

Tong Ming Enterprise Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the
Six Months Ended June 30, 2026 and 2025 and
Independent Auditors' Report

Notice to Readers

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Tong Ming Enterprise Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Tong Ming Enterprise Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of June 30, 2026 and 2025, the related consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standards 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group’s consolidated financial statements for the six months ended June 30, 2026 are stated as follows:

The Authenticity of the Recognition of Sales Revenue

The Group primarily engages in the manufacturing and sale of stainless steel fasteners and wire rods. Due to its significance and the Statement of Auditing Standards presumption of significant risk in revenue recognition, we analyzed revenue-related information for each customer and selected those customers meeting specific criteria. Based on the evaluation, the revenue recognition for customers meeting these criteria was assessed to have a higher risk, and therefore, the authenticity of their revenue recognition was classified as a key audit matter. For the related accounting policies, refer to Note 4 (13) to the consolidated financial statements for the year ended December 31, 2025.

The main audit procedures that we performed in respect of revenue recognition included the following:

1. We obtained an understanding of the internal controls and tested the design and operating effectiveness of the key controls over the occurrence of revenue recognition.
2. We selected samples from the list of sales details, verified the related traded documents such as shipments and cash receipts, and confirmed the occurrence of revenue.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standards 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2026 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yi-Hua Peng and Yi-Min Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 27, 2026

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,580,697	16	\$ 2,064,511	14	\$ 2,125,964	17
Financial assets at fair value through profit or loss - current (Notes 7 and 31)	2,436	-	4,204	-	1,083	-
Financial assets at amortized cost - current (Notes 9 and 33)	1,029,725	6	1,236,475	9	535,168	4
Notes receivable, net (Notes 10 and 22)	497,828	3	187,271	1	348,522	3
Accounts receivable, net (Notes 10, 22 and 32)	2,518,942	16	2,310,489	16	1,928,903	15
Other receivables	53,659	-	12,192	-	23,860	-
Current tax assets	280	-	1,092	-	820	-
Inventories (Note 11)	5,711,815	36	5,015,454	34	4,307,416	33
Prepayments to suppliers (Note 17)	192,686	1	313,364	2	269,381	2
Other prepayments (Notes 17 and 32)	121,268	1	169,252	1	116,552	1
Other current assets	685	-	1,069	-	2,208	-
Total current assets	<u>12,710,021</u>	<u>79</u>	<u>11,315,373</u>	<u>77</u>	<u>9,659,877</u>	<u>75</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 31)	37,688	-	52,154	-	50,701	-
Investments accounted for using the equity method (Notes 13 and 27)	81,298	1	66,158	-	61,293	-
Property, plant and equipment (Notes 14 and 29)	2,838,266	18	2,860,220	19	2,693,817	21
Right-of-use assets (Note 15)	173,438	1	170,364	1	134,548	1
Investment properties, net (Note 16)	78,221	1	77,138	1	72,148	1
Other intangible assets	66,597	-	68,616	1	69,335	1
Deferred tax assets	69,518	-	69,782	1	61,518	1
Prepayments for equipment (Notes 17 and 29)	31,648	-	25,966	-	45,088	-
Refundable deposits	3,947	-	3,500	-	3,118	-
Other non-current assets	748	-	2,037	-	9,325	-
Total non-current assets	<u>3,381,369</u>	<u>21</u>	<u>3,395,935</u>	<u>23</u>	<u>3,200,891</u>	<u>25</u>
TOTAL	<u>\$ 16,091,390</u>	<u>100</u>	<u>\$ 14,711,308</u>	<u>100</u>	<u>\$ 12,860,768</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18, 29 and 33)	\$ 3,449,907	21	\$ 3,149,738	21	\$ 2,559,063	20
Financial liabilities at fair value through profit or loss - current (Notes 7 and 31)	-	-	127	-	-	-
Contract liabilities - current (Note 22)	78,234	1	72,777	-	70,782	1
Notes payable	8,231	-	6,010	-	7,952	-
Accounts payable (Notes 19 and 32)	651,857	4	535,879	4	522,117	4
Cash dividends payable (Note 20)	301,805	2	-	-	301,805	2
Other payables (Notes 20 and 29)	325,434	2	381,641	3	271,707	2
Current tax liabilities	38,065	-	34,518	-	3,769	-
Lease liabilities - current (Notes 15, 28 and 31)	12,516	-	10,925	-	2,944	-
Current portion of long-term borrowings (Notes 18 and 29)	1,533,630	10	1,310,673	9	709,137	5
Other current liabilities	377	-	885	-	348	-
Total current liabilities	<u>6,400,056</u>	<u>40</u>	<u>5,503,173</u>	<u>37</u>	<u>4,449,624</u>	<u>34</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 18 and 29)	1,043,525	6	1,133,599	8	1,408,879	11
Deferred tax liabilities	451,342	3	385,641	3	321,130	3
Lease liabilities - non-current (Notes 15, 29 and 31)	16,609	-	17,495	-	3,668	-
Long-term deferred revenue (Note 26)	194,012	1	194,120	1	156,252	1
Total non-current liabilities	<u>1,705,488</u>	<u>10</u>	<u>1,730,855</u>	<u>12</u>	<u>1,889,929</u>	<u>15</u>
Total liabilities	<u>8,105,544</u>	<u>50</u>	<u>7,234,028</u>	<u>49</u>	<u>6,339,553</u>	<u>49</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)						
Share capital	2,012,033	13	2,012,033	14	2,012,033	16
Capital surplus	1,827,434	11	1,827,293	12	1,827,293	14
Retained earnings						
Legal reserve	801,515	5	740,701	5	740,701	6
Special reserve	14,191	-	38,755	-	38,755	-
Unappropriated earnings	3,055,605	19	2,842,427	20	2,518,571	20
Total retained earnings	<u>3,871,311</u>	<u>24</u>	<u>3,621,883</u>	<u>25</u>	<u>3,298,027</u>	<u>26</u>
Others						
Exchange differences on translation of the financial statements of foreign operations	291,485	2	(14,191)	-	(645,864)	(5)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(16,417)	-	-	-	3,469	-
Others	275,068	2	(14,191)	-	(642,395)	(5)
Total equity attributable to owners of the Company	<u>7,985,846</u>	<u>50</u>	<u>7,447,018</u>	<u>51</u>	<u>6,494,958</u>	<u>51</u>
NON-CONTROLLING INTERESTS (Notes 21, 27 and 28)	<u>-</u>	<u>-</u>	<u>30,262</u>	<u>-</u>	<u>26,257</u>	<u>-</u>
Total equity	<u>7,985,846</u>	<u>50</u>	<u>7,477,280</u>	<u>51</u>	<u>6,521,215</u>	<u>51</u>
TOTAL	<u>\$ 16,091,390</u>	<u>100</u>	<u>\$ 14,711,308</u>	<u>100</u>	<u>\$ 12,860,768</u>	<u>100</u>

