

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

Consolidated Financial Statement and Auditor's Review Report

Third 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 the Board of Directors of TSC Auto ID Technology Co., Ltd.:

Background

We have audited the consolidated balance sheet as of September 30, 2025; the consolidated incomes statements from July 1 to September 30 and from January 1 to September 30, 2025; the consolidated statements of changes in equity and the consolidated statements of cash flows from January 1 to September 30, 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 consolidated 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

Except as explained in the following paragraph, we reviewed the financial statements in accordance with the Standard on Review Engagements ISRE 2410 “Review of Financial Information Performed by the Independent Auditor of the Entity.” 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 described in Note 4(2) to the consolidated financial statements, the financial information of certain immaterial subsidiaries included in the aforementioned consolidated financial statements was based on the investees’ financial statements for the same periods, which were not reviewed by independent accountants. As of September 30, 2025, total assets were NT\$2,894,960 thousand, representing 23.38% of consolidated total assets, and total liabilities were NT\$592,155 thousand, representing 8.05% of consolidated total liabilities. Comprehensive income for the periods from July 1 to September 30, 2025 and from January 1 to June 30, 2025 was NT\$56,275 thousand and NT\$240,960 thousand, representing 11.61% and 52.06% of consolidated comprehensive income, respectively.

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 investee 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 September 30, 2025, 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.

Other Matters

Among the subsidiaries consolidated in the above-mentioned consolidated financial statements, the financial statements of certain subsidiaries were not reviewed by us but by other auditors. Therefore, with respect to the amounts included in the financial statements of such companies, our review of the aforementioned consolidated financial statements is based solely on the review of the financial statements conducted by the other CPAs. As of September 30, 2025, these subsidiaries had total assets of NT\$2,457,668 thousand, representing 19.84% of consolidated total assets; and for the periods from July 1 to September 30, 2025 and from January 1 to September 30, 2025, net operating revenues of NT\$938,347 thousand and NT\$2,809,473 thousand, representing 34.15% and 32.35% of consolidated net operating revenues, respectively.

The consolidated financial statements of TSC Auto ID Technology Co., Ltd. and its subsidiaries for the third quarter of 2024 were reviewed by other CPAs, who issued an unqualified review report thereon on November 8, 2024.

KPMG

CPA:

Guo Yan Glun

Xiao Pei Ru

Document No.	Approved Competent Authority in Charge of Security	Financial-Supervisory-Securities-Corporate-1120333238
	November 7, 2025	Financial-Supervisory-Securities-Corporate-1040003949

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

Consolidated Balance Sheet

September 30, 2025, December 31, 2024, and September 30, 2024

Unit: NT\$ thousand

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Lan Yi-Chuan

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

Consolidated Comprehensive Income Statement

July 1 to September 30, 2025 and 2024, January 1 to September 30, 2025 and 2024

Unit: NT\$ thousand

	July to September 2025		July to September 2024		January to September 2025		January to September 2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating incomes (Notes 6(18), 7)		\$ 2,747,653	100	2,228,046	100	8,685,286	100
5000	Operating costs (Notes 6(5), 7)		1,822,084	66	1,536,387	69	5,889,947	68
	Gross profits		925,569	34	691,659	31	2,795,339	32
6000	Operating expenses: (Notes 6(14)(17), 7)							
6100	Sales & marketing expenses		306,263	11	256,315	11	978,161	12
6200	Administrative expenses		152,898	6	144,331	7	458,688	5
6300	R&D expenses		151,910	6	60,950	3	447,116	5
6450	Expected credit impairment loss (Note 6(4))		9,986	-	10,872	-	11,895	-
			621,057	23	472,468	21	1,895,860	22
							1,291,233	21
	Operating profits		304,512	11	219,191	10	899,479	10
	Non-operating incomes and expenses: (Notes 6(20), 7)							
7100	Interest income		5,879	-	4,062	-	15,422	-
7190	Other incomes		7,030	-	9,516	-	44,189	1
7020	Other gains and losses		59,418	2	(7,855)	-	627	-
7050	Financial cost		(34,395)	(1)	(25,578)	(1)	(112,310)	(1)
			37,932	1	(19,855)	(1)	(52,072)	-
	Profits before tax		342,444	12	199,336	9	847,407	10
7950	Less: Income tax expenses (Note 6(15))		92,230	3	53,827	2	183,568	2
	Net income for the period		250,214	9	145,509	7	663,839	8
8300	Other comprehensive incomes: (Notes 6(15) and (16))							
8310	Items that are not to be reclassified to profit or loss							
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive incomes		110,922	4	(186,732)	(9)	28,728	-
8349	Income tax components that will not be reclassified		-	-	-	-	-	-
			110,922	4	(186,732)	(9)	28,728	-
	Items that may be subsequently reclassified to profit or loss							
8361	Exchange differences on translation of financial statements of foreign operations		152,122	6	(36,248)	(1)	(277,193)	(3)
8399	Income tax components that may be reclassified		(28,755)	1	7,250	-	47,499	-
			123,367	5	(28,998)	(1)	(229,694)	(3)
8300	Other comprehensive income for the period		234,289	9	(215,730)	(10)	(200,966)	(3)
	Total comprehensive income for the period		\$ 484,503	18	(70,221)	(3)	462,873	5
	Net income attributable to:							
8610	Owners of the parent company		\$ 250,115	9	145,509	7	660,199	8
8620	Non-controlling interest		99	-	-	-	3,640	-
			\$ 250,214	9	145,509	7	663,839	8
	Total comprehensive income attributable to:							
	Owners of the parent company		\$ 484,357	18	(70,221)	(3)	459,295	5
	Non-controlling interest		146	-	-	-	3,578	-
			\$ 484,503	18	(70,221)	(3)	462,873	5
	Basic EPS (NT\$) (Note 6(21))		\$ 5.26				3.08	
	Diluted EPS (NT\$) (Note 6(21))		\$ 5.23				3.06	
							13.90	
							11.30	
							11.21	

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Wang Hsing Lei

**Chief Executive Officer: Chen
Ming-Yi**

**Chief Accounting Officer: Lan Yi-
Chuan**

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries
Consolidated Statement of Changes in equity
January 1 to September 30, 2025 and 2024

Unit: NT\$ thousand

	Equity attributable to owners of the parent company						Other equity				Total equity attributable to owners of the parent company	Non-controlling interest	Total equity			
	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								
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total		848,156	764,269							
Balance at January 1, 2024	\$ 471,406	676,011	770,477	8,597	2,770,511	3,549,585	(83,887)			5,461,271	-		5,461,271			
Net income for the period	-	-	-	-	533,766	533,766	-	-	-	533,766	-		533,766			
Other comprehensive income for the period	-	-	-	-	-	-	111,566	(424,998)	(313,432)	(313,432)	-		(313,432)			
Total comprehensive income for the period	-	-	-	-	533,766	533,766	111,566	(424,998)	(313,432)	220,334	-		220,334			
Exercise of employee stock options	2,130	25,741	-	-	-	-	-	-	-	27,871	-		27,871			
Appropriation and distribution:																
Legal reserve appropriated	-	-	92,507	-	(92,507)	-	-	-	-	-	-	-	-			
Cash dividends	-	-	-	-	(612,854)	(612,854)	-	-	-	(612,854)	-		(612,854)			
Changes in other capital surplus																
Share-based compensation – employee stock options	-	13,594	-	-	-	-	-	-	-	13,594	-		13,594			
Balance at September 30, 2024	\$ 473,536	715,346	862,984	8,597	2,598,916	3,470,497	27,679	423,158	450,837	5,110,216	-		5,110,216			
Balance at January 1, 2025	\$ 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			
Net income for the period	-	-	-	-	660,199	660,199	-	-	-	660,199	3,640		663,839			
Other comprehensive income for the period	-	-	-	-	-	-	(229,632)	28,728	(200,904)	(200,904)	(62)		(200,966)			
Total comprehensive income for the period	-	-	-	-	660,199	660,199	(229,632)	28,728	(200,904)	459,295	3,578		462,873			
Exercise of employee stock options	1,755	21,467	-	-	-	-	-	-	-	23,222	-		23,222			
Appropriation and distribution:																
Legal reserve appropriated	-	-	65,880	-	(65,880)	-	-	-	-	-	-	-	-			
Cash dividends on ordinary shares	-	-	-	-	(474,481)	(474,481)	-	-	-	(474,481)	-		(474,481)			
Changes in ownership interests in subsidiaries	-	(1,984)	-	-	(14,944)	(14,944)	-	-	-	(16,928)	(73,505)		(90,433)			
Share-based compensation – employee stock options	-	9,994	-	-	-	-	-	-	-	9,994	-		9,994			
Balance at September 30, 2025	\$ 475,546	751,757	928,864	8,597	2,828,851	3,766,312	(244,642)	277,922	33,280	5,026,895	5,559		5,032,454			

