comprehensive incomes

	January 1 to March 31, 2025	January 1 to March 31, 2024
Balance at the beginning of the period	\$ 249,194	\$ 848,156
Unrealized loss of financial assets measured at fair value through other comprehensive incomes	( <u>102,144</u> )	( <u>265,398</u> )
Balance at the end of the period	<u>\$ 147,050</u>	<u>\$ 582,758</u>

(V) Non-controlling interest

	January 1 to March 31, 2025	January 1 to March 31, 2024
Balance at the beginning of the year	\$ 75,486	\$ -
Current net income	1,795	-
Other comprehensive income for the year		
Exchange differences on translation of financial statements of foreign operations	<u>1,339</u>	<u>-</u>
Year-end balance	<u>\$ 78,620</u>	<u>\$ -</u>

XX. Revenue

	January 1 to March 31, 2025	January 1 to March 31, 2024
Revenue from contracts with customers		
Barcode printer components	\$ 1,146,529	\$ 1,063,422
Labels and printer consumables	937,526	812,064
Corporate hand-held computers	<u>772,038</u>	<u>-</u>
	<u>\$ 2,856,093</u>	<u>\$ 1,875,486</u>

(I) Explanations of revenue from contracts with customers

The consolidated company primarily sells barcode printers, relevant components, and corporate hand-held computers to China, Taiwan, other parts of Asia, Europe and the Americas.

According to the consolidated company's agreement with distributors, if the purchase of certain models by distributors reaches the contracted volume, the consolidated company will provide incentives at a percentage of the procurement value or retrospective unit price reductions for certain models. Based on past experiences and considering various agreement terms and conditions, the consolidated company estimates the possible rewards and incentives amount and recognizes refund liabilities (as other current liabilities) accordingly. As of March 31, 2024, December 31, 2024 and March 31, 2024, the consolidated company estimates the refund liabilities to be NT\$100,350 thousand, NT\$99,003 thousand, and NT\$88,584 thousand, respectively.

(II) Breakdown of revenue from contracts with customers

	January 1 to March 31, 2025	January 1 to March 31, 2024
<u>Main markets</u>		
Taiwan and other parts of Asia	\$ 749,474	\$ 298,046
China	224,883	191,740
America	1,081,482	897,611
Europe	800,254	488,089
	<u>\$ 2,856,093</u>	<u>\$ 1,875,486</u>

XXI. Additional information about net income during the period

Net income during the period includes the following:

(I) Interest income

	January 1 to March 31, 2025	January 1 to March 31, 2024
Bank deposits	<u>\$ 3,847</u>	<u>\$ 2,813</u>

(II) Other incomes

	January 1 to March 31, 2025	January 1 to March 31, 2024
Rental incomes (Note 13)	<u>\$ 2,733</u>	<u>\$ 2,562</u>
Others	<u>2,253</u>	<u>3,256</u>
	<u>\$ 4,986</u>	<u>\$ 5,818</u>

(III) Other gains and losses

	January 1 to March	January 1 to March
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	<u>31, 2025</u>	<u>31, 2024</u>
Net exchange gain	\$ 31,987	\$ 28,801
Loss from financial instruments measured at fair value through profit or loss	( 1,831 )	( 4,100 )
Gain (loss) on disposal of equipment	20	( 428 )
Other losses	( <u>1,067</u> )	( <u>835</u> )
	<u>\$ 29,109</u>	<u>\$ 23,438</u>
 (IV) Financial cost		
	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Bank loan interests	\$ 29,103	\$ 11,757
Lease liability interests	<u>13,035</u>	<u>3,469</u>
	<u>\$ 42,138</u>	<u>\$ 15,226</u>
 (V) Depreciation and amortization		
	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Property, plant and equipment	\$ 43,419	\$ 32,477
Right-of-use assets	41,349	29,130
Intangible assets	<u>46,697</u>	<u>12,478</u>
	<u>\$131,465</u>	<u>\$ 74,085</u>
Deprecation by function		
Operating costs	\$ 63,494	\$ 47,376
Operating expenses	<u>21,274</u>	<u>14,231</u>
	<u>\$ 84,768</u>	<u>\$ 61,607</u>
Amortization by function		
Operating costs	\$ 329	\$ 427
Operating expenses	<u>46,368</u>	<u>12,051</u>
	<u>\$ 46,697</u>	<u>\$ 12,478</u>
 (VI) Employee benefit expenses		
	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Shor-term employee benefits	\$ 529,066	\$ 404,695
Retirement benefits		
Defined contributions	13,392	12,409
Defined benefits	8,241	68
Share-based payment (Note 24)		
Equity settled	3,262	4,502
Other employee benefits	<u>29,524</u>	<u>19,414</u>
Total employee benefit	<u>\$ 583,485</u>	<u>\$ 441,088</u>

expenses

Summary by function

Operating costs	\$ 199,547	\$ 181,453
Operating expenses	<u>383,938</u>	<u>259,635</u>
	<u>\$ 583,485</u>	<u>\$ 441,088</u>

(VII) Employees' remuneration and directors' remuneration

In case of profits during the year, the Company shall allocate at least 2% but no more than 10% of the profits as employees' remuneration. The employees' remuneration is issued in cash or wish shares according to the decision by the Board of Directors. Eligible employees include the employees working for controlled or subordinated companies and meeting certain criteria defined by the Board of Directors. The Company may allocate up to 5% of the abovementioned profits as directors' remunerations according to the decision by the Board of Directors. In accordance with the August 2024 amendment to the Securities and Exchange Act, the Company proposes to amend its Articles of Incorporation in 2025 to stipulate that, when the Company makes a profit for the year, 2% to 10% of the annual profit before tax shall be allocated as employee compensation. Of this amount, no less than 1% of the profit before tax after deducting employee and director/supervisor compensation shall be allocated specifically to non-executive employee compensation. The proposal for distribution of employees' remuneration and directors' remuneration should be reported to the shareholders' meeting. In case of accumulated losses, profits should be used to offset the losses before distributing the aforesaid percentage as employees' remuneration and directors' remuneration. The estimated and recognized employees' remuneration and directors' remuneration for the three months ended March 31, 2025 and 2024, respectively, are as follows:

Estimated and recognized percentage

	January 1 to March 31, 2025	January 1 to March 31, 2024
Employees' remuneration	5.0%	5.0%
Directors' remuneration	2.5%	2.5%

Amount

	January 1 to March 31, 2025	January 1 to March 31, 2024
Employees' remuneration	\$ 11,246	\$ 10,724
Directors' remuneration	\$ 5,623	\$ 5,362

In case of changes in the amounts after the approval and publication of annual consolidated financial statements, the difference shall be treated as changes in accounting estimates and recognized during the following year.

The employee compensation and remuneration to directors for 2024 and 2023 were approved by the Board of Directors on March 14, 2025 and March 15, 2024, respectively, as follows:

	2024	2023
Employees' remuneration	\$ 45,030	\$ 61,968
Directors' remuneration	<u>22,515</u>	<u>30,984</u>
	<u>\$ 67,545</u>	<u>\$ 92,952</u>
Amounts recognized in financial statements	<u>\$ 67,545</u>	<u>\$ 92,952</u>

The actual distribution of employee compensation and remuneration to directors and supervisors for 2024 and 2023 were consistent with the amounts recognized in the consolidated financial statements for the respective years.

The information about the Company's employees' remuneration and directors' remuneration as determined by the Board of Directors is available on Taiwan Stock Exchange's Market Observation Post System.