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

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales (Notes 22, 32 and 37)	\$ 3,656,199	100	\$ 3,133,667	100	\$ 6,828,713	100	\$ 6,211,781	100
OPERATING COSTS								
Cost of goods sold (Notes 11, 23 and 32)	(2,983,525)	(81)	(2,759,427)	(88)	(5,626,379)	(82)	(5,476,969)	(88)
GROSS PROFIT	672,674	19	374,240	12	1,202,334	18	734,812	12
OPERATING EXPENSES (Notes 23 and 32)								
Selling and marketing expenses	(147,808)	(4)	(128,289)	(4)	(282,972)	(4)	(252,288)	(4)
General and administrative expenses	(80,845)	(2)	(73,141)	(2)	(156,804)	(3)	(153,466)	(3)
Research and development expenses	(7,835)	(1)	(7,688)	-	(12,627)	-	(13,492)	-
Expected credit loss (gain)	(5,303)	-	1,190	-	(7,398)	-	1,482	-
Total operating expenses	(241,791)	(7)	(207,928)	(6)	(459,801)	(7)	(417,764)	(7)
PROFIT FROM OPERATIONS	430,883	12	166,312	6	742,533	11	317,048	5
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 32)								
Interest income	8,089	-	12,634	-	16,098	-	20,720	1
Other income	17,201	1	20,304	1	38,820	1	70,820	1
Other gains and losses	(26,868)	(1)	(3,204)	-	(51,365)	(1)	1,087	-
Finance costs	(34,153)	(1)	(31,502)	(1)	(66,552)	(1)	(69,168)	(1)
Share of profit of associates and joint ventures (Note 13)	4,506	-	5,248	-	3,388	-	6,298	-
Total non-operating income and expenses	(31,225)	(1)	3,480	-	(59,611)	(1)	29,757	1
PROFIT BEFORE INCOME TAX	399,658	11	169,792	6	682,922	10	346,805	6
INCOME TAX EXPENSE (Note 24)	(72,987)	(2)	(25,297)	(1)	(129,612)	(2)	(61,643)	(1)
NET INCOME	326,671	9	144,495	5	553,310	8	285,162	5
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(16,417)	(1)	10,047	-	(16,417)	-	3,479	-
Exchange differences arising on translation to the presentation currency	98,181	3	(761,158)	(24)	305,016	4	(602,870)	(10)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	8	-	175	-	969	-	(6,096)	-
Other comprehensive income (loss), net of income tax	81,772	2	(750,936)	(24)	289,568	4	(605,487)	(10)
TOTAL COMPREHENSIVE INCOME	\$ 408,443	11	(\$ 606,441)	(19)	\$ 842,878	12	(\$ 320,325)	(5)
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 325,259	9	\$ 143,787	5	\$ 551,233	8	\$ 284,284	5
Non-controlling interests	1,412	-	708	-	2,077	-	878	-
	\$ 326,671	9	\$ 144,495	5	\$ 553,310	8	\$ 285,162	5
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 407,139	11	(\$ 604,332)	(19)	\$ 840,492	12	(\$ 319,356)	(5)
Non-controlling interests	1,304	-	(2,109)	-	2,386	-	(969)	-
	\$ 408,443	11	(\$ 606,441)	(19)	\$ 842,878	12	(\$ 320,325)	(5)
EARNINGS PER SHARE (Note 25)								
Basic	\$ 1.62		\$ 0.71		\$ 2.74		\$ 1.41	
Diluted	\$ 1.62		\$ 0.71		\$ 2.74		\$ 1.41	