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Wang Hsing Lei

Chief Executive Officer: Chen Ming-Yi

Chief Accounting Officer: Lan Yi-Chuan

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

Consolidated Statement of Cash Flows

January 1 to September 30, 2025 and 2024

Unit: NT\$ thousand

	January to September 2025	January to September 2024
Cash flows from operating activities:		
Profit before tax	\$ 847,407	717,019
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	241,864	193,606
Amortization expenses	137,715	44,927
Expected credit loss	11,895	9,382
Interest expense	112,310	57,614
Interest income	(15,422)	(10,992)
Dividend income	(32,288)	(31,920)
Shares-based payment	9,994	13,594
Gain on disposal and scrapping of property, plant, and equipment (loss)	(222)	864
Inventory devaluation loss	35,522	10,756
Unrealized foreign exchange losses (gains)	12,663	(22,091)
Total adjustments to reconcile profit (loss)	<u>514,031</u>	<u>265,740</u>
Changes in assets/liabilities related to operating activities:		
Decrease in financial assets measured at fair value through profit or loss	43	3,781
Increase in notes receivable	(33)	-
Increase in accounts receivable	(159,098)	(145,738)
Decrease (increase) in other receivables	8,339	(10,588)
Increase in inventory	(239,889)	(123,441)
Decrease (increase) in prepayments	18,674	(7,074)
Decrease (increase) in other current assets	5,838	(1,238)
(Increase) decrease in other non-current assets	(30)	2,225
(Decrease) increase in financial liabilities measured at fair value through profit or loss	(34,683)	75,813
Increase (decrease) in accounts payable	244,418	(17,000)
Decrease in other payables	(41,479)	(137,338)
Increase (decrease) in provisions	5,119	(76)
Increase in other current liabilities	11,587	49,851
Increase in net defined benefit liability	14,573	56
Increase in other non-current liabilities	22,501	5,927
Total adjustments	<u>369,911</u>	<u>(39,100)</u>
Cash inflows from operating activities	<u>1,217,318</u>	<u>677,919</u>
Interest received	15,997	11,377
Income tax paid	(106,962)	(213,687)
Net cash flows from operating activities	<u>1,126,353</u>	<u>475,609</u>
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive incomes	-	(93,834)
Acquisition of subsidiaries	(90,433)	-
Acquisition of property, plant and equipment	(163,099)	(69,835)
Disposal of property, plant and equipment	5,475	511
Increase in refundable deposits	(3,139)	(817)
Acquisition of intangible assets	(30,561)	(5,816)
Increase in other financial asset	-	(285,369)
Increase in equipment prepayments	(24,235)	(82,383)
Dividends received	32,288	31,920
Net cash outflows from investing activities	<u>(273,704)</u>	<u>(505,623)</u>
Cash flows from financing activities:		
(Decrease) increase in short-term loans	(475,298)	862,239
Borrowing of long-term loans	1,261,229	-
Repayment of long-term loans	(1,106,951)	(266,807)
Repayment of lease principals	(132,676)	(80,818)
Cash dividends paid	(474,481)	(612,854)
Exercise of employee stock options	23,222	27,871
Interest paid	(77,545)	(56,060)
Net cash outflows from financing activities	<u>(982,500)</u>	<u>(126,429)</u>
Currency impact on cash and cash equivalents	(150,329)	16,336
Decrease in cash and cash equivalents during the period	(280,180)	(140,107)
Cash and cash equivalents at the beginning of the period	1,822,879	1,065,550
Cash and cash equivalents at the end of the period	<u>\$ 1,542,699</u>	<u>925,443</u>

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Wang Hsing Lei

**Chief Executive Officer: Chen
Ming-Yi**

**Chief Accounting Officer: Lan Yi-
Chuan**

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries
Notes to Consolidated Financial Statements
Third Quarter of 2025 and 2024
(Unit: NT\$ thousand unless otherwise indicated)

I. Company history

TSC Auto ID Technology Co., Ltd. (hereinafter referred to as the “Company”) was incorporated on March 19, 2007 with the approval of the Ministry of Economic Affairs, with its registered address at 9F, No. 95, Minquan Road, Xindian District, New Taipei City, Taiwan. The Company’s shares were listed on the Taipei Exchange (TPEx) on November 26, 2008. The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in the manufacturing and services of global auto-identification system products.

II. Dates and procedures of approving financial reports

The consolidated financial reports were published on November 7, 2025 after approval by the Board of Directors.

III. Applicability of new and modified standards and interpretations

(I) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, which have already been adopted

The Group has applied the following amended International Financial Reporting Standards (IFRSs) starting from January 1, 2025, which did not have a material impact on the consolidated financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7 “Amendments to Classification and Measurement of Financial Instruments” relating to the application guidance in IFRS 9 Section 4.1 and related disclosure requirements in IFRS 7

(II) Impact of IFRSs endorsed by the Financial Supervisory Commission but not yet adopted

The Group has assessed the following new and amended IFRSs that will take effect on January 1, 2026, and concluded that they are not expected to have a material impact on the consolidated financial statements.

- IFRS 17 “Insurance Contracts” and Amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRSs
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

(III) Newly issued and amended standards and interpretations not yet endorsed by the Financial Supervisory Commission

The standards and interpretations issued and amended by the International Accounting Standards Board (IASB) but not yet endorsed by the Financial Supervisory Commission that may be relevant to the Group are as follows:

Newly issued or amended standards	Main amended content	IASB release and effective date
IFRS 18 "Presentation and Disclosures of Financial Statements"	<p>The new standard introduces three categories of income and expenses, two subtotals in the statement of profit or loss, and a single note on management performance measures (MPMs). These three amendments strengthen the guidance on disaggregating information in financial statements, providing a foundation for more useful and consistent information to users, and will affect all companies.</p> <ul style="list-style-type: none"> More structured statement of profit or loss: Under current standards, companies use different formats to present their operating results, making it difficult for investors to compare financial performance across companies. The new standard requires a more structured statement of profit or loss, introduces a newly defined subtotal "operating profit," and mandates classification of all income and expenses according to three new defined categories based on a company's main business activities. Management Performance Measures (MPMs): The new standard introduces a definition of MPMs and requires companies to include a single note in the financial statements explaining, for each measure, why it provides useful information, how it is calculated, and how it reconciles to amounts recognized under IFRS 	<p>January 1, 2027</p> <p>Note: On September 25, 2025, the Financial Supervisory Commission (FSC) issued a press release announcing that Taiwan will converge with IFRS 18 starting from the 2028 financial year. If the Company has a need for early adoption, it may elect to apply IFRS 18 earlier after it has been endorsed by the FSC.</p>

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Accounting Standards.

- More disaggregated information: The new standard enhances guidance on how companies disaggregate information in financial statements, including whether information should be presented in the primary financial statements or further broken down in the notes.

The Group is currently assessing the impact of the above standards and interpretations on its financial position and operating results, and the related effects will be disclosed once the assessment has been completed.

The Group expects that the following other newly issued and amended standards not yet endorsed will not have a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures and IFRS 19

IV Summary of significant accounting policies

Except as described below, the significant accounting policies adopted in these consolidated financial statements are the same as those applied in the consolidated financial statements for 2024. For related information, please refer to the consolidated financial statements for 2024.

(I) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the “Regulations”) and International Accounting Standard 34, “Interim Financial Reporting,” as endorsed and made effective by the Financial Supervisory Commission. These consolidated financial statements do not include all of the information required to be disclosed in a complete set of annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretations Announcements as endorsed and made effective by the Financial Supervisory Commission (hereinafter referred to as the “IFRSs endorsed by the FSC”).

Except as described below, the significant accounting policies adopted in these consolidated financial statements are the same as those applied in the consolidated financial statements for 2024. For related information, please refer to the consolidated financial

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

statements for 2024.

(II) Basis of Consolidation

Subsidiaries included in the consolidated statements:

Name of the investment company	Name of the subsidiary	Nature of the business	Shareholding percentage			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	TSC Auto ID Technology EMEA GmbH(TSCAE)	Selling and buying of barcode printers and relevant components	100.00%	100.00%	100.00%	-
The Company	TSC Auto ID (H.K.) Ltd. (TSC HK)	Investment in production businesses and general imports/exports	100.00%	100.00%	100.00%	-
The Company	TSC Auto Technology America Inc.(TSCAA)	Selling and buying of barcode printers and relevant components	100.00%	100.00%	100.00%	-
The Company	Printronix Auto ID Technology Co., Ltd. (“Printronix Auto ID Technology”)	Selling and buying of barcode printers and relevant components	- %	- %	100.00%	Note 1
The Company	Diversified Labeling Solutions, Inc. (DLS)	Printer consumables and customized design, integration, production and marketable of a variety of labels	100.00%	100.00%	100.00%	-
The Company	TSC Auto ID Technology India Private Limited (TSCIN)	Selling and buying of barcode printers and relevant components	100.00%	100.00%	100.00%	-
The Company	Mosfortico Investments sp. z o.o. (TSCPL)	General investment	100.00%	100.00%	100.00%	-
The Company	Bluebird Inc. (BB)	Production and sales of enterprise mobile computers and their components	99.85%	96.54%	- %	Note 3
The Company	Bluebird Latin America S. de	Production and	100.00%	100.00%	100.00%	Notes 2,

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

and BB	R.L. de CV (BBMX)	sales of enterprise mobile computers and their components					Note 3
TSCAE	TSC Auto ID Technology ME, Ltd. FZE (TSCAD)	Selling and buying of barcode printers and relevant components	100.00%	100.00%	100.00%	-	
TSCAE	TSC Auto ID Technology Spain, S.L.(TSCAS)	Selling and buying of barcode printers and relevant components	100.00%	100.00%	100.00%	-	
TSC HK	Tianjin TSC Auto ID Technology Co., Ltd. (Tianjin TSC Auto ID Technology)	Production and marketing of barcode printers and relevant components	100.00%	100.00%	100.00%	-	
DLS	Precision Press & Label, Inc. (PPL)	Selling of a variety of labels and printer consumables	100.00%	100.00%	100.00%	-	
TSCPL	MGN sp. z o.o. (MGN)	Printer consumables and customized design, integration, production and marketable of a variety of labels	100.00%	100.00%	100.00%	-	

Name of the investment company	Name of the subsidiary	Nature of the business	Shareholding percentage			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
BB	Bluebird USA Inc. (BBUS)	Production and sales of enterprise mobile computers and their components	100.00%	100.00%	- %	Note 3
BB	Bluebird India R&D Center Private Ltd. (BBIN)	R&D and design of enterprise mobile computers and technical services	99.00%	99.00%	- %	Note 3
BB	Bluebird Germany GmbH (BBDE)	Production and sales of enterprise mobile computers and their	100.00%	100.00%	- %	Note 3

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

components						
BB	Bluebird Europe SL (BBES)	Production and sales of enterprise mobile computers and their components	100.00%	100.00%	- %	Note 3
BB	Bluebird Japan Co., Ltd. (BBJP)	Production and sales of enterprise mobile computers and their components	100.00%	- %	- %	Note 3

Note 1: The Board of Directors of the Printronix Auto ID Technolo resolved to dissolve and liquidate the company in the board meeting held in May 2024. The liquidation was reported to the court in November 2024.

Note 2: In November 2024, TSC Auto ID Technology Co., Ltd. acquired its Korean subsidiary BB through a business combination. BB holds 99.97% of the equity interest in BBMX. In November 2024, TSC Auto ID Technology Co., Ltd. acquired the remaining 0.03% equity interest in BBMX, and together with BB, holds 100% of the equity interest in BBMX.

Note 3: These are immaterial subsidiaries, and their financial statements were not reviewed by independent accountants.

(III) Employee benefits

During interim periods, defined benefit pension costs are calculated using the actuarially determined pension cost rate as of the prior annual reporting date, applied on a year-to-date basis, and adjusted for significant market fluctuations and for material curtailments, settlements, or other significant one-time events occurring after that reporting date.

(IV) Income taxes

The Group measures and discloses interim income tax expense in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense is calculated by applying management’s best estimate of the annual effective tax rate to the interim period’s pre-tax net income, and is fully recognized as income tax expense for the period.

Where income tax expense is recognized directly in equity or in other comprehensive income, it is measured on the temporary differences between the carrying amounts of the related assets and liabilities for financial reporting purposes and their respective tax bases, using the tax rate expected to apply when the asset is realized or the liability is settled.