## XX. Income taxes

### (I) Income tax recognized in profit and loss

The primary components of income tax expenses are as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Income tax during the period		
Incurred during the period	\$ 65,582	\$ 42,032
Adjustment for the previous year	( <u>426</u> )	( <u>1,517</u> )
	<u>65,156</u>	<u>40,515</u>
Deferred income tax		
Incurred during the period	( 16,205 )	16,873
Adjustment for the previous year	( <u>7,772</u> )	<u>-</u>
	<u>( 23,977 )</u>	<u>16,873</u>
Income tax expenses recognized in profit and loss	<u>\$ 41,179</u>	<u>\$ 57,388</u>

The income tax rate is 20% for profit-seeking enterprises and the tax rate on undistributed earnings is 5% in Taiwan. The subsidiaries in China is subject to a 25% tax rate; 27% tax rate for the subsidiaries in U.S.; Germany 30% tax rate; Poland

19% tax rate; and South Korea 21% tax rate. The tax rates in other jurisdictions are based on the local tax rates applicable.

(II) Income tax assessment

The business income tax filings from the Company as profit-seeking enterprises up to 2023 have been assessed by the tax authorities.

XXIII. Earnings per share

	January 1 to March 31, 2025	January 1 to March 31, 2024
Basic earnings per share	<u>\$ 3.87</u>	<u>\$ 3.39</u>
Diluted earnings per share	<u>\$ 3.85</u>	<u>\$ 3.36</u>

The earnings and the weighted average number of ordinary shares for the calculation of earnings per share are as follows:

Net income for the period

	January 1 to March 31, 2025	January 1 to March 31, 2024
Net income attributable to the shareholders of the Company	<u>\$183,543</u>	<u>\$159,839</u>
Net income used for the calculation of earnings per share	<u>\$183,543</u>	<u>\$159,839</u>
<u>Number of shares</u>		Unit: Thousand shares

	January 1 to March 31, 2025	January 1 to March 31, 2024
Weighted average number of ordinary shares used for the calculation of earnings per share	<u>47,420</u>	<u>47,143</u>
Effects of dilutive potential ordinary shares:		
Employee stock options	<u>74</u>	<u>205</u>
Employees' remuneration	<u>227</u>	<u>251</u>
Average weighted number of ordinary shares used for the calculation of dilutive earnings per share	<u>47,721</u>	<u>47,599</u>

The consolidated company can opt to issue employees' remuneration with shares or in cash. The calculation of diluted earnings per share should assume the remuneration is paid with shares. The dilute potential ordinary shares should be included in the weighted average number of shares outstanding for the calculation of diluted earnings per share. The calculation of diluted earnings per share before the decision on the issuance of shares as employees' remuneration in the following year should also take into account the effects of dilutive ordinary shares.

#### XXIV. Shares-based Payment Agreement

The Company granted 145 employee stock options in January 2025. Each option can subscribe to 1,000 ordinary shares. These options were issued to the employees working for the Company and the subsidiaries and meeting certain criteria. The time to maturity of these options is five years. The exercisable percentages in different years are as follows:

- (I) Up to 50% on the day following two years in issuance.
- (II) Up to 75% on the day following three years in issuance.
- (III) Up to 100% on the day following four years in issuance.

The exercise price is the closing price of the Company's ordinary shares on the day of issuance. The exercise price shall be adjusted according to the formula in case of change in the Company's ordinary shares.

The information on the employee stock options issued by the consolidated company is as follows:

<u>Employee stock options</u>	<u>January 1 to March 31, 2025</u>		<u>January 1 to March 31, 2024</u>	
	<u>Unit</u>	<u>Weighted average exercise price (NT\$)</u>	<u>Unit</u>	<u>Weighted average exercise price (NT\$)</u>
Outstanding at the beginning of the period	1,082.5	130.1-227.3	1,366	137.9-241.0
Granted during the period	145	200.0	-	-
Exercised during the period	( 106 )	130.1	( 2 )	137.9
Given up due to departure	( 28 )	227.3	( 40 )	241.0
Outstanding at the end of the period	<u>1,093.5</u>	130.1-227.3	<u>1,324</u>	137.9-241.0
Exercisable at the end of the period	<u>159.8</u>		<u>271.6</u>	
Weighted average time to maturity (years)	0.25~4.80 years		1.25~4.37 years	

The valuation of the employee stock options granted in January 2025 is based on the Black-Scholes model, with the inputs as follows:

	<u>January 2025</u>
Share price on granted day	NTD 200
Exercise price	NTD 200
Expected volatility	19.42%~19.85%
Time to maturity	3.5~4.5 years
Expected dividend yield	0%
Risk-free rate	1.49%~1.54%

The expected volatility is the annualized standard deviation of the historical returns over the time period equivalent to time to maturity.

The remuneration cost recognized for the three months ended March 31, 2025 and 2024 amounted to NT\$3,262 thousand and NT\$4,502 thousand, respectively.

#### XXV. Capital Risk Management

The policy adopted by the Board of Directors seeks to sustain a robust capital structure, maintain the confidence from investors, creditors and the market and support the operational development going forward. The capital management of the consolidated company intends to protect the going concern capability, continue to create shareholder returns and other stakeholders' interest, maintain the optimal capital structure and reduce the cost of capital.

To maintain or adjust the capital structure, the consolidated company may adjust shareholders' dividends, reduce capital by returning funds to shareholders, issue new shares, repurchase shares, raise new debts or repay existing debts.

The consolidated company controls and manages capital structure with the liability ratio. This ratio is calculated with total liabilities divided by total assets. The consolidated company's capital management seeks to maintain a liability ratio of no more than 60% to ensure funding at a reasonable cost. The liability ratios for different time periods are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Total liabilities	<u>\$ 7,277,047</u>	<u>\$ 7,604,584</u>	<u>\$ 3,589,960</u>
Total equity	<u>\$ 5,309,326</u>	<u>\$ 5,101,279</u>	<u>\$ 5,462,724</u>
Total assets	<u>\$ 12,586,373</u>	<u>\$ 12,705,863</u>	<u>\$ 9,052,684</u>
Liability ratio	<u>57.82%</u>	<u>59.85%</u>	<u>39.66%</u>

#### XXVI. Financial instruments

##### (I) Fair value – financial instruments not measured at fair value

The consolidated company believes that the carrying amounts of financial assets and financial liabilities that are not measured at fair value are close to their fair values or fair values that cannot be reliably measured.

##### (II) Fair value – recurring fair value measurement of financial instruments

###### 1. Fair value hierarchy

###### March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured</u>				
<u>at fair value through</u>				
<u>profit or loss</u>				
Derivatives	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Financial assets measured  
at fair value through  
other comprehensive  
incomes

Marketable securities  
listed on TPEx

-Equity investment	\$ 746,928	\$ -	\$ -	\$ 746,928
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Financial liabilities  
measured at fair value  
through profit or loss

Derivatives

\$ -	\$ 1,561	\$ -	\$ 1,561
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Contingent consideration  
of business  
combinations

-	-	93,198	93,198
\$ -	\$ 1,561	\$ 93,198	\$ 94,759

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 43	\$ -	\$ 43

Financial assets measured  
at fair value through  
other comprehensive  
incomes

Marketable securities  
listed on TPEx

-Equity investment	\$ 849,072	\$ -	\$ -	\$ 849,072
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Financial liabilities  
measured at fair value  
through profit or loss

Derivatives

\$ -	\$ 330	\$ -	\$ 330
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Contingent consideration  
of business  
combinations

-	-	95,715	95,715
\$ -	\$ 330	\$ 95,715	\$ 96,045

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 277	\$ -	\$ 277

Financial assets measured  
at fair value through  
other comprehensive  
incomes

Marketable securities  
listed on TPEx

-Equity investment	\$ 1,182,636	\$ -	\$ -	\$ 1,182,636
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Financial liabilities

<u>measured at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 2,466	\$ -	\$ 2,466
<u>Contingent consideration of business combinations</u>	\$ -	\$ -	\$ 74,821	\$ 74,821

There was no transfer between Level 1 and Level 2 fair values for the three months ended March 31, 2025 and 2024.