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

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										Non-controlling Interests	Total Equity
							Other Equity		Total			
							Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Share Capital		Retained Earnings									
	Shares (In Thousands)	Amount	Capital Surplus	Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2025	201,203	\$ 2,012,033	\$ 1,827,293	\$ 682,881	\$ 261,447	\$ 2,371,220	(\$ 38,755)	\$ -	\$ 7,116,119	\$ 29,281	\$ 7,145,400	
Appropriation of 2024 earnings												
Reserve	-	-	-	57,820	-	(57,820)	-	-	-	-	-	
Cash dividends to shareholders	-	-	-	-	-	(301,805)	-	-	(301,805)	-	(301,805)	
Reversal of special reserve	-	-	-	-	(222,692)	222,692	-	-	-	-	-	
Net income	-	-	-	-	-	284,284	-	-	284,284	878	285,162	
Other comprehensive income (loss), net of income tax	-	-	-	-	-	-	(607,109)	3,469	(603,640)	(1,847)	(605,487)	
Total comprehensive income (loss)	-	-	-	-	-	284,284	(607,109)	3,469	(319,356)	(969)	(320,325)	
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,055)	(2,055)	
BALANCE, JUNE 30, 2025	201,203	\$ 2,012,033	\$ 1,827,293	\$ 740,701	\$ 38,755	\$ 2,518,571	(\$ 645,864)	\$ 3,469	\$ 6,494,958	\$ 26,257	\$ 6,521,215	
BALANCE AT JANUARY 1, 2026	201,203	\$ 2,012,033	\$ 1,827,293	\$ 740,701	\$ 38,755	\$ 2,842,427	(\$ 14,191)	\$ -	\$ 7,447,018	\$ 30,262	\$ 7,477,280	
Appropriation of 2025 earnings												
Reserve	-	-	-	60,814	-	(60,814)	-	-	-	-	-	
Cash dividends to shareholders	-	-	-	-	-	(301,805)	-	-	(301,805)	-	(301,805)	
Reversal of special reserve	-	-	-	-	(24,564)	24,564	-	-	-	-	-	
Net income	-	-	-	-	-	551,233	-	-	551,233	2,077	553,310	
Other comprehensive income (loss), net of income tax	-	-	-	-	-	-	305,676	(16,417)	289,259	309	289,568	
Total comprehensive income (loss)	-	-	-	-	-	551,233	305,676	(16,417)	840,492	2,386	842,878	
Disposal of subsidiaries (Note 27)	-	-	-	-	-	-	-	-	-	(10,980)	(10,980)	
Acquisition of additional interests in subsidiaries (Note 28)	-	-	141	-	-	-	-	-	141	(21,668)	(21,527)	
BALANCE, JUNE 30, 2026	201,203	\$ 2,012,033	\$ 1,827,434	\$ 801,515	\$ 14,191	\$ 3,055,605	\$ 291,485	(\$ 16,417)	\$ 7,985,846	\$ -	\$ 7,985,846	

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

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 682,922	\$ 346,805
Adjustments for:		
Depreciation expense	178,711	166,838
Amortization expense	6,252	5,752
Expected credit loss (gain) recognized on accounts receivable	7,398	(1,482)
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(959)	(728)
Interest expense	66,552	69,168
Interest income	(16,098)	(20,720)
Share of profit of associates and joint ventures	(3,388)	(6,298)
Loss on disposal of property, plant and equipment	607	2,223
Property, plant and equipment transferred to expenses	-	6,881
Loss on disposal of subsidiaries	1,228	-
Reversal of write-downs of inventory	(28,593)	(53,873)
Amortization of deferred revenue	(8,333)	(5,802)
Changes in operating assets and liabilities		
Notes receivable	(310,557)	236,621
Accounts receivable	(232,765)	264,888
Other receivables	(45,229)	15,572
Inventories