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

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

When preparing these consolidated financial statements in accordance with the Regulations and IAS 34 “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission, management is required to make judgments and estimates about the future (including climate-related risks and opportunities), which affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from those estimates.

Except as described below, the significant judgments made in applying the Group’s accounting policies and the key sources of estimation uncertainty in the preparation of these consolidated financial statements are consistent with those applied in the consolidated financial statements for 2024.

VI. Details of significant accounts

(I) Cash and Cash Equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Vault cash and petty cash	\$ 79	140	205
Checks and demand deposits	1,542,620	1,542,852	665,987
Fixed-term deposits	-	279,887	159,251
Bills sold under repurchase agreements	-	-	100,000
Cash and cash equivalents as presented in the consolidated statement of cash flows	<u>\$ 1,542,699</u>	<u>1,822,879</u>	<u>925,443</u>

For disclosures of interest rate risk and sensitivity analysis of the Group’s financial assets and liabilities, please refer to Note 6(22).

(II) Financial assets and liabilities measured at fair value through profit or loss

	September 30, 2025	December 31, 2024	September 30, 2024
Current:			
Financial assets designated at fair value through profit or loss:			
Currency forwards	\$ -	43	762
Financial liabilities mandatorily measured at fair value through profit or loss:			

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Currency forwards	\$ 856	330	664
Contingent consideration	36,176	68,931	56,008
	\$ 37,032	69,261	56,672

Non-current:

Financial liabilities
mandatorily measured at
fair value through profit or
loss:

Contingent consideration	\$ 28,078	26,784	21,293
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On June 12, 2023, the Group acquired 100% equity interest in MGN and deposited EUR 1,292 thousand into a third-party escrow account as the final payment to ensure that both parties fulfilled their obligations under the acquisition agreement. The escrowed funds were settled on January 7, 2025.

The Group has disclosed credit, currency, and interest rate risks related to financial instruments in Note 6(22).

Derivative financial instrument transactions are undertaken to hedge against exchange rate risks arising from operating activities. As hedge accounting is not applied, derivatives are presented as financial assets mandatorily measured at fair value through profit or loss and financial liabilities held for trading. The details are as follows:

Currency forwards:

	September 30, 2025		
	Nominal value	Currency	Maturity
Short forwards	EUR 3,000/NTD 106,470	Euro to NTD	October 15, 2025

	December 31, 2024		
	Nominal value	Currency	Maturity
Short forwards	USD 2,000/NTD 65,129	USD to NTD	January 20, 2025- January 21, 2025
Short forwards	EUR 1,000/NTD 34,154	Euro to NTD	January 20, 2025

	September 30, 2024		
	Nominal value	Currency	Maturity
Short forwards	USD 2,000/NTD 63,905	USD to NTD	2024.10.21
Short forwards	EUR 6,000/NTD 211,342	Euro to NTD	October 21, 2024-

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

November 21,
2024

(III) Financial assets measured at fair value through other comprehensive incomes

	September 30, 2025	December 31, 2024	September 30, 2024
Equity instrument measured at fair value through other comprehensive income:			
Domestic TPEx-listed stocks	\$ 877,800	849,072	1,023,036

The Group holds these equity instrument investments as long-term strategic investments rather than for trading purposes and has therefore designated them as measured at fair value through other comprehensive income.

(IV) Notes and Accounts Receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 33	-	38
Accounts receivable	1,980,417	1,847,554	1,540,795
Accounts receivable – affiliated parties	-	24	-
Less: allowance for losses	69,255	58,633	38,506
	\$ 1,911,195	1,788,945	1,502,327

The Group applies a simplified approach to estimate expected credit losses (ECL) on all notes receivable and accounts receivable, i.e., using lifetime expected credit losses. For this purpose, such notes receivable and accounts receivable are grouped based on shared credit risk characteristics representing customers' ability to pay all amounts due in accordance with the contractual terms, and forward-looking information has been incorporated. The analysis of expected credit losses on the Group's notes receivable and accounts receivable is as follows:

	September 30, 2025		
	Carrying amount of accounts receivable	Weighted-average expected credit loss rate	Allowance for lifetime expected credit losses
Not overdue	\$ 1,567,677	0.84%	13,237
Overdue 1~90 days and below	262,010	1.00%	2,620
Overdue 91~180 days	36,947	3.00%	1,108

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Overdue 181~270 days	10,573	5.00%	529
Overdue 271~365 days	57,202	10.00%	5,720
Overdue 365 and above	46,041	100.00%	46,041
	<u>\$ 1,980,450</u>		<u>69,255</u>

	December 31, 2024		
	Carrying amount of accounts receivable	Weighted-average expected credit loss rate	Allowance for lifetime expected credit losses
Not overdue	\$ 1,369,204	0.88%	11,999
Overdue 1~90 days and below	399,486	1.00%	3,995
Overdue 91~180 days	22,192	3.00%	666
Overdue 181~270 days	12,949	5.00%	647
Overdue 271~365 days and above	2,663	10.00%	266
Overdue 365 and above	<u>41,060</u>	100.00%	<u>41,060</u>
	<u>\$ 1,847,554</u>		<u>58,633</u>

	September 30, 2024		
	Carrying amount of accounts receivable	Weighted-average expected credit loss rate	Allowance for lifetime expected credit losses
Not overdue	\$ 1,131,390	1.00%	11,386
Overdue 1~90 days and below	341,382	1.00%	3,414
Overdue 91~180 days	21,294	3.00%	639
Overdue 181~270 days	19,249	5.00%	962
Overdue 271~365 days	6,014	10.00%	601
Overdue 365 and above	<u>21,504</u>	100.00%	<u>21,504</u>
	<u>\$ 1,540,833</u>		<u>38,506</u>

The movements in the allowance for losses on the Group's notes receivable and accounts receivable are as follows:

	January to September 2025	January to September 2024
Balance at the beginning of the period	\$ 58,633	27,822
Impairment losses recognized	11,895	9,382

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Amounts written off as uncollectible during the year	-	(6)
Recovery of bad debts that were written off	-	241
Effect of exchange rate changes	(1,273)	1,067
Balance at the end of the period	\$ 69,255	38,506

As of September 30, 2025, December 31, 2024, and September 30, 2024, the Group's notes receivable and accounts receivable had neither been discounted nor pledged as collateral.

(V) Inventory

	September 30, 2025	December 31, 2024	September 30, 2024
Finished goods	\$ 831,781	852,798	782,038
Semi-finished goods	561,110	424,752	276,216
Work in process	74,201	27,450	87,828
Raw materials	747,914	705,639	519,313
	\$ 2,215,006	2,010,639	1,665,395

Details of cost of sales are as follows:

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Cost of goods sold	\$ 1,806,164	1,527,379	5,854,425	4,186,714
Inventory devaluation loss	15,920	9,008	35,522	10,756
Total	\$ 1,822,084	1,536,387	5,889,947	4,197,470

As of September 30, 2025, December 31, 2024, and September 30, 2024, the Group's inventories had not been pledged as collateral.

(VI) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Other equipment	Construction in progress	Total
Carrying amount:						
January 1, 2025	\$ 230,580	299,382	734,223	101,506	76,700	1,442,391
September 30, 2025	\$ 230,826	303,687	696,749	98,405	118,577	1,448,244
January 1, 2024 (after adjustment)	\$ 230,461	305,827	593,316	82,894	63,651	1,276,149
September 30, 2024	\$ 230,676	303,477	677,809	82,637	32,599	1,327,198

During the periods from January 1 to September 30, 2025 and 2024, the Group had no significant additions, disposals, or recognition or reversal of impairment related to property, plant and equipment. For depreciation recognized in the current period, please refer to Note 12. For other related information, please refer to the consolidated financial statements for 2024.

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

As of September 30, 2025, December 31, 2024, and September 30, 2024, details of property, plant and equipment pledged as collateral for long-term borrowings are disclosed in Note 8.

(VII) Right-of-use assets

	Buildings and structures	Transportation equipment	Machinery and equipment	Total
Carrying amount:				
January 1, 2025	<u>\$ 651,955</u>	<u>10,648</u>	<u>16,038</u>	<u>678,641</u>
September 30, 2025	<u>\$ 517,711</u>	<u>13,497</u>	<u>14,634</u>	<u>545,842</u>
January 1, 2024	<u>\$ 117,832</u>	<u>12,976</u>	<u>17,493</u>	<u>148,301</u>
September 30, 2024	<u>\$ 510,213</u>	<u>10,662</u>	<u>17,252</u>	<u>538,127</u>

During the periods from January 1 to September 30, 2025 and 2024, the Group had no significant additions or recognition or reversal of impairment related to right-of-use assets for leased land, buildings, machinery, and transportation equipment. For other related information, please refer to the consolidated financial statements for 2024.

(VIII) Goodwill

	September 30, 2025	December 31, 2024	September 30, 2024
Cost			
Balance at the beginning of the period	\$ 1,945,645	1,261,280	1,261,280
Acquisition through business combination	-	638,578	-
Effect of exchange rate changes	<u>(83,649)</u>	<u>45,787</u>	<u>41,073</u>
Balance at the end of the period	<u>\$ 1,861,996</u>	<u>1,945,645</u>	<u>1,302,353</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
Printer business group	\$ 853,099	918,669	886,865
Label business - DLS	195,841	210,893	203,592
Label business - MGN	214,113	204,252	211,896
Mobile device business - Bluebird brand	598,943	611,831	-
Total	<u>\$ 1,861,996</u>	<u>1,945,645</u>	<u>1,302,353</u>

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

To provide customers with a complete automatic identification system solution and to enhance the Group's overall market share and brand competitiveness, in November 2024 the Company acquired 96.54% equity interest in BB for KRW 118,740,223 thousand (approximately NT\$2,783,490 thousand translated at the acquisition date exchange rate). In June 2025, the Company further acquired 3.31% equity interest in BB for KRW 4,070,422 thousand, thereby increasing its ownership to 99.85%. For related information, please refer to Note 6(16).

(IX) Other Intangible Assets

	Customer relations	Software	Trademarks	Knowhow & technology	Patents	Others	Total
Carrying amount:							
January 1, 2025	\$ 722,902	96,864	102,168	81,934	80	69,059	1,073,007
September 30, 2025	\$ 665,770	75,558	84,182	59,469	22	67,309	952,310
January 1, 2024 (after adjustment)	\$ 325,156	64,146	-	29,425	-	-	418,727
September 30, 2024	\$ 323,872	56,317	-	19,412	-	-	399,601

During the periods from January 1 to September 30, 2025 and 2024, the Group had no significant additions, disposals, or recognition or reversal of impairment related to intangible assets. For amortization recognized in the current period, please refer to Note 12. For other related information, please refer to the consolidated financial statements for 2024.