2. Level 2 fair values – valuation techniques and input values

<u>Types of financial instruments</u>	<u>Valuation techniques and input values</u>
Derivatives – currency forwards and currency swaps	Discounted cash flows: Future cash flows are estimated based on observable forward exchange rates and contract rates at the end of the period and discounted with a rate reflective of credit risks of counterparties.

3. Reconciliation of financial instruments measured at Level 3 fair value

The only financial liabilities that the consolidated company subsequently measured using Level 3 fair value is the contingent consideration related to the acquisition of MGN company. Profit or loss from the contingent consideration that is not recognized in the Consolidated Comprehensive Income Statement for the three months ended March 31, 2025 and 2024.

4. Level 3 fair values – valuation techniques and input values

<u>Types of financial instruments</u>	<u>Valuation techniques and input values</u>
Contingent consideration agreement	Option pricing model: Fair value that is obtained from the evaluation based on the level of fluctuation, absence of risk interest rate, risk discounts and remaining life period.

(III) Types of financial instruments

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial Assets</u>			
Measured at fair value through profit or loss			
Designated at fair value through profit or loss	\$ -	\$ 43	\$ 277
Measured at amortized cost (Note 1)	3,537,105	3,712,649	2,396,973
Equity instrument investments measured at	746,928	849,072	1,182,636

fair value through other  
comprehensive income

Financial Liabilities

Measured at fair value  
through profit or loss

Held for trading	1,561	330	2,466
Contingent consideration of business combinations	93,198	95,715	-
Measured at amortized cost (Note 2)	4,993,378	5,287,080	2,069,309
Contingent consideration of business combinations	-	-	74,821

Note 1: The balance includes financial assets measured at amortized cost such as cash and cash equivalents, notes receivable, accounts receivable, other receivables and other financial assets - non-current.

Note 2: The balance includes financial liabilities measured at amortized costs such as short-term loans, accounts payable, other payables and long-term loans (including those reaching maturity within one year).

(IV) Financial risk management objectives and policy

The financial risk management by the consolidated company is to manage the market risks (including exchange rate risks, interest rate risks and other price risks), credit risks and liquidity risks associated with operational activities. To reduce relevant financial risks, the consolidated company strives to identify, assess and hedge market uncertainty to mitigate the potential and adverse impact of market changes on the financial performance.

The consolidated company's important financing activities are reviewed by the Board of Directors and Audit Committee according to relevant regulations and the internal control system.

1. Market risks

The primary financial risks that the consolidated company is exposed to due to operating activities are foreign exchange rate risks (Note 1) and interest rate risks (Note 2). The company engages in certain derivatives transactions to manage the foreign exchange risks and interest rate risks. Currency forwards

are the main instrument to hedge exchange rate risks incurred by exporting barcode printers to Europe and Americas.

There has been no change in the consolidated company's risk exposure in the financial instrument market and methods to manage and measure such exposure.

(1) Exchange rate risks

The consolidated company manages exchange rate risks by using currency forwards and currency swaps within the range allowed by policy.

Please refer to Note 30 for the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies (including monetary items cancelled out in the consolidated financial statements) on the balance sheet date.

Sensitivity Analysis

The consolidated company is primarily subject to the exchange rate volatility of the Euro, the US dollars, Chinese yuan, and Japanese yen.

The table below details the consolidated company's sensitivity analysis of the impact when the NT dollars (functional currency) appreciates and depreciates by 3% against different foreign currencies. Positive numbers in the table below indicate the amount increased in profits before tax, with the NT dollars depreciating by 3% against different currencies. Negative numbers indicate the amount decreased in profits before tax, with the NT dollars appreciating by 3% against different currencies.

	Gains and losses	
	January 1 to March 31, 2025	January 1 to March 31, 2024
United States dollars	\$ 27,613 (i)	\$ 10,198 (i)
Euro	14,158 (ii)	9,493 (ii)
Chinese Yuan	( 3,742 ) (iii)	( 350 ) (iii)
Japanese Yen	( 1,222 ) (iv)	( 1,817 ) (iv)
GBP	350 (v)	- (v)

(i) This is primarily due to the consolidated company's accounts receivable, bank deposits, short-term loans, and accounts payable denominated in the US dollars and outstanding on the balance sheet date, without hedged cash flows.

- (ii) This is primarily due to the consolidated company's accounts receivable, bank deposits, short-term loans and accounts payable denominated in Euro and outstanding on the balance sheet date, without hedged cash flows.
  - (iii) This is primarily due to the consolidated company's accounts receivable, bank deposits and accounts payable denominated in Chinese yuan and outstanding on the balance sheet date, without hedged cash flows.
  - (iv) This is primarily due to the consolidated company's accounts receivables, bank deposits and accounts payable denominated in Japanese yen and outstanding on the balance sheet date, without cash flows hedged.
  - (v) This is primarily due to the consolidated company's accounts receivable and bank deposits denominated in GBP and outstanding on the balance sheet date, without cash flows hedged.
- (2) Interest rate risks

The carrying amounts of the consolidated company's financial assets and financial liabilities exposed to interest rate risks on the balance sheet date are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risks			
- Financial assets	\$ 100,000	\$ 279,887	\$ 245,970
- Financial liabilities	2,423,858	2,523,702	926,524
Cash flow interest rate risks			
- Financial assets	1,380,209	1,441,883	786,457
- Financial liabilities	2,215,554	2,557,226	587,823

The consolidated company is exposed to fair value interest rate risks due to its position of fixed-rate fixed-term bank deposits, bills sold under repurchase agreements, bank loans, and lease liabilities. The consolidated company is exposed to cash flow interest rate risks due to its position of floating-rate demand bank deposits, fixed-term bank deposits and bank loans.

#### Sensitivity Analysis

The sensitivity analysis below is based on the interest rate exposure of non-derivatives on the balance sheet date. It is assumed that all the floating rate liabilities on the balance sheet date are outstanding throughout the reporting period.

If the interest rate increases/decreases by 100 basis points and all other variables are unchanged, the consolidated company's profits before tax will decrease/increase by NT\$2,088 thousand and increase/decrease by NT\$497 thousand from January 1 to March 31, 2025 and from January 1 to March 31, 2024, respectively, primarily due to floating-rate bank deposits and bank loans.

The consolidated company's rising sensitivity to interest rates during this period is primarily due to an increase in floating-rate financial liabilities.

(3) Other price risks

The consolidated company is exposed to equity price risks due to its position of TPEX-listed equity securities. The equity investments are not held for trading but for strategic purposes. The consolidated company does not actively trade such investments.

Sensitivity Analysis

The sensitivity analysis below is based on the equity price exposure on the balance sheet date.

If the equity price goes up/down by 1%, the other comprehensive incomes net of tax will increase/decrease by NT\$7,469 thousand and by NT\$11,826 thousand from January 1 to March 31, 2025 and from January 1 to March 31, 2024, respectively, due to changes in the fair value of financial assets measured at fair value through other comprehensive incomes.

The consolidated company's rising sensitivity to price risks during this period is primarily due to a decline in the fair value of investees.

2. Credit risks

Credit risks are the consolidated company's risks of financial losses due to the counterparties' delay in honoring contractual obligations. The consolidated company's credit risks primarily come from the cash generated from operating

activities, bank deposits, accounts receivable and other financial instruments in investing activities.

#### Financial credit risks

The consolidated company controls the risk exposure to every financial institution. Bank deposits are with financial institutions of good credits and without major contract performance concerns. Therefore, there are no material credit risks.

#### Credit risks associated with operations

To reduce credit risks, the consolidated company establishes a credit policy for continued assessment of customers' financial statuses and transaction records. However, no security or guarantee from customers is required. To mitigate credit risks, the consolidated company's management implements other monitoring procedures to ensure the adoption of appropriate actions for the recovery of overdue receivables. Meanwhile, the consolidated company reviews the recoverable amount of each receivable on the balance sheet date to recognize appropriate credit loss for the unrecoverable receivables. Hence, the consolidated company's management does not think there are major credit risks for the consolidated company.

The top ten customers accounted for 43% and 39% of the consolidated company's operating incomes from January 1 to March 31, 2025 and from January 1 to March 31, 2024, respectively. To lower the credit risks, the consolidated company periodically assesses the financial statuses of customers and the recoverability of accounts receivable and recognizes appropriate allowance for losses accordingly.

### 3. Liquidity risks

The consolidated company manages and maintains sufficient cash and cash equivalents to support operations and mitigate the impact of cash flow volatility. To control liquidity risks, the consolidated company's management keeps a close eye on the utilization of credit lines with banks to ensure adherence to the borrowing terms and conditions. The consolidated company's current capital is adequate to meet the due liabilities. It is unlikely that the consolidated company is unable to repay financial liabilities or honor relevant obligations in cash or with other financial assets. Please refer to (3) Credit

Facilities for the available credit lines as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

(1) Table of Liquidity and Interest Rate Risks of Non-Derivative Financial Liabilities

The table below details the maturities of the consolidated company's non-derivative financial liabilities with repayment periods agreed. The analysis is based on the earliest possible repayment dates required and undiscounted cash flows of financial liabilities (including principals and estimated interests). In other words, the earliest and immediate repayment dates required by banks for loans are listed below, without considering the probabilities of banks immediately exercising such rights. The maturity analysis for other non-derivative financial liabilities is produced in reference to the agreed repayment dates.

March 31, 2025

	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Non-interest bearing liabilities	\$ 1,044,278	\$ -	\$ -	\$ -
Lease liabilities	176,255	148,762	459,350	6,205
Floating interest rate instruments	234,031	219,441	1,930,674	-
Fixed interest rate instruments	<u>1,750,537</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,205,101</u>	<u>\$ 368,203</u>	<u>\$ 2,390,024</u>	<u>\$ 6,205</u>

December 31, 2024

	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Non-interest bearing liabilities	\$ 931,992	\$ -	\$ -	\$ -
Lease liabilities	163,947	171,037	471,077	24,506
Floating interest rate instruments	263,885	194,509	2,292,565	-
Fixed interest rate instruments	<u>1,842,867</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,202,691</u>	<u>\$ 365,546</u>	<u>\$ 2,763,642</u>	<u>\$ 24,506</u>

March 31, 2024

	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Non-interest bearing liabilities	\$ 952,998	\$ -	\$ -	\$ -
Lease liabilities	108,975	78,933	161,237	26,236
Floating interest rate instruments	30,089	572,285	3,288	-
Fixed interest rate	<u>605,142</u>	<u>-</u>	<u>-</u>	<u>-</u>

instruments

\$ 1,697,204    \$ 651,218    \$ 164,525    \$ 26,236

(2) Table of Liquidity and Interest Rate Risks of Derivative Financial Liabilities

The liquidity analysis of derivative financial instruments based on net settlements is produced with the undiscounted and contracted net cash inflows and outflows. The analysis on the derivatives based on gross settlements is produced with the undiscounted total cash inflows and outflows. If the payable or receivable amount is not fixed, the amount disclosed is estimated with the expected interest rate in reference to the yield curve on the balance sheet date.

March 31, 2025

	<u>Within 3 months</u>	<u>3 months to 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
<u>Gross settlements</u>				
Currency forwards				
-Inflow	\$ 34,331	\$ -	\$ -	\$ -
-Outflow	( 35,970 )	-	-	-
	<u>( \$ 1,639 )</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

March 31, 2024

	<u>Within 3 months</u>	<u>3 months to 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
<u>Gross settlements</u>				
Currency forwards				
-Inflow	\$ 159,572	\$ -	\$ -	\$ -
-Outflow	( 162,460 )	-	-	-
	<u>( \$ 2,888 )</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Credit facilities

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Secured credit facilities with banks (reviewed annually)			
- Utilized amount	\$ 1,115,554	\$ 2,017,226	\$ 27,823
- Available amount	<u>108,344</u>	<u>105,546</u>	<u>99,646</u>
	<u>\$ 1,223,898</u>	<u>\$ 2,122,772</u>	<u>\$ 127,469</u>
Unsecured credit facilities with banks (reviewed annually)			
- Utilized amount	\$ 2,840,947	\$ 2,375,419	\$ 1,163,309
- Available amount	<u>2,062,668</u>	<u>1,921,276</u>	<u>2,556,691</u>
	<u>\$ 4,903,615</u>	<u>\$ 4,296,695</u>	<u>\$ 3,720,000</u>

(XXVII) Related party transactions

The Company's ultimate controller is Taiwan Semiconductor Co., Ltd., which owned 35.79%, 35.87% and 36.05% of the Company's ordinary shares as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

All the transactions, account balances, incomes and gains, expenses and losses among the Company and its subsidiaries (i.e., the Company's affiliated parties) have been canceled out in the preparation of the consolidated financial statements and hence not disclosed in these notes. Except those disclosed in other notes, the transactions between the consolidated company and other affiliated parties are as follows:

(I) Names of and relations with the affiliated parties

<u>Name of the affiliated party</u>	<u>Relation with the consolidated company</u>
Taiwan Semiconductor Co., Ltd. (Taiwan Semiconductor)	The Company's parent
Tianjin Everwell Technology Co., Ltd. (Tianjin Everwell)	Affiliated company
Yangxin Everwell Electronic Co., Ltd. (Yangxin Everwell)	Affiliated company
TSC America, Inc. (TSCA)	Affiliated company
Taiwan Semiconductor Europe GmbH (TSCE)	Affiliated company

(II) Operating incomes

<u>Itemized account</u>	<u>Affiliated party category</u>	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Revenues	Parent company	\$ -	\$ 8
	Affiliated company	<u>17</u>	<u>9</u>
		<u>\$ 17</u>	<u>\$ 17</u>

(III) Purchase

<u>Affiliated party category</u>	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Parent company	<u>\$ 54</u>	<u>\$ 3</u>

The consolidated company's 120-day payment terms with the abovementioned affiliated parties are not significantly different from the terms with other suppliers.

(IV) Receivables from affiliated parties (excluding loans to affiliated parties)

<u>Itemized account</u>	<u>Affiliated party category</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable – affiliated parties	Parent company	\$ -	\$ -	\$ 17
	Affiliated company	<u>-</u>	<u>24</u>	<u>3</u>
		<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 20</u>

Other receivables – affiliated parties	Affiliated company	<u>\$ 1,690</u>	<u>\$ 1,770</u>	<u>\$ 1,735</u>
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No guarantee was obtained for the outstanding receivables from affiliated parties. No allowance for losses was recognized for receivables from affiliated parties for the three months ended March 31, 2025 and 2024.

(V) Payables to affiliated parties

Itemized account	Affiliated party category	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable – affiliated parties	Parent company	<u>\$ 62</u>	<u>\$ 8</u>	<u>\$ 25</u>
Other payables – affiliated parties	Affiliated company	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,583</u>

No guarantee was provided for the outstanding payables to affiliated parties.

(VI) Other related party transactions

Itemized account	Affiliated party category	March 31, 2025	December 31, 2024	March 31, 2024
Lease income	Affiliated company	<u>\$ 567</u>	<u>\$ 2,184</u>	<u>\$ 536</u>

The consolidated company gives the usage rights of the office and parking space to the affiliated company with the transfer of the operating lease. The transfer lease lasts for a period of five years, which can be renewed upon maturity. The lease payment is collected on a regular basis and processed following the general terms.

(VII) Management's remuneration

	January 1 to March 31, 2025	January 1 to March 31, 2024
Shor-term employee benefits	<u>\$ 28,169</u>	<u>\$ 26,523</u>
Retirement benefits	<u>240</u>	<u>234</u>
Shares-based payment	<u>1,312</u>	<u>3,276</u>
	<u>\$ 29,721</u>	<u>\$ 30,033</u>

Remuneration Committee determines the remuneration to directors and other key members of management in accordance with individual performances and market trends.