(X) Short-term loans

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loans	\$ 1,379,001	1,835,419	1,511,766
Secured bank loans	-	6,217	15,059
	\$ 1,379,001	1,841,636	1,526,825
Unused credit facilities	\$ 1,984,874	1,841,920	1,622,984
Interest rate range	1.79%~4.85%	1.77%~7.52%	1.76%~6.15%

1. Issuance and repayment of loans

During the periods from January 1 to September 30, 2025 and 2024, the Group had no significant issuance, repurchase, or repayment of short-term borrowings. For other related information, please refer to the consolidated financial statements for 2024.

2. Collateral for bank loans

For details of the Group's assets pledged as collateral for bank borrowings, please refer

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

to Note 8.

3. Exposure to interest rate, foreign currency, and liquidity risks related to the Group's borrowings is disclosed in Note 6(22).

(XI) Long-term loans

	September 30, 2025		
	Interest rate range (%)	Maturity year	Amount
Unsecured bank loans	1.83%~1.87%	117.06.19	\$ 1,600,000
Secured bank loans (Note 1 and Note 2)	2.38%~4.00%	118.11.14	1,105,170
Subtotal			2,705,170
Less: portion due within one year			(217,823)
Less: Unamortized balance			(6,568)
Total			\$ 2,480,779
Unused credit facilities			\$ 300,000

	December 31, 2024		
	Interest rate range (%)	Maturity year	Amount
Unsecured bank loans	1.77%~1.88%	116.12.02	\$ 540,000
Secured bank loans (Note 1 and Note 2)	2.37%~4.91%	118.11.14	2,011,009
Subtotal			2,551,009
Less: Unamortized balance			(7,797)
Less: portion due within one year			(207,442)
Total			\$ 2,335,770
Unused credit facilities			\$ 560,000

	September 30, 2024		
	Interest rate range (%)	Maturity year	Amount
Unsecured bank loans	1.77%~1.81%	115.03.13	\$ 340,000
Secured bank loans (Note 2)	4.89%~5.42%	116.12.15	13,586
Subtotal			353,586
Less: portion due within one year			(8,458)
Total			\$ 345,128
Unused credit facilities			\$ 500,000

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

During the periods from January 1 to September 30, 2025 and 2024, the Group had no significant issuance, repurchase, or repayment of long-term borrowings. For other related information, please refer to the consolidated financial statements for 2024. Exposure to interest rate, foreign currency, and liquidity risks related to the Group's borrowings is disclosed in Note 6(22).

Note 1: The Company pledged the equity interest acquired in BB as collateral. This borrowing was used to pay the cash consideration and related expenses for the acquisition of BB.

Note 2: For details of the Group's assets pledged as collateral for bank borrowings, please refer to Note 8.

(XII) Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Salaries payable	\$ 236,954	259,307	215,099
Others	198,077	222,986	230,787
	\$ 435,031	482,293	445,886

(XIII) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ 110,642	120,939	92,200
Non-current	\$ 463,029	567,344	447,019

For maturity analysis, please refer to Note 6(22) Financial Instruments.

The amounts recognized in profit or loss for leases were as follows:

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Interest expense on lease liabilities	\$ 10,701	11,446	35,534	19,607
Expense relating to short-term leases	\$ 1,422	761	2,691	2,105
Expense relating to leases of low-value assets	\$ 3,040	7,782	9,553	9,447

The amounts recognized in the statement of cash flows for leases were as follows:

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

	January to September 2025	January to September 2024
Total cash (outflow) for leases	<u>\$ 144,920</u>	<u>92,370</u>

As of September 30, 2025, the Group leased buildings, transportation equipment, and machinery for offices, plants, company vehicles, and daily operations, with lease terms ranging from 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; the lease payment of the office in India will be adjusted by 4-5% per year.

(XIV) Employee benefit

1. Defined benefit plan

Since no significant market fluctuations, curtailments, settlements, or other significant one-time events occurred after the end of the prior financial year, the Company applied the actuarially determined pension cost as of December 31, 2024 and 2023 to measure and disclose defined benefit pension cost during the interim periods.

Details of expenses recognized by the Group are as follows:

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Operating costs	\$ 29	25	85	76
Sales & marketing expenses	5	4	14	12
Administrative expenses	22	20	67	59
R&D expenses	21	19	64	57
Total	<u>\$ 77</u>	<u>68</u>	<u>230</u>	<u>204</u>

2. Defined contribution plan

For the periods from July 1 to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, the pension expenses under the defined contribution retirement plan of the Group amounted to NT\$3,298 thousand, NT\$3,351 thousand, NT\$9,861 thousand, and NT\$9,996 thousand, respectively, and were contributed to the Bureau of Labor Insurance.

3. Overseas subsidiaries, in accordance with local laws, also apply defined contribution retirement plans. For the periods from July 1 to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, pension expenses recognized amounted to

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

NT\$18,427 thousand, NT\$9,475 thousand, NT\$54,976 thousand, and NT\$27,807 thousand, respectively.

(XV) Income taxes

1. The Group's income tax was as follows:

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Income tax expense for the period				
Incurred during the period	\$ 49,094	72,340	154,921	160,575
Tax on undistributed earnings	-	-	5,922	10,985
Adjustments to prior years' current income tax	(3,872)	-	(35,857)	(1,641)
	<u>45,222</u>	<u>72,340</u>	<u>124,986</u>	<u>169,919</u>
Deferred income tax expense (gain)				
Arising from temporary differences	47,008	(18,513)	58,582	13,334
	<u>\$ 92,230</u>	<u>53,827</u>	<u>183,568</u>	<u>183,253</u>

2. Details of income tax (expense) benefit recognized in other comprehensive income were as follows:

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translation of financial statements of foreign operations	\$ 28,755	(7,250)	(47,499)	27,891

3. For the periods from January 1 to September 30, 2025 and 2024, the Group did not recognize any income tax expense in equity.

4. The Company's corporate income tax returns have been assessed and approved by the tax

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

authorities through 2023.

(XVI) Capital and other equity

Except as described below, there were no significant changes in the Group's capital and other equity during the periods from January 1 to September 30, 2025 and 2024. For related information, please refer to the consolidated financial statements for 2024.

1. Share capital

As of September 30, 2025, December 31, 2024, and September 30, 2024, the Company's authorized capital was NT\$800,000 thousand (of which NT\$80,000 thousand was reserved for the issuance of employee stock options), and paid-in capital was NT\$475,546 thousand, NT\$473,791 thousand, and NT\$473,5536 thousand, respectively.

As of September 30, 2025, December 31, 2024, and September 30, 2024, 15.0 thousand shares, 22.9 thousand shares, and 203.5 thousand shares of the Company's issued capital, respectively, had not yet been registered with the New Taipei City Government.

2. Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
Share premium	\$ 522,841	501,374	498,312
Differences between the actual disposal or acquisition of subsidiaries' equity and carrying amounts	-	1,984	1,984
Lapsed stock options	123,244	123,244	123,244
Exercised employee stock options	68,593	63,466	62,219
Employee stock options	37,079	32,212	29,587
	<u>\$ 751,757</u>	<u>722,280</u>	<u>715,346</u>

As described in Note 6(8), the effects of changes in the Company's ownership interests in BB on equity attributable to owners of the parent are as follows:

Consideration paid to non-controlling interests	\$ 90,433
Carrying amount of non-controlling interests acquired	(73,505)
Deduction from capital surplus-difference between the consideration paid and the carrying amount of the subsidiary's equity acquired	(1,984)
Deduction from retained earnings-difference between the consideration paid and the carrying amount of the subsidiary's equity	<u>\$ (14,944)</u>

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

acquired

3. Retained earnings

In accordance with the Company's Articles of Incorporation, if there is a surplus upon the final settlement of accounts for the year, the surplus shall first be used to pay taxes and to offset prior years' accumulated losses, then 10% shall be appropriated as legal reserve; however, when the legal reserve has reached the Company's paid-in capital, this requirement no longer applies. In addition, special reserve shall be appropriated as required by operations and applicable laws. If there is any remaining earnings, combined with the undistributed earnings at the beginning of the period, the Board of Directors shall propose an earnings distribution plan and submit it to the shareholders' meeting for approval.

As the Company's industry is in a growth stage and has plans and capital requirements for production line expansion in the coming years, a residual dividend policy is adopted. Earnings are retained first to meet funding requirements, and any remaining distributable earnings are distributed as cash dividends. However, the total annual dividends distributed shall not be less than 10% of distributable earnings, of which cash dividends shall not be less than 10% of the total dividends distributed for the year. If the cash dividend per share is less than NT\$0.2, cash dividends will not be distributed and stock dividends will be issued instead.

(1) Legal reserve

When there is no accumulated deficit, the Company may, by resolution of the shareholders' meeting, distribute new shares or cash from the legal reserve, limited to the portion exceeding 25% of paid-in capital.

(2) Special reserve

In accordance with regulations of the securities authority, when distributing earnings, the Company shall appropriate a special reserve from distributable earnings equal to any deduction from shareholders' equity for the year, which shall not be distributed. When such deductions from shareholders' equity are reversed in subsequent periods, the reversed portion may be distributed as earnings.

(3) Earnings distribution

On June 17, 2025 and June 18, 2024, the Company's shareholders, at their annual meetings, resolved the earnings distribution plans for 2024 and 2023, respectively. The amounts of dividends distributed to owners were as follows:

2024

2023

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

	Payout ratio (NT\$)	Amount	Payout ratio (NT\$)	Amount
Dividends to common shareholders:				
Cash	9.98	<u>\$ 474,481</u>	13.00	<u>612,854</u>
4. Other equities				
		Unrealized gain (loss) of financial assets measured at fair value through other comprehensive incomes		
		Exchange differences on translation of financial statements of foreign operations		
Balance at January 1, 2025	\$ (15,010)	249,194	234,184	
Exchange differences on translation of net assets of foreign operations	(229,632)	-	(229,632)	
Unrealized gain of financial assets measured at fair value through other comprehensive incomes	-	28,728	28,728	
Balance at September 1, 2025	<u>\$ (244,642)</u>	<u>277,922</u>	<u>33,280</u>	
Balance at January 1, 2024	\$ (83,887)	848,156	764,269	
Exchange differences on translation of net assets of foreign operations	111,566	-	111,566	
Unrealized loss of financial assets measured at fair value through other comprehensive incomes	-	(424,998)	(424,998)	
Balance at September 30, 2024	<u>\$ 27,679</u>	<u>423,158</u>	<u>450,837</u>	

(XVII) Shares-based Payment

In January 2025, the Company granted 145 units of employee stock options, with each unit entitling the holder to subscribe for 1,000 shares of common stock. The grantees included employees of the Company and its subsidiaries who met specified conditions. 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 Company used the Black-Scholes option pricing model to estimate the fair value of share-based payments on the grant date.