(XXVIII) Pledged assets

Except as disclosed in Note 17, the following assets of the consolidated company have been provided as collateral for borrowings from banks and leasing companies:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	<u>\$ 5,539</u>	<u>\$ 5,143</u>	<u>\$ 2,197</u>
Buildings and structures - Net	<u>55,294</u>	<u>51,835</u>	<u>26,416</u>
Machinery and equipment - net	<u>26,440</u>	<u>25,074</u>	<u>66,670</u>
	<u>\$ 87,273</u>	<u>\$ 82,052</u>	<u>\$ 95,283</u>

XXIX. Material contingent liabilities and unrecognized contractual commitments

Except for those already mentioned in other notes, the material commitments and contingencies made by the consolidated company on the balance sheet date are as follows:

- (I) In accordance with customs regulations, the Company is required to provide a bank-issued guarantee to the customs for the release of imported goods prior to duty payment. As of March 31, 2025 and 2024, the guaranteed amounts for customs duty endorsement were NT\$4,000 thousand and NT\$4,000 thousand, respectively.
- (II) Contingencies
  - 1. In February 2024, Mikrosaray Mikrobilgisayar Pazarlama Ve Ticaret Anonim Sirketi (hereinafter referred to as “Mikrosaray”) filed a lawsuit with the Seoul Central District Court against the subsidiary BB, alleging a breach of contractual obligations in connection with a product certification dispute. In the complaint, Mikrosaray claimed damages in the amount of KRW 30,010 thousand (approximately NT\$683 thousand). BB, in response, asserted that the claim was barred by the statute of limitations for damages. A civil mediation session was held in November 2024; however, as both Mikrosaray and BB expressed no intention to settle, the mediation was unsuccessful. The first hearing was held in April 2025. According to legal counsel, as of May 9, 2025, the potential outcome of the damage claim cannot yet be reasonably estimated.
  - 2. In October 2021, Lone Star SCM Sys., Ltd. (hereinafter referred to as “Lone Star”) filed a patent infringement lawsuit with the United States District Court for the Western District of Texas against the subsidiary BB and Zebra Technologies (hereinafter referred to as “Zebra”), alleging that the products sold by both companies infringed upon four of its patents. Zebra, in turn, filed a challenge asserting the invalidity of the four patents held by Lone Star. The U.S. District Court has decided to stay the infringement proceedings pending the outcome of the patent invalidity proceedings. According to legal counsel, as of May 9, 2025, the potential outcome of the damage claim cannot yet be reasonably estimated.

XXX. Information on Assets and Liabilities Denominated in Foreign Currencies and with Significant Influence

The following information is expressed with the foreign currencies other than the functional currencies of individual entities of the consolidated company. The disclosed exchange rates are the rates to convert foreign currencies to functional currencies. The assets and liabilities denominated in foreign currencies and with significant influence are as follows:

(Unit: thousand in NT dollars and foreign currencies)

March 31, 2025

	Foreign currency	Exchange rate	Rate	Carrying amount
Assets denominated in foreign currencies				
<u>Monetary items</u>				
United States dollars	\$ 41,376	33.205 (USD: NTD)		\$ 1,373,890
Euro	32,646	35.970 (EUR: NTD)		1,174,277
Chinese Yuan	26,322	4.573 (CNY: NTD)		120,371
GBP	271	43.050 (GBP: NTD)		11,667
Japanese Yen	49,207	0.223 (JPY: NTD)		10,973
				<u>\$ 2,691,178</u>

Liabilities  
denominated in  
foreign currencies

Monetary items

United States dollars	13,656	33.205 (USD: NTD)		\$ 453,447
Euro	19,526	35.970 (EUR: NTD)		702,350
Chinese Yuan	53,595	4.573 (CNY: NTD)		245,090
Japanese Yen	231,936	0.223 (JPY: NTD)		51,722
				<u>\$ 1,452,609</u>

December 31, 2024

	Foreign currency	Exchange rate	Rate	Carrying amount
Assets denominated in foreign currencies				
<u>Monetary items</u>				
United States dollars	\$ 37,153	32.785 (USD: NTD)		\$ 1,218,061
Euro	31,547	34.140 (EUR: NTD)		1,077,015
Chinese Yuan	38,045	4.478 (CNY: NTD)		170,366
GBP	239	41.190 (GBP: NTD)		9,844
Japanese Yen	40,315	0.210 (JPY: NTD)		8,466
				<u>\$ 2,483,752</u>

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	Foreign currency	Exchange rate	Rate	Carrying amount
Liabilities denominated in foreign currencies				
<u>Monetary items</u>				
United States				
dollars	\$ 20,466	32.785 (USD: NTD)		\$ 670,978
Euro	24,084	34.140 (EUR: NTD)		822,228
Chinese Yuan	70,657	4.478 (CNY: NTD)		316,402
Japanese Yen	268,602	0.210 (JPY: NTD)		56,406
				<u>\$ 1,866,014</u>

March 31, 2024

	Foreign currency	Exchange rate	Rate	Carrying amount
Assets denominated in foreign currencies				
<u>Monetary items</u>				
United States				
dollars	\$ 21,924	32.00 (USD: NTD)		\$ 701,568
Euro	18,341	34.46 (EUR: NTD)		632,031
Chinese Yuan	30,566	4.408 (CNY: NTD)		134,735
Japanese Yen	1,143	0.212 (JPY: NTD)		242
				<u>\$ 1,468,576</u>

Liabilities denominated in foreign currencies				
<u>Monetary items</u>				
United States				
dollars	11,301	32.00 (USD: NTD)		\$ 361,632
Euro	9,158	34.46 (EUR: NTD)		315,585
Chinese Yuan	33,211	4.408 (CNY: NTD)		146,394
Japanese Yen	287,587	0.212 (JPY: NTD)		60,825
				<u>\$ 884,436</u>

The exchange gain or loss (unrealized) with significant influence is as follows:

Functional currency	January 1 to March 31, 2025		January 1 to March 31, 2024	
	Functional currency converted to presentation currency	Net exchange gain (loss)	Functional currency converted to presentation currency	Net exchange gain (loss)
United States	33.205	\$ 11,189	32.000	\$ 6,108
dollars	(USD: NTD)		(USD: NTD)	
Euro	35.970	7,710	34.460	4,822
	(EUR: NTD)		(EUR: NTD)	

Japanese Yen	0.223	( 1,792 )	0.212	1,178
	(JPY: NTD)		(JPY: NTD)	
Chinese Yuan	4.573	<u>427</u>	4.408	<u>1,123</u>
	(CNY: NTD)		(CNY: NTD)	
		<u>\$ 17,534</u>		<u>\$ 13,231</u>

### XXXI. Supplementary disclosure

#### (I) Information on significant transactions:

1. Loans to others: Table 1.
2. Endorsements and guarantees for others: Table 2.
3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries): Table 3.
4. Purchase from and sale to affiliated parties for at least NT\$100 million or at an amount equivalent to 20% of the paid-in capital: Table 4
5. Receivables from affiliated parties for at least NT\$100 million or at an amount equivalent to 20% of the paid-in capital: Table 5
6. Other information: business relations and significant transactions (circumstances and amounts) between the parent company and subsidiaries and among subsidiaries: Table 6

#### (II) Information on investees: Table 7.

#### (III) Information on investments in China:

1. Names of investees in China, major businesses, paid-in capitals, investment methods, inward and outward remittances, shareholding percentages, investment gains (losses), carrying amounts of investments at the end of the period, repatriated investment gains (losses) and ceiling on investments in China: Table 8.
2. Significant transactions with investees in China directly or indirectly through third regions; prices, payment terms and unrealized profits or losses of such transactions: Table 9.
  - (1) Purchase amounts and percentages, balances and percentages of corresponding payables as of the end of the period.
  - (2) Sale amounts and percentages, balances and percentages of corresponding receivables as of the end of the period.
  - (3) Property transaction amounts and resulting gains (losses).
  - (4) Purchases and balances of check endorsements and guarantees and the offering of collaterals as of the end of the period.

- (5) Maximum balance, end-of-period balance, interest rate range and interest expenses of borrowings during the period.
- (6) Other transactions (such as offering and receiving of services) with significant influence on profit or loss or financial status during the period.

#### XXXII. Segment information

The information provided to the key decision-makers for resource allocation and segment performance reviews is focused on each delivered product type. The consolidated company's segment reporting should be based on product categories. The three strategic business units are managed separately due to the different technologies and market strategies involved. Segment A sells barcode printers and relevant components. Segment B sells labels and printer consumables. Segment D sells portable computers for corporate use.

#### Revenues and Operating Results

The consolidated company's reporting segment revenues and operating results are as follows:

January 1 to March 31, 2025					
	Segment A	Segment B	Segment D	Intersegment adjustment	Total
Revenue					
Revenue from external customers	\$ 1,146,529	\$ 937,526	\$ 772,038	\$ -	\$ 2,856,093
Intersegment revenue	<u>488</u>	<u>2,445</u>	<u>1,058</u>	( <u>3,991</u> )	<u>-</u>
Total revenue	<u>\$ 1,147,017</u>	<u>\$ 939,971</u>	<u>\$ 773,096</u>	( <u>\$ 3,991</u> )	<u>\$ 2,856,093</u>
Segment profit (loss)	<u>\$ 212,415</u>	<u>\$ 13,562</u>	<u>\$ 131,421</u>	( <u>\$ 130,881</u> )	<u>\$ 226,517</u>

  

January 1 to March 31, 2024					
	Segment A	Segment B	Segment D	Intersegment adjustment	Total
Revenue					
Revenue from external customers	\$ 1,063,422	\$ 812,064	\$ -	\$ -	\$ 1,875,486
Intersegment revenue	<u>143</u>	<u>2,415</u>	<u>-</u>	( <u>2,558</u> )	<u>-</u>
Total revenue	<u>\$ 1,063,565</u>	<u>\$ 814,479</u>	<u>\$ -</u>	( <u>\$ 2,558</u> )	<u>\$ 1,875,486</u>
Segment profit (loss)	<u>\$ 212,851</u>	<u>\$ 25,298</u>	<u>\$ -</u>	( <u>\$ 20,922</u> )	<u>\$ 217,227</u>

The consolidated company treats intersegment sales as transactions with third parties by measuring these sales with prevalent market prices.

The consolidated company's management allocates resources and assesses segment performance by referring to the internal reporting of segment profit or loss before tax (excluding non-recurrent items) according to the review by key decision-makers in operations. The consolidated company does not allocate income tax expenses (gains)

and non-recurrent gains (losses) to reporting segments as income tax expenses (gains) and expenses and non-recurrent gains (losses) are managed at the group level. The reported amounts are consistent with the amounts in the reports used by operational decision-makers.

Loans to Others

January 1 to March 31, 2025

Table 1Unit: NT\$ thousand unless otherwise indicated

No. (Note 1)	Financing company	Counter-party	Financial statement account (Note 2)	Related party?	Maximum balance for the period (Note 3, 4, 7)	Balance at the end of the period (Note 3, 7, 8)	Amount actually drawn (Note 7)	Interest rate range	Nature for financing	Transaction amounts	Reason for need for short-term financing	Recognized allowance for bad debts	Collateral		Financing limits for each borrowing company (Note 5)	Financing company's total financing amount limits (Note 6)
													Name	Value		
0	TSC Auto ID Technology Co., Ltd.	TSC Auto ID Technology EMEA GmbH	Other receivables affiliated parties	Yes	\$ 215,820 (EUR 6,000 thousand)	\$ 215,820 (EUR 6,000 thousand)	\$ 118,701 (EUR 3,300 thousand)	5%	The need for short-term financing	\$ -	Operating capital	\$ -	None	\$ -	\$ 1,046,141	\$ 2,092,282
0	TSC Auto ID Technology Co., Ltd.	MGN sp. z o. o.	Other receivables affiliated parties	Yes	431640 (EUR 12,000 thousand)	431640 (EUR 12,000 thousand)	180390 (EUR 5,015 thousand)	5%	The need for short-term financing	-	Operating capital	-	None	-	1,046,141	2,092,282
1	Bluebird Inc	Bluebird Germany GmbH	Other receivables affiliated parties	Yes	7194 (EUR 200 thousand)	7194 (EUR 200 thousand)	5396 (EUR 150 thousand)	4.6%	The need for short-term financing	-	Operating capital	5,396	None	-	1,046,141	2,092,282
1	Bluebird Inc	Bluebird Europe SL	Other receivables affiliated parties	Yes	543 (EUR 15.1 thousand)	543 (EUR 15.1 thousand)	543 (EUR 15.1 thousand)	4.6%	The need for short-term financing	-	Operating capital	216	None	-	1,046,141	2,092,282
2	Diversified Labeling Solutions Inc.	TSC Auto ID Technology Co., Ltd.	Other receivables affiliated parties	Yes	99615 (USD 3,000 thousand)	99615 (USD 3,000 thousand)	66410 (USD 2,000 thousand)	6%	The need for short-term financing	-	Operating capital	-	None	-	1,046,141	2,092,282

Note 1: Numbers in the column:  
(1) 0 for the Company.  
(2) Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: This field is required for the accounts receivable from affiliated companies, accounts receivable from affiliated parties, transactions with shareholders, prepayments, temporary payments, etc. that are lending in nature.

Note 3: The maximum balance during the period and the balance as of the end of the period refer to the quotas determined by the Board of Directors, not the amounts actually utilized.

Note 4: The highest current balance is the highest balance amount accumulated for the period.

Note 5: Any need for short-term financing from the Company is capped at 20% of the book value of its most recent financial statements as audited or reviewed by CPAs.  
The limit of the amount of loans between foreign companies in which the Company directly and indirectly holds 100% of the voting shares, or loans to foreign companies in which the Company holds 100% of the voting shares, shall not exceed 20% of the net value of the Company as stated in its latest financial statement that has been certified or reviewed by a CPA.

Note 6: The aggregate amount of the Company's lending to others is capped at 40% of the book value of its most recent financial statements as audited or reviewed by CPAs.  
The total limit of the amount of loans to foreign companies in which the Company directly and indirectly holds 100% of the voting shares, or loans to foreign companies in which the Company holds 100% of the voting shares, shall not exceed 40% of the net value of the Company as stated in its latest financial statement that has been certified or reviewed by a CPA.

Note 7: Foreign currency amounts in this table based on exchange rates on March 31, 2025. NT dollars based on US\$1= NT33.205 EU\$1=NT35.97.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries  
Endorsements and Guarantees for Others  
January 1 to March 31, 2025

Table 2Unit: NT\$ thousand unless otherwise indicated

No. (Note 1)	Name of the endorsement/guarantee provider	Endorsed/guaranteed entity		Limit of endorsements/ guarantees for a single company (Note 3)	Maximum balance of endorsements/ guarantees during the period (Note 6)	Balance of endorsements/ guarantees as of the end of the period (Notes 4, 6)	Amount actually drawn (Notes 5, 6)	Endorsements and guarantees secured by property: Amount of secured assets.	Cumulative endorsed/ guaranteed amount as the % of book value in the most recent financial statements	Maximum limit of endorsements/ guarantees (Note 3)	Endorsements/ guarantees from the parent to subsidiaries	Endorsements/ guarantees from subsidiaries to the parent	Endorsements/ guarantees to entities in China	Remarks
		Name of the company	Relation (Note 2)											
0	TSC Auto ID Technology Co., Ltd.	TSC Auto ID Technology America Inc.	(2)	\$ 2,092,282	\$ 199,230 (USD 6,000 thousand)	\$ 199,230 (USD 6,000 thousand)	\$ -	\$ -	3.81%	\$ 3,138,423	Y	N	N	

Note 1: Numbers in the column:  
(1) 0 for the Company.