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

The information on the Company's employee stock options is as follows:

	January to September 2025		January to September 2024	
	Weighted-average exercise price (NT\$)	Number of stock options	Weighted-average exercise price (NT\$)	Number of stock options
(Expressed in thousands of units)				
Outstanding as of January 1	130.1-227.3	1,082.5	202.91	1,366.0
Granted during the period	\$ 200.00	145	-	-
Exercised during the period	130.60	(175.5)	130.85	(213.0)
Forfeited due to resignation during the period	227.30	(60)	241.00	(40.0)
Outstanding as of September 30	130.1-227.3	992.0	201.73	1,113.0
Exercisable as of September 30	-	90.25	-	291.3

The employee stock options granted by the Company in January 2025 were valued using the Black-Scholes option pricing model. The inputs to the valuation model were as follows:

	2025 Employee Stock Options	
Share price on granted day	NT\$ 200	
Exercise price	NT\$ 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%	

(XVIII) Revenue from contracts with customers

July to September 2025	July to September 2024	January to September	January to September

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

			2025	2024
Main markets:				
Asia and other regions	\$ 498,869	264,614	2,117,144	809,878
China	285,992	316,740	838,890	830,349
America	1,169,969	1,010,860	3,272,389	2,842,019
Europe	<u>792,823</u>	<u>635,832</u>	<u>2,456,863</u>	<u>1,690,269</u>
	<u>\$ 2,747,653</u>	<u>2,228,046</u>	<u>8,685,286</u>	<u>6,172,515</u>
Key products:				
Barcode printer components	\$ 1,202,718	1,282,051	3,627,259	3,576,722
Labels and printer consumables	938,348	945,995	2,809,474	2,595,793
Enterprise mobile computers	<u>606,587</u>	<u>-</u>	<u>2,248,553</u>	<u>-</u>
	<u>\$ 2,747,653</u>	<u>2,228,046</u>	<u>8,685,286</u>	<u>6,172,515</u>

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 experience and consideration of different contractual terms, the Group estimates the possible amounts of sales incentives and recognizes them as refund liabilities (classified under other current liabilities). As of September 30, 2025, December 31, 2024, and September 30, 2024, the Group's estimated refund liabilities amounted to NT\$122,898 thousand, NT\$99,003 thousand, and NT\$98,056 thousand, respectively.

(XIX) Employee and director remuneration

According to the Company's Articles of Incorporation amended on June 17, 2025, if the Company makes a profit in the annual final accounts, 2% to 10% shall be allocated as employee compensation, of which at least 1% shall be distributed to rank-and-file employees. The distribution, resolved by the Board of Directors, may be made in the form of shares or cash, and the recipients may include employees of controlled or affiliated companies who meet certain criteria, with such criteria to be determined by the Board of Directors. The Company may also allocate no more than 5% of the above-mentioned profit as director compensation, subject to a resolution of the Board of Directors. 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

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

aforesaid percentage as employees' remuneration and directors' remuneration.

Before the amendment, the Company's Articles of Incorporation stipulated that if there was a profit in the annual final accounts, at least 2% but not more than 10% should be allocated as employee compensation, to be distributed in the form of shares or cash as resolved 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. The proposal for distribution of employees' remuneration and directors' remuneration should be reported to the shareholders' meeting. However, profits must first be retained to offset cumulated losses, if any. The remaining balance can then be allocated for employee remuneration and director remuneration at the above percentages.

For the periods from July 1 to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, the provisions for employee compensation were NT\$16,976 thousand, NT\$9,891 thousand, NT\$43,885 thousand, and NT\$35,765 thousand, respectively, and the provisions for director compensation were NT\$8,487 thousand, NT\$4,945 thousand, NT\$21,942 thousand, and NT\$17,882 thousand, respectively. These amounts were estimated based on the Company's profit before tax for the respective periods, before deducting employee and director compensation, multiplied by the percentages stipulated in the Company's Articles of Incorporation for allocation to employee and director compensation, and were recognized as operating costs or operating expenses for the respective periods. If the actual distribution amounts in the following year differ from the estimated provisions, such differences are accounted for as changes in accounting estimates and recognized in profit or loss of the following year.

For 2024 and 2023, the provisions for employee compensation were NT\$45,030 thousand and NT\$61,968 thousand, respectively, and the provisions for director compensation were NT\$22,515 thousand and NT\$30,984 thousand, respectively. These amounts did not differ from the actual distributions, which were resolved by the Board of Directors on March 14, 2025 and March 15, 2024, respectively. Related information can be found on the Market Observation Post System (MOPS).

(XX) Non-operating incomes and expenses

1. Interest income

July to September	July to September	January to September	January to September
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Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

	2025	2024	2025	2024
Bank interests	<u><u>\$ 5,879</u></u>	<u><u>4,062</u></u>	<u><u>15,422</u></u>	<u><u>10,992</u></u>

2. Other incomes

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Dividend income	\$ -	-	32,288	31,920
Other incomes	7,030	9,516	11,901	21,737
	<u><u>\$ 7,030</u></u>	<u><u>9,516</u></u>	<u><u>44,189</u></u>	<u><u>53,657</u></u>

3. Other gains and losses

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Gain (loss) on disposal of property, plant and equipment	\$ 41	(415)	222	(864)
Exchange gain (loss)	65,857	(6,700)	9,866	36,290
Financial instruments measured at fair value through profit or loss	(856)	154	(3,726)	(6,528)
Loss on lease modification	(2,047)	-	(2,047)	-
Others	(3,577)	(894)	(3,688)	(2,726)
Other gains and losses, net	<u><u>\$ 59,418</u></u>	<u><u>(7,855)</u></u>	<u><u>627</u></u>	<u><u>26,172</u></u>

4. Financial cost

Details of the Group's finance costs were as follows:

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Interest expense	\$ (23,694)	(14,132)	(76,776)	(38,007)
Lease liability interests	(10,701)	(11,446)	(35,534)	(19,607)
	<u><u>\$ (34,395)</u></u>	<u><u>(25,578)</u></u>	<u><u>(112,310)</u></u>	<u><u>(57,614)</u></u>

(XXI) Earnings per share

1. Basic earnings per share

July to	July to	January to	January to
~31~			

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

	September 2025	September 2024	September 2025	September 2024
Net profit attributable to owners of the Company	<u>\$ 250,115</u>	<u>145,509</u>	<u>660,199</u>	<u>533,766</u>
	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Weighted-average number of common shares outstanding	<u>47,540</u>	<u>47,226</u>	<u>47,486</u>	<u>47,173</u>
Basic EPS (NT\$)	<u>\$ 5.26</u>	<u>3.08</u>	<u>13.90</u>	<u>11.32</u>
2. Diluted earnings per share				
	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Net income used for the calculation of diluted earnings per share	<u>\$ 250,115</u>	<u>145,509</u>	<u>660,199</u>	<u>533,766</u>
Weighted-average number of common shares outstanding (basic)	47,540	47,226	47,486	47,173
Effects of dilutive potential ordinary shares				
Employee stock options	30	163	54	200
Effect of employee stock remuneration	<u>234</u>	<u>161</u>	<u>289</u>	<u>229</u>
Weighted-average number of common shares outstanding (after adjustment for the effect of dilutive potential common shares)	<u>47,804</u>	<u>47,550</u>	<u>47,829</u>	<u>47,602</u>
Diluted earnings per share (NT\$)	<u>\$ 5.23</u>	<u>3.06</u>	<u>13.80</u>	<u>11.21</u>

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

(XXII) Financial Instruments

1. Credit risks

(1) Maximum exposure to credit risk

The carrying amounts of financial assets and contract assets represent the maximum exposure to credit risk.

(2) Concentration of credit risk

As of September 30, 2025 and September 30, 2024, sales to the Group's top ten customers accounted for 39% and 40% of consolidated operating revenue, respectively. To mitigate credit risk, the Group periodically and continuously evaluates the financial condition of customers and the collectability of accounts receivable, and recognizes appropriate loss allowances.

(3) Credit risk of receivables and debt securities

For information on credit risk exposure related to notes receivable and accounts receivable, please refer to Note 6(4).

2. Liquidity risks

The following table sets out the contractual maturities of financial liabilities, including estimated interest but excluding the impact of netting arrangements.

	Carrying amount	Contractual cash flows	1 years	1-2 years	2-5 years	More than 5 years
September 30, 2025						
Non-derivative financial liabilities						
Short-term loans	\$ 1,379,001	1,382,098	1,382,098	-	-	-
Accounts payable	944,822	944,822	944,822	-	-	-
Other payables	435,031	435,031	435,031	-	-	-
Long-term loans	2,698,602	2,865,829	268,754	503,223	2,093,852	-
Lease liabilities	573,671	577,604	137,317	138,128	288,322	13,837
	\$ 6,031,127	6,205,384	3,168,022	641,351	2,382,174	13,837
December 31, 2024						
Non-derivative financial liabilities						
Short-term loans	\$ 1,841,636	1,849,084	1,849,084	-	-	-
Accounts payable	700,906	700,906	700,906	-	-	-
Other payables	482,293	482,293	482,293	-	-	-
Long-term loans	2,543,212	2,744,742	257,668	386,509	2,100,565	-
Lease liabilities	688,283	830,145	163,736	170,826	471,077	24,506
	\$ 6,256,330	6,607,170	3,453,687	557,335	2,571,642	24,506
September 30, 2024						
Non-derivative financial liabilities						
Short-term loans	\$ 1,526,825	1,534,586	1,534,586	-	-	-

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Accounts payable	739,153	739,153	739,153	-	-	-
Other payables	445,886	445,886	445,886	-	-	-
Long-term loans	353,586	361,038	14,654	344,034	2,350	-
Lease liabilities	539,219	655,641	129,810	133,997	352,024	39,810
	\$ 3,604,669	3,736,304	2,864,089	478,031	354,374	39,810

The Group does not expect the timing of cash flows in the maturity analysis to occur significantly earlier, nor the actual amounts to differ significantly.

3. Market risks

(1) Exchange rate risks

The Group's exposure to significant foreign currency exchange risk arising from financial assets and liabilities is as follows:

	September 30, 2025			December 31, 2024			September 30, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial Assets									
Monetary items									
USD	\$ 53,040	30.4450	1,614,803	37,153	32.7850	1,218,061	25,061	31.6500	793,181
Euro	37,647	35.7700	1,346,633	31,547	34.1400	1,077,015	26,160	35.3800	925,541
CNY	60,879	4.2710	260,014	38,045	4.4780	170,366	43,869	4.5230	198,419
GBP	273	40.9700	11,185	239	41.1900	9,844	-	42.4300	-
JPY	57,891	0.2058	11,914	40,315	0.2100	8,466	-	0.2223	-
Total	\$ 209,730		3,244,549	147,299		2,483,752	95,090		1,917,141

	September 30, 2025			December 31, 2024			September 30, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial Liabilities									
Monetary items									
USD	\$ 18,526	30.4450	564,024	20,466	32.7850	670,978	16,207	31.6500	512,952
Euro	20,742	35.7700	741,941	24,084	34.1400	822,228	13,580	35.3800	480,460
CNY	98,217	4.2710	419,485	70,657	4.4780	316,402	59,832	4.5230	270,620
JPY	324,410	0.2058	66,764	268,602	0.2100	56,406	277,058	0.2220	61,590
Total	\$ 461,895		1,792,214	383,809		1,866,014	366,677		1,325,622

The Group's foreign exchange risk primarily arises from financial assets and liabilities denominated in foreign currencies, which result in foreign exchange gains or losses upon translation. As of September 30, 2025 and 2024, assuming a 3% depreciation or appreciation of the New Taiwan dollar against the U.S. dollar, euro, and Japanese yen, with all other variables held constant, net income after tax for the nine months ended September 30, 2025 and 2024 would have increased or decreased by NT\$34,855 thousand and NT\$14,196 thousand, respectively. Both analyses were conducted on the same basis.

Since the Group has a variety of functional currencies, foreign exchange gain and loss information on monetary items is disclosed in aggregate. For the periods from July 1

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, foreign exchange gains (losses), including realized and unrealized, amounted to NT\$65,857 thousand, NT\$(6,700) thousand, NT\$9,866 thousand, and NT\$36,290 thousand, respectively.

(2) Interest rate risks

The Group's interest rate risk on financial assets and liabilities is described under liquidity risk management in this note.

The following sensitivity analysis is based on the interest rate risk of derivative and non-derivative instruments outstanding as of the reporting date. For floating-rate liabilities, the analysis assumes that the liabilities outstanding at the reporting date were outstanding for the entire year. The rate of fluctuation used internally by the Group to report to key management personnel is an increase or decrease of 1%, which also represents management's assessment of a reasonably possible change in interest rates.

If interest rates were to increase or decrease by 1%, with all other variables held constant, the Group's consolidated net profit after tax for the periods from January 1 to September 30, 2025 and 2024 would decrease or increase by NT\$32,621 thousand and NT\$15,043 thousand, respectively, mainly due to the Group's bank borrowings at variable interest rates.

(3) Other price risks

If equity security prices had changed as of the reporting date (both analyses were conducted on the same basis, assuming all other variables remain constant), the impact on comprehensive income items would have been as follows:

Equity security prices at the reporting date	January to September 2025		January to September 2024	
	After-tax amount recognized in other comprehensive income	After-tax profit or loss	After-tax amount recognized in other comprehensive income	After-tax profit or loss
Increase by 1%	\$ 8,778	-	10,230	-
Decrease by 1%	\$ (8,778)	-	(10,230)	-

4. Fair value information

(1) Categories and Fair Values of Financial Instruments

The Group measures at fair value on a recurring basis its financial assets and financial liabilities at fair value through profit or loss, hedging financial assets and

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

liabilities, and financial assets at fair value through other comprehensive income. The carrying amounts and fair values of each category of financial assets and liabilities (including fair value hierarchy information, except for those financial instruments not measured at fair value for which the carrying amounts are reasonable approximations of fair value, and lease liabilities for which disclosure of fair value is not required) are presented as follows:

	September 30, 2025				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive incomes					
Marketable securities listed on TPEx-Equity investment	\$ 877,800	877,800	-	-	877,800
Financial assets measured at amortized cost					
Cash and Cash Equivalents	\$ 1,542,699	-	-	-	-
Notes and accounts receivable	1,911,195	-	-	-	-
Other receivables	44,325	-	-	-	-
Subtotal	<u>3,498,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,376,019</u>	<u>877,800</u>	<u>-</u>	<u>-</u>	<u>877,800</u>
Financial liabilities measured at fair value through profit or loss					
Derivatives	\$ 856	-	856	-	856
Contingent consideration	<u>64,254</u>	<u>-</u>	<u>-</u>	<u>64,254</u>	<u>64,254</u>
Subtotal	<u>65,110</u>	<u>-</u>	<u>856</u>	<u>64,254</u>	<u>65,110</u>
Financial liabilities measured at amortized cost					
Accounts payable	\$ 944,822	-	-	-	-
Other payables	435,031	-	-	-	-
Lease liabilities	573,671	-	-	-	-
Bank borrowings	<u>4,077,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>6,031,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 6,096,237</u>	<u>-</u>	<u>856</u>	<u>64,254</u>	<u>65,110</u>

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

	December 31, 2024				
	Fair value				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Derivative financial assets	\$ 43	-	43	-	43
Financial assets measured at fair value through other comprehensive incomes					
Marketable securities listed on TPEx - Equity	849,072	849,072	-	-	849,072
Financial assets measured at amortized cost					
Cash and Cash Equivalents	1,822,879	-	-	-	-
Accounts receivable	1,788,945	-	-	-	-
Other receivables	57,166	-	-	-	-
Subtotal	<u>3,668,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,518,105</u>	<u>849,072</u>	<u>43</u>	<u>-</u>	<u>849,115</u>
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	\$ 330	-	330	-	330
Contingent consideration	95,715	-	-	95,715	95,715
Subtotal	<u>96,045</u>	<u>-</u>	<u>330</u>	<u>95,715</u>	<u>96,045</u>
Financial liabilities measured at amortized cost					
Notes and accounts receivable	709,006	-	-	-	-
Other payables	482,293	-	-	-	-
Lease liabilities	688,283	-	-	-	-
Bank borrowings	4,384,848	-	-	-	-
Subtotal	<u>6,264,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 6,360,475</u>	<u>-</u>	<u>330</u>	<u>95,715</u>	<u>96,045</u>

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

	September 30, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Derivatives	\$ 762	-	762	-	<u>762</u>
Financial assets measured at fair value through other comprehensive incomes					
Marketable securities listed on TPEx-Equity investment	1,023,036	1,023,036	-	-	<u>1,023,036</u>
Financial assets measured at amortized cost					
Cash and Cash Equivalents	925,443	-	-	-	-
Notes and Accounts Receivable	1,502,327	-	-	-	-
Other receivables	43,955	-	-	-	-
Subtotal	<u>2,471,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	\$ 664	-	664	-	<u>664</u>
Contingent consideration	77,301	-	-	77,301	<u>77,301</u>
Financial liabilities measured at amortized cost					
Notes and Accounts Receivable	739,153	-	-	-	-
Other payables	445,886	-	-	-	-
Lease liabilities	539,219	-	-	-	-
Bank borrowings	<u>1,880,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>3,604,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 3,682,634</u></u>	<u><u>-</u></u>	<u><u>664</u></u>	<u><u>77,301</u></u>	<u><u>77,965</u></u>

(2) Fair value valuation techniques

The methods and assumptions applied by the Group in estimating the fair value of

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

instruments not measured at fair value are as follows:

A. Financial assets measured at amortized cost

If quoted prices are available in an active market, such market prices are used as fair value. Where no quoted market prices are available, fair value is estimated using valuation techniques or based on quotations from counterparties.

B. Financial assets and liabilities measured at amortized cost

If transaction prices or quotes from market makers are available, the most recent transaction prices and quotes are used as the basis for fair value measurement. Where no market values are available, fair value is estimated using valuation techniques. The valuation techniques involve estimating fair value based on the discounted cash flows.

(3) Fair value valuation techniques for financial instruments measured at fair value

A. Non-derivatives financial instruments

If quoted prices are available in an active market, such quoted prices are used as fair value. Quoted market prices announced by major exchanges and by the Taipei Exchange for government bonds designated as active securities are used as the basis for the fair value of listed (or OTC-traded) equity instruments and debt instruments with active market quotations.

For other financial instruments without active markets, fair values are obtained through valuation techniques or based on quotations from counterparties. Valuations may be derived from the current fair values of other instruments with substantially the same terms and characteristics, discounted cash flow analysis, or other valuation techniques, including models that incorporate market information available as of the reporting date (e.g., reference yield curves from the Taipei Exchange or average commercial paper rates quoted by Reuters).

B. Derivatives financial instruments

Fair values are determined using valuation models commonly accepted in the market, such as discounted cash flow analysis and option pricing models. Forward foreign exchange contracts are generally valued based on current forward exchange rates.

(4) Transfers between Level 1 and Level 2

The Group made no transfers between Level 1 and Level 2 fair value measurements during the periods from January 1 to September 30, 2025 and 2024.

(5) Quantitative information on significant unobservable inputs (Level 3)

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

The Group's Level 3 fair value measurements include financial liabilities measured at fair value through profit or loss – contingent consideration from business combinations.

Most of the Group's Level 3 fair value measurements involve a single significant unobservable input; only equity investments without active markets involve multiple significant unobservable inputs. As the significant unobservable inputs for equity investments without active markets are independent of each other, no interrelationships exist.

Quantitative information on significant unobservable inputs is as follows:

Item	Valuation technique	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value
Contingent consideration agreement	Option pricing model	Volatility, risk-free interest rate, discount rate, and remaining contractual term	The higher the net asset value, the higher the fair value

(XXIII) Financial risk management

The objectives and policies of the Group's financial risk management were not significantly different from those disclosed in the consolidated financial statements for 2024.

(XXIV) Capital management

The objectives, policies, and procedures of the Group's capital management were consistent with those disclosed in the consolidated financial statements for 2024; in addition, the aggregated quantitative data for items regarded as part of capital management also did not differ significantly from those disclosed in the consolidated financial statements for 2024. For related information, please refer to the consolidated financial statements for 2024.