Note 2: Please indicate one of the following seven types of relations between endorsers/guarantors and endorsees/guarantees:  
(1) Company with business dealings.  
(2) Company with over 50% voting shares directly and indirectly owned by the Company.  
(3) Company who directly and indirectly owns at over 50% of the Company’s voting shares.  
(4) Between the companies with over 90% voting shares directly and indirectly owned by the Company.  
(5) Between peers required for engineering project undertakings or between joint builders required to guarantee each other according to contract terms and conditions.  
(6) Endorsement and guarantee to an investee by all shareholders according to shareholding percentages in a joint investment.  
(7) Joint guarantee provided by peers in contract performance for off-plan property sales according to the Consumer Protection Act.

Note 3: The aggregate endorsed/guaranteed amount and the maximum endorsement/guarantee to a single company is capped at 60% and 40%, respectively, of the Company’s book value according to the most recent financial statements as audited or reviewed by CPAs.

Note 4: This field is for the amount approved by the Board of Directors. However, please provide the amount decided by the Chairman if the Chairman is authorized by the Board of Directors according to Subparagraph 8 of Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 5: Amount actually utilized by the endorsed/guaranteed company within the endorsed/guaranteed range.

Note 6: The foreign currency amounts listed in this table are expressed in New Taiwan Dollar at the exchange rate of US\$1 = NT\$33.205 on March 31, 2025.

Note 7: The Company provides a customs endorsement/guarantee with a bank letter of guarantee for NT\$4,000 thousand to Taipei Customs, Customs Administration.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries  
Significant marketable securities held at the end of the period  
March 31, 2025

Table 3

Unit: NT\$ thousand/thousand shares/thousand units

Investees	Types and names of marketable securities (Note 1)	Relation with the issuer (Note 2)	Itemized account	End of the period				Remarks
				No. of units	Carrying amount (Note 3)	Shareholding percentage	Fair value	
The Company	<u>Shares</u> Taiwan Semiconductor Co., Ltd.	Parent company	Financial assets measured at fair value through other comprehensive incomes – non-current	15,960	\$ 746,928	6.06%	\$ 746,928	

Note 1: Marketable securities in this table refer to stocks, bonds, beneficiary certificates and marketable securities derived from the aforesaid financial instruments according to IFRS 9 Financial Instruments.

Note 2: Blank in this column if the issuer of the marketable securities is not a related party.

Note 3: For items measured at fair value, the amount in Column B (Book Value) shall reflect the amount after fair value adjustments. For items not measured at fair value, the amount in Column B shall reflect the amortized cost less accumulated impairment.

Note 4: This Table is prepared by the Company based on the materiality principle to disclose marketable securities that require presentation.

Note 5: Please refer to Tables 7 and 8 for information on subsidiaries.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Purchase from and sale to affiliated parties for at least NT\$100 million or at an amount equivalent to 20% of the paid-in capital

January 1 to March 31, 2025

Table 4

Unit: NT\$ thousand unless otherwise indicated

Purchase (sale) company	Counterparties	Relation	Transactions				Circumstances and reasons why transaction terms are not at an arm's length		Notes and accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	As % of total sale (purchase)	Credit period	Unit price	Credit period	Balance	As % of total notes and accounts receivable (payable)	
The Company	TSCAE	Subsidiary	Sale of goods	( \$ 226,963 )	( 28% )	135 days based on monthly statements	-	-	\$ 659,717	45%	
The Company	TSCAA	Subsidiary	Sale of goods	( 111,933 )	( 14% )	120 days based on monthly statements	-	-	361,037	25%	
The Company	Tianjin TSC Auto ID Technology	Sub-subsidiary	Sale of goods	( 135,023 )	( 16% )	60 days based on monthly statements	-	-	117,370	8%	
The Company	Tianjin TSC Auto ID Technology	Sub-subsidiary	Purchase	243389	58%	60 days based on monthly statements	-	-	( 245,091 )	( 49% )	

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Receivables from affiliated parties for at least NT\$100 million or at an amount equivalent to 20% of the paid-in capital

March 31, 2025

Table 5

Unit: NT\$ thousand unless otherwise indicated

Company from which receivables are recognized	Name of the counterparty	Relation	Receivables from affiliated parties (Note 1)	Turnover	Overdue receivables from affiliated parties		Recovered receivables from affiliated parties (Note 2)	Recognized allowance for losses
					Amount	Treatment		
The Company	TSCAE	Subsidiary	Accounts receivable \$ 659,717	1.33	\$339,356	-	\$ 57,433	\$ -
			Other receivables 121,270					
The Company	TSCAA	Subsidiary	Accounts receivable 361,037	1.22	216,738	-	42,095	-
			Other receivables 1,457					
The Company	Tianjin TSC Auto ID Technology	Sub-subsidiary	Accounts receivable 117,370	5.06	-	-	54,360	-
			Other receivables 2,162					
The Company	MGN	Sub-subsidiary	Other receivables 180,894	-	-	-	-	-
Tianjin TSC Auto ID Technology	The Company	Parent company	Accounts receivable 245,091	3.42	-	-	54,887	-

Note 1: Please provide accounts receivable, notes receivable and other receivables.

Note 2: Recovered amount as of May 9, 2025.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Business relations, circumstances and amounts of significant transactions between the parent and subsidiaries and among subsidiaries

January 1 to March 31, 2025

Table 6

Unit: NT\$ thousand unless otherwise indicated

No.	Entity concerned	Name of the counterparty	Relation with the counterparty (Note 1)	Transaction with the counterparty			
				Item	Amount	Transaction terms and conditions	As % of the consolidated total revenue or the consolidated total assets (Note 2)
1	The Company	TSCAA	1	Accounts receivable	\$ 361,037	Note 3	3%
			1	Revenues	111,933	Note 3	4%
			1	R&D expenses	25,531	Note 3	1%
		TSCAE	1	Accounts receivable	659,717	Note 3	5%
			1	Revenues	226,963	Note 3	8%
			1	Other receivables	121,270	At an arm's length	1%
		TSCAD	1	Accounts receivable	30,122	Note 3	0%
			1	Accounts receivable	117,370	Note 3	1%
			1	Revenues	135,023	Note 3	5%
		Tianjin TSC Auto ID Technology	1	Accounts payable	245,091	Note 3	2%
			1	Purchase	243,389	Note 3	9%
			1	Other receivables	180,894	At an arm's length	1%
2	DLS	MGN	1	Other receivables	180,894	At an arm's length	1%
		The Company	2	Other receivables	68,447	At an arm's length	1%

Note 1: Relation with the counterparty:

1. The parent to a subsidiary
2. Subsidiary to the parent
3. Subsidiary to a subsidiary

Note 2: Transactions as a percentage of the consolidated total revenue or the consolidated total assets: If the transactions are a balance sheet item, the balance at the end of the period is calculated as a percentage of consolidated total assets. If the transactions are an income statement item, the cumulative amount is calculated as a percentage of the consolidated total revenue.

Note 3: Sales based on market prices Collection period: 60-135 days based on monthly statements

Note 4: The disclosure of significant transactions in this schedule may be determined by the Company based on the materiality principle.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Name and location of the investee, etc.

January 1 to March 31, 2025

Table 7

Unit: NT\$ thousand unless otherwise indicated

Name of the investment company	Name of the investee	Location	Primary business	Original invested amount		Holdings at the end of the year			Profit (loss) of the investee during the period	Recognized investment gain (loss) during the period	Remarks
				End of this period	End of last year	No. of shares (thousand shares)	Ratio (%)	Carrying amount (Note 2)			
The Company	TSCAE	Germany	Sale of barcode printers and relevant components	\$ 2,943	\$ 2,943	Note 1	100.00	(\$ 57,336)	(\$ 22,930)	(\$ 22,930)	Subsidiary
The Company	TSCAA	United States	Sale of barcode printers and relevant components	1096621 (US \$33,000 thousand)	1096621 (US \$33,000 thousand)	16000	100.00	1151666	( 8,167)	( 8,167)	Subsidiary
The Company	TSCHK	Hong Kong	Investment in production businesses and general imports/exports	47468 (US\$1,500 thousand)	47468 (US\$1,500 thousand)	12711	100.00	786916	20182	20182	Subsidiary
The Company	DLS	United States	Printer consumables and customized design, integration, production and marketable of a variety of labels	801558 (US \$26,000 thousand)	801558 (US \$26,000 thousand)	1	100.00	1565688	11773	11773	Subsidiary
The Company	TSCIN	India	Sale of barcode printers and relevant components	2791 ( US\$100 thousand)	2791 (US \$100 thousand)	710	100.00	1416	( 449)	( 449)	Subsidiary
The Company	TSCPL	Poland	General investment	498827 (PLN 67,084 thousand)	498827 (PLN 67,084 thousand)	Note 2	100.00	503863	( 3,258)	( 3,258)	Subsidiary
The Company	BB	Korea	Production and sales of enterprise hand-held computers and their components	2783490 ( KRW 118,740,223 thousand)	2783490 (KRW 118,740,223 thousand)	6777	96.54	2802048	118844	50284	Subsidiary
The Company	BBMX	Mexico	Production and sales of enterprise hand-held computers and their components	Note 5	Note 5	Note 1	0.03	-	( 3,499)	( 1)	Subsidiary
TSCAE	TSCAD	United Arab Emirates	Sale of barcode printers and relevant components	8234	8234	Note 1	100.00	( 16,132)	146	146	Sub-subsidiary
TSCAE	TSCAS	Spain	Sale of barcode printers and relevant components	124	124	Note 1	100.00	3544	112	112	Sub-subsidiary
DLS	PPL	United States	Selling of a variety of labels and printer consumables	US\$115 thousand	US \$115 thousand	850	100.00	53181 (US\$1,602 thousand)	1593 (US \$49 thousand)	1593 (US \$49 thousand)	Sub-subsidiary
TSCPL	MGN	Poland	Printer consumables and customized design, integration, production and marketable of a variety of labels	PLN 71,613 thousand	PLN 71,613 thousand	2	100.00	588073 (PLN 68,373 thousand)	( 1,000) (PLN 123 thousand)	( 3,424) (PLN 422 thousand)	Sub-subsidiary
BB	BBMX	Mexico	Production and sales of enterprise hand-held computers and their components	5 ( KRW 215 thousand)	5 (KRW 215 thousand)	Note 1	99.97	5 (KRW 215 thousand)	( 3,499) ( KRW 155,302 thousand)	( 3,498) (KRW 155,255 thousand)	Sub-subsidiary
BB	BBUS	United States	Production and sales of enterprise hand-held computers and their components	2920 ( KRW 124,050 thousand)	2920 (KRW 124,050 thousand)	Note 2	100.00	-	( 8) ( KRW 363 thousand)	( 8) (KRW 363 thousand)	Sub-subsidiary
BB	BBIN	India	R&D and design of enterprise hand-held computers and technical services	4078 ( KRW 173,230 thousand)	4078 (KRW 173,230 thousand)	990	99.00	5352 ( KRW 235,027 thousand)	( 689) ( KRW 30,568 thousand)	( 682) (KRW 30,262 thousand)	Sub-subsidiary
BB	BBDE	Germany	Production and sales of enterprise hand-held computers and their components	756 ( KRW 32,098 thousand)	756 (KRW 32,098 thousand)	Note 1	100.00	-	749 ( KRW 33,228 thousand)	749 (KRW 33,228 thousand)	Sub-subsidiary
BB	BBES	Spain	Production and sales of enterprise hand-held computers and their components	1265 ( KRW 53,758 thousand)	1265 (KRW 53,758 thousand)	Note 1	100.00	1136 ( KRW 49,897 thousand)	( 42) ( KRW 1,857 thousand)	( 42) (KRW 1,857 thousand)	Sub-subsidiary

Note 1: The company license only specifies the amount of invested capital without the number of shares.

Note 2: Not listed if the holding is below 1,000 shares.

Note 3: Carrying amount net of unrealized gains from sales.

Note 4: Please refer to Tables 8 and 9 for information on investees in China.

Note 5: Not listed as the investment amount is less than \$ 1,000.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries  
Information on investments in China  
January 1 to March 31, 2025

Table 8Unit: NT\$ thousand unless otherwise indicated

Names of investees in China	Primary business	Paid-in capital (Note 5)	Investment method (Note 1)	Cumulative outward investments from Taiwan at the beginning of this period (Note 5)	Outward remittances or recovered investments during the period		Cumulative outward investments from Taiwan at the end of this period (Note 5)	Profit or loss of the investee during the period	Holding by the Company directly and indirectly	Recognized investment gain or loss during the period (Note 2)	Carrying amount of the investment at the end of the period	Total repatriated investment gains as of the end of this period	Remarks
					Outward remittances	Recovered investments							
Tianjin TSC Auto ID Technology Co., Ltd.	Production and marketing of barcode printers and relevant components	\$ 48,017 (CNY 10,500 thousand)	(2) Investor: TSC Auto ID (H.K.) LTD	\$ 49,808 (US \$1,500 thousand)	\$ -	\$ -	\$ 49,808 (US \$1,500 thousand)	\$31,392	100%	\$31,392 (Note 3)	\$824,017	\$998,407	

Cumulative outward investments from Taiwan to China at the end of this period (Note 5)	Investment amount approved by the Investment Commission, MOEA (Note 5)	Ceiling imposed by the Investment Commission, MOEA on investments in China (Note 4)
\$49,808 (US\$1,500 thousand)	\$49,808 (US\$1,500 thousand)	\$3,138,423

Note 1: Please indicate one of the following three investment methods:

- (1) Direct investments in China
- (2) Investments in China via third regions (Please indicate the investment companies in third regions)
- (3) Other methods

Note 2: Recognized investment gains or losses during the period:

- (1) Please note if there is no investment gain or loss yet during the preparatory stage.
- (2) Please indicate one of the three following bases for recognition of investment gains or losses:
  - A. Financial statements audited by international accounting firms with cooperation ties with accounting firms in Taiwan.
  - B. Financial statements reviewed by the parent company’s external auditor in Taiwan.
  - C. Others.

Note 3: Note 2-2(B) for the basis of investment gains (losses) recognition.

Note 4: According to the Amendment to Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China on August 29, 2008 by the Investment Commission, the cap on investments in China is 60% of the book value.

Note 5: The foreign currency amounts presented in this schedule have been translated into New Taiwan dollars using the exchange rates as of March 31, 2025: US\$1 = NT\$33.205 and RMB¥1 = NT\$4.573.

Significant transactions with investees in China directly or indirectly through third regions; prices, payment terms and unrealized profits or losses of such transactions, and other relevant information

Table 9

Unit: NT\$ thousand unless otherwise indicated

Counterparties	Relation with the counterparty	Transaction type: purchase (sale)	Amount	Transaction terms and conditions			Notes and accounts receivable (payable)		Unrealized gains or losses
				Price	Payment terms	Comparison with transactions at an arm's length	Balance	%	
Tianjin TSC Auto ID Technology Co., Ltd.	Sub-subsidiary	Sale of goods	( \$ 135,023 )	Note 1	60 days based on monthly statements	Equivalent	\$ 117,370	8%	\$ 37,146 (Note 2)
		Purchase	243,389	Note 1	60 days based on monthly statements	Equivalent	( 245,091 )	( 49% )	

Note 1: The Company's transactions with affiliated parties are conducted according to the agreed prices.

Note 2: This refers to cumulative unrealized gains or losses as of March 31, 2025.