(25) Non-cash investing and financing activities

Non-cash investing and financing activities of the Group for the periods from January 1 to September 30, 2025 and 2024 were as follows:

A reconciliation of liabilities arising from financing activities is as follows:

	Non-cash changes					September 30, 2025
	January 1, 2025	Cash flow	Exchange rate changes	Others	Changes in lease payments	
Short-term loans	\$ 1,841,636	(475,298)	12,663	-	-	1,379,001

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Long-term loans	2,543,212	154,278	1,112	-	-	2,698,602
Lease liabilities	688,283	(132,676)	(39,268)	57,33	-	573,671
Deposits received	1,970	-	(705)	-	-	1,265
Total liabilities from financing activities	<u>\$ 5,075,101</u>	<u>(453,696)</u>	<u>(26,198)</u>	<u>57,33</u>	<u>-</u>	<u>4,652,539</u>

	January 1, 2024	Cash flow	Non-cash changes			September 30, 2024
			Exchange rate changes	Others	Changes in lease payments	
Short-term loans	\$ 671,395	862,239	(6,809)	-	-	1,526,825
Long-term loans	620,029	(266,807)	636	(272)	-	353,586
Lease liabilities	137,157	(80,818)	(12,347)	19,60	475,620	539,219
Deposits received	1,971	-	81	-	-	2,052
Total liabilities from financing activities	<u>\$ 1,430,552</u>	<u>514,614</u>	<u>(18,439)</u>	<u>19.33</u>	<u>475,620</u>	<u>2,421,682</u>

VII. Related party transactions

(I) Names of related parties and relationships

The related parties that had transactions with the Group during the periods covered by these consolidated financial statements are as follows:

Name of the affiliated party	Relation with the consolidated company
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) Significant transactions with related parties

1. Operating incomes

The Group's significant sales to related parties were as follows:

Itemized Affiliated July to July to January to January to

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

<u>account</u>	<u>party category/ name</u>	<u>September 2025</u>	<u>September 2024</u>	<u>September 2025</u>	<u>September 2024</u>
Revenues	Parent company	\$ -	-	-	8
	Affiliated company	88	18	122	44
		<u>\$ 88</u>	<u>18</u>	<u>122</u>	<u>52</u>

2. Purchase

The amounts of the Group's purchases from related parties were as follows:

<u>Affiliated party category/name</u>	<u>July to September 2025</u>	<u>July to September 2024</u>	<u>January to September 2025</u>	<u>January to September 2024</u>
Parent company	<u>\$ 1</u>	<u>5</u>	<u>97</u>	<u>99</u>

The purchase prices granted by the Group to the above related parties and the related payment terms of 120 days are not significantly different from those for transactions with third-party suppliers.

3. Dividend income

The amounts of the Group's dividend income from related parties were as follows:

<u>Affiliated party category/name</u>	<u>July to September 2025</u>	<u>July to September 2024</u>	<u>January to September 2025</u>	<u>January to September 2024</u>
Parent company	<u>\$ -</u>	<u>-</u>	<u>32,288</u>	<u>31,920</u>

4. Receivables from related parties

Details of the Group's receivables from related parties were as follows:

<u>Itemized account</u>	<u>Affiliated party category/name</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts receivable	Affiliated company	\$ -	24	-
Other receivables	Affiliated company	1,622	1,770	1,681

5. Payables to related parties

Details of the Group's payables to related parties were as follows:

Itemized Affiliated September 30, December 31, September 30,

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

<u>account</u>	<u>party category/name</u>	<u>2025</u>	<u>2024</u>	<u>2024</u>
Accounts payable	Parent company	\$ 46	8	15
Other payables	Affiliated company	-	-	1,566
		<u>\$ 46</u>	<u>8</u>	<u>1,581</u>

6. Other related party transactions

<u>Itemized account</u>	<u>Affiliated</u>	<u>July to September 2025</u>	<u>July to September 2024</u>	<u>January to September 2025</u>	<u>January to September 2024</u>
	<u>party category/name</u>	<u>\$ 547</u>	<u>557</u>	<u>1,666</u>	<u>1,639</u>
Lease income	Affiliated company				

(III) Transaction with key management personnel

Compensation of key management personnel comprised:

	<u>July to September 2025</u>	<u>July to September 2024</u>	<u>January to September 2025</u>	<u>January to September 2024</u>
Short-term employee benefits	\$ 18,903	21,381	71,136	72,748
Retirement benefits	251	178	687	588
Shares-based payment	1,365	1,404	4,003	4,112
	<u>\$ 20,519</u>	<u>22,963</u>	<u>75,826</u>	<u>77,448</u>

For details regarding share-based payments, please refer to Note 6(17).

VIII. Pledged assets

Except for those disclosed in Note 6(11), the carrying amounts of the Group's assets pledged as collateral were as follows:

<u>Asset</u>	<u>Purpose of pledged</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Land	Bank borrowings	\$ 5,391	5,143	5,335
Property, plant and equipment	Bank borrowings	62,195	51,835	53,730
Machinery and equipment	Bank borrowings	-	25,074	26,556
		<u>\$ 67,586</u>	<u>82,052</u>	<u>85,621</u>

IX. Material contingent liabilities and unrecognized contractual commitments

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

In accordance with relevant customs regulations, for the purpose of obtaining the release of imported goods prior to the payment of customs duties, the Company provides guarantee letters endorsed by banks. The guaranteed amounts of such customs guarantees were NT\$4,000 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024.

X. Major Disasters and Significant Losses: None.

XI. Major Events After the Reporting Period: None.

XII. Others

(I) Summary of employee benefits, depreciation, depletion, and amortization expenses by function:

By function By nature	July to September 2025			July to September 2024		
	Presented as operating cost	Presented as operating expense	Total	Presented as operating cost	Presented as operating expense	Total
Employee benefit expenses						
Salary expenses	149,760	337,986	487,746	150,192	248,864	399,056
Labor/health insurance premium	11,826	15,659	27,485	19,322	20,444	39,766
Pension expenses	7,172	14,630	21,802	6,172	6,722	12,894
Other employee benefit expenses	10,297	15,955	26,252	10,004	7,360	17,364
Depreciation expense	55,568	21,717	77,285	52,306	15,941	68,247
Amortization expenses	321	43,964	44,285	566	15,491	16,057

By function By nature	January to September 2025			January to September 2024		
	Presented as operating cost	Presented as operating expense	Total	Presented as operating cost	Presented as operating expense	Total
Employee benefit expenses						
Salary expenses	473,391	1,007,973	1,481,364	443,042	716,031	1,159,073
Labor/health insurance premium	49,105	61,909	111,014	57,791	59,495	117,286
Pension expenses	20,383	44,684	65,067	18,863	19,144	38,007
Other employee benefit expenses	33,475	49,967	83,442	31,730	26,040	57,770

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Depreciation expense	175,725	66,139	241,864	149,451	44,155	193,606
Amortization expenses	979	136,736	137,715	1,116	43,811	44,927

(II) Seasonality of Operations:

The Group's operations are not affected by seasonal or cyclical factors.

XIII. Supplementary disclosure

(I) Information on significant transactions:

For the period from January 1 to September 30, 2025, in accordance with the Regulations, the Group is required to disclose the following significant transactions:

1. Loans to Others:

Serial No. (Note 1)	Financing company	Counter-party	Account name	Related party?	Maximum outstanding balance of funds lent during the period	Balance at the end of the period	Amount actually drawn	Interest rate range	Nature for financing	Transaction amounts	Reason for need for short-term financing	Recognized allowance for losses	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount limit funds lent (Note 3)
													Name	Value		
0	TSC	TSCAE	Other receivables-related parties	Yes	36,400	-	-	5.00%	2	-	Operating capital	-	None	-	1,005,379	2,010,758
0	TSC	TSCAE	Other receivables-related parties	Yes	182,000	178,850	128,772	5.00%	2	-	Operating capital	-	None	-	1,005,379	2,010,758
0	TSC	MGN	Other receivables-related parties	Yes	218,400	214,620	191,906	3.00%	2	-	Operating capital	-	None	-	1,005,379	2,010,758
0	TSC	MGN	Other receivables-related parties	Yes	218,400	214,620	-	3.00%	2	-	Operating capital	-	None	-	1,005,379	2,010,758
0	TSC	TSCPL	Other receivables-related parties	Yes	69,160	67,963	32,193	5.00%	2	-	Operating capital	-	None	-	1,005,379	2,010,758
1	BB	BBDE	Other receivables-related parties	Yes	3,640	3,577	-	4.60%	2	-	Operating capital	-	None	-	1,005,379	2,010,758
1	BB	BBDE	Other receivables-related parties	Yes	3,640	3,577	1,789	4.60%	2	-	Operating capital	1,789	None	-	1,005,379	2,010,758
1	BB	BBES	Other receivables-related parties	Yes	218	215	215	4.60%	2	-	Operating capital	215	None	-	1,005,379	2,010,758
1	BB	BBES	Other receivables-related parties	Yes	331	326	326	4.60%	2	-	Operating capital	326	None	-	1,005,379	2,010,758

**Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its
Subsidiaries (continued)**

1	BB	BBMX	Other receivables-related parties	Yes	2,656	2,436	2,436	4.60%	2	-	Operating capital	-	None	-	1,005,379	2,010,758
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Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Serial No. (Note 1)	Financing company	Counter-party	Account name	Related party?	Maximum outstanding balance of funds lent during the period	Balance at the end of the period	Amount actually drawn	Interest rate range	Nature for financing	Transaction amounts	Reason for need for short-term financing	Recognized allowance for losses	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount limits (Note 3)
													Name	Value		
2	DLS	TSC	Other receivables – affiliated parties	Yes	199,230	182,670	121,780	5.00%	2	-	Operating capital	-	None	-	1,005,379	2,010,758

Note 1:(1) 0 for the Company.

(2) Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: Any need for short-term financing from the Company is capped at 20% of the book value of its most recent financial statements as 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 3: 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.

2. Endorsements and Guarantees for Others:

Unit: NT\$ thousand

Serial 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	Balance of endorsements/guarantees as of the end of the period	Amount actually drawn	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
		Name of the company	Relation (Note 2)										
0	TSC	TSCAA	2	2,010,758	199,230	182,670	-	-	3.96 %	3,016,137	Y	N	N

Note 1:(1) 0 for the Company.

Note 2: No. 2 is the company with over 50% voting shares directly and indirectly owned by the Company.

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.

3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures):

Unit: NT\$ thousand

Investees	Names of Types and names (Note 1)	Relation with the issuer Relationship with the issuer (Note 2)	Itemized account	Ending Balance				Remarks
				No. of shares	Carrying amount (Note 3)	Shareholding percentage	Fair value	
TSC	Taiwan Semiconductor	Parent company	Financial assets measured at fair value through other comprehensive incomes – non-current	15,960	877,800	6.06 %	877,800	

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

Unit: NT\$ thousand

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Purchase (sale) company	Name of the counterparty	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 purchase (sale)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
TSC	TSCAE	Subsidiary	Sale	(623,285)	(23)%	135 days based on monthly statements	-		702,207	41%	
TSC	TSCAA	Subsidiary	Sale	(474,535)	(17)%	120 days based on monthly statements	-		498,905	29%	
TSC	Tianjin TSC Auto ID Technology	Sub-subsidiary	Sale	(270,982)	(10)%	60 days based on monthly statements	-		151,868	9%	
TSC	Tianjin TSC Auto ID Technology	Sub-subsidiary	Purchase	817,561	70%	60 days based on monthly statements	-		(419,484)	(59)%	

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

Unit: NT\$ thousand

Company from which receivables are recognized	Name of the counterparty	Relation	Balance of receivables from related parties	Turnover	Overdue receivables from affiliated parties		Recovered receivables from affiliated parties (Note 1)	Recognized allowance for losses
					Amount	Treatment		
TSC	TSCAE	Subsidiaries	836,851	1.19%	312,249		46,644	-
TSC	TSCAA	Subsidiaries	498,905	1.45%	149,837		84,434	-
TSC	Tianjin TSC Auto ID Technology	Sub-subsidiary	151,868	4.28%	22,850		46,207	-
TSC	MGN	Sub-subsidiary	194,992	-%	-		-	-
Tianjin TSC Auto ID Technology	TSC	Parent company	419,484	2.95%	-		110,435	-

Note 1: Recovered amount as of October 31, 2025.

6. Business relationships and significant intercompany transactions:

Unit: NT\$ thousand

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 operating revenue or the consolidated total assets (Note 2)
0	The Company	TSCAA	1	Accounts receivable	498,905	Note 3	4.03%
0	The Company	TSCAA	1	Revenues	474,535	Note 3	5.46%
0	The Company	TSCAA	1	R&D expenses	54,984	Note 3	0.63%
0	The Company	TSCAE	1	Accounts receivable	702,207	Note 3	5.67%
0	The Company	TSCAE	1	Revenues	623,285	Note 3	7.18%
0	The Company	Tianjin TSC Auto ID Technology	1	Accounts receivable	151,868	Note 3	1.23%
0	The Company	Tianjin TSC Auto ID Technology	1	Revenues	270,982	Note 3	3.12%

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

0	The Company	Tianjin TSC Auto ID Technology	1	Accounts payable	419,484	Note 3	3.39%
0	The Company	Tianjin TSC Auto ID Technology	1	Purchase	817,561	Note 3	9.41%
0	The Company	MGN	1	Other receivables	194,992	At an arm's length	1.57%

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 prices are based on market prices, with collection periods ranging from 60 to 135 days after month-end.

(II) Information on investees:

The Group's investment information for the period from January 1 to September 30, 2025 is as follows (excluding investee companies in mainland China):

Name of the investment company	Name of the investee	Location	Primary business	Original invested amount		Holdings at the end of the year			Profit or 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	Ratio	Carrying amount (Note 6)			
The Company	TSCAE	Germany	Sale of barcode printers and relevant components	2,943	2,943	- (Note 3)	100.00%	(87,604)	(78,335)	(78,335) (Note 1)	Subsidiaries
The Company	TSCAA	United States	Sale of barcode printers and relevant components	1,096,621	1,096,621	16,000	100.00%	1,118,569	(10,469)	(10,469) (Note 1)	Subsidiaries
The Company	DLS	United States	Printer consumables and customized design, integration, production and marketable of a variety of labels	801,558	801,558	1	100.00%	1,474,117	50,789	50,789 (Note 1)	Subsidiaries
The Company	TSCIN	India	Sale of barcode printers and relevant components	2,791	2,791	710	100.00%	2,295	675	675 (Note 1)	Subsidiaries
The Company	TSCPL	Poland	General investment	498,827	498,827	- (Note 4)	100.00%	487,850	(5,780)	(5,780) (Note 1)	Subsidiaries
The Company	BB	Korea	Production and sales of enterprise mobile computers and their components	2,856,995	2,783,490	7,010	99.85%	2,915,711	315,235	197,030 (Note 2)	Subsidiaries
The Company	TSCHK	Hong Kong	Investment in production businesses and general imports/exports	47,468	47,468	12,711	100.00%	662,827	4,088	4,088 (Note 1)	Subsidiaries
The Company	BBMX	Mexico	Production and sales of enterprise mobile computers and their components	- (Note 5)	- (Note 5)	- (Note 3)	0.03%	(28)	307	- (Note 1)	Subsidiaries
TSCAE	TSCAD	United Arab Emirates	Sale of barcode printers and relevant components	8,234	8,234	- (Note 3)	100.00%	(15,900)	(998)	(998) (Note 1)	Sub-subsidiary
TSCAE	TSCAS	Spain	Sale of barcode printers and relevant components	124	124	- (Note 3)	100.00%	3,756	337	337 (Note 1)	Sub-subsidiary

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Name of the investment company	Name of the investee	Location	Primary business	Original invested amount		Holdings at the end of the year			Profit or 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	Ratio	Carrying amount (Note 6)			
DLS	PPL	United States	Selling of a variety of labels and printer consumables	115 (USD thousand)	115 (USD thousand)	850	100.00%	52,899	5,763	5,763 (Note 1)	Sub-subsidiary
TSCPL	MGN	Poland	Production and sales of enterprise mobile computers and their components	71,613 (PLN thousand)	71,613 (PLN thousand)	2	100.00%	183,188	2,293	2,293 (Note 1)	Sub-subsidiary
BB	BBMX	Mexico	Production and sales of enterprise mobile computers and their components	5	5 (Note 3)	99.97%		5	307	307 (Note 2)	Sub-subsidiary
BB	BBUS	United States	Production and sales of enterprise mobile computers and their components	2,920	2,920 (Note 4)	100.00%		-	(33)	(33) (Note 2)	Sub-subsidiary
BB	BBIN	India	R&D and design of enterprise mobile computers and technical services	4,078	4,078	990	99.00%	5,152	(491)	(486) (Note 2)	Sub-subsidiary
BB	BBDE	Germany	Production and sales of enterprise mobile computers and their components	756	756 (Note 3)	100.00%		-	2,918	2,918 (Note 2)	Sub-subsidiary
BB	BBES	Spain	Production and sales of enterprise mobile computers and their components	1,265	1,265 (Note 3)	100.00%		1,094	(157)	(157) (Note 2)	Sub-subsidiary
BB	BBJP	Japan	Production and sales of enterprise mobile computers and their components	2,086	- (Note 3)	100.00%		2,090	(128)	(128) (Note 2)	Sub-subsidiary

Note 1: Recognized based on the investee company's financial statements reviewed by independent accountants.

Note 2: Recognized based on the investee company's financial statements not reviewed by independent accountants.

Note 3: The company license only specifies the amount of invested capital without the number of shares.

Note 4: Figure not shown as the Company held less than one thousand shares.

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

Note 6: Carrying amount net of unrealized gains from sales.

(III) Information on investments in China:

**Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its
Subsidiaries (continued)**

1. The names of investees in Mainland China, the main businesses and products, and other information:

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Unit: NT\$ thousand

Names of investees in China	Primary business	Paid-in capital (Note 2)	Investment method (Note 1)	Cumulative outward investments from Taiwan at the beginning of this period (Note 2)	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	Carrying value of the investment at the end of the period	Total repatriated investment gains as of the end of this period
					Outward remittances	Recovered investments						
Tianjin TSC Auto ID Technology	Production and marketing of barcode printers and relevant components	44,846	(II)	45,668	-	-	45,668	14,847	100.00%	14,847	754,428	998,407

Note 1: Item (2) refers to reinvestment in companies in mainland China through existing companies in third regions.

Note 2: The foreign currency amounts listed in this table were translated into New Taiwan dollars at the RMB exchange rate of 4.271 as of September 30, 2025.

2. Limitation on investment in Mainland China:

Cumulative outward investments from Taiwan to China at the end of this period	Investment amount approved by the Investment Commission, MOEA	Ceiling imposed by the Investment Commission, MOEA on investments in China
45,668 (USD1,500 thousand)	45,668 (USD1,500 thousand)	3,016,137

3. Significant transactions with investees in mainland China:

For the period from January 1 to September 30, 2025, significant transactions directly or indirectly conducted between the Group and its investee companies in mainland China were eliminated in the preparation of the consolidated financial statements. For details, please refer to the disclosure under "Significant Transaction Information".

XIV. Segment information

The Group's operating segment information and reconciliations are as follows:

July to September 2025	Barcode printer and its components	Various printer labels and its consumables	Enterprise mobile computers	Intersegment adjustment	Total
Revenue:					
Revenue from external customers	\$ 1,202,718	938,348	606,587	-	2,747,653
Intersegment revenue	52,356	852	22,447	(75,655)	-

Notes to Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Its Subsidiaries (continued)

Total revenue	<u>\$ 1,255,074</u>	<u>939,200</u>	<u>629,034</u>	<u>(75,655)</u>	<u>2,747,653</u>
Reporting segment profit or loss	<u>\$ 323,651</u>	<u>26,832</u>	<u>120,072</u>	<u>(128,111)</u>	<u>342,444</u>
July to September 2024					
Revenue:					
Revenue from external customers	\$ 1,282,051	945,995	-	-	2,228,046
Intersegment revenue	<u>167</u>	<u>1,930</u>	<u>-</u>	<u>(2,097)</u>	<u>-</u>
Total revenue	<u>\$ 1,282,218</u>	<u>947,925</u>	<u>-</u>	<u>(2,097)</u>	<u>2,228,046</u>
Reporting segment profit or loss	<u>\$ 144,746</u>	<u>34,276</u>	<u>-</u>	<u>20,314</u>	<u>199,336</u>
January to September 2025					
Revenue:					
Revenue from external customers	\$ 3,627,259	2,809,474	2,248,553	-	8,685,286
Intersegment revenue	<u>178,784</u>	<u>5,458</u>	<u>39,829</u>	<u>(224,071)</u>	<u>-</u>
Total revenue	<u>\$ 3,806,043</u>	<u>2,814,932</u>	<u>2,288,382</u>	<u>(224,071)</u>	<u>8,685,286</u>
Reporting segment profit or loss	<u>\$ 726,978</u>	<u>64,232</u>	<u>344,758</u>	<u>(288,561)</u>	<u>847,407</u>
January to September 2024					
Revenue:					
Revenue from external customers	\$ 3,576,722	2,595,793	-	-	6,172,515
Intersegment revenue	<u>1,347</u>	<u>7,633</u>	<u>-</u>	<u>(8,980)</u>	<u>-</u>
Total revenue	<u>\$ 3,578,069</u>	<u>2,603,426</u>	<u>-</u>	<u>(8,980)</u>	<u>6,172,515</u>
Reporting segment profit or loss	<u>\$ 641,942</u>	<u>79,702</u>	<u>-</u>	<u>(4,625)</u>	<u>717,019</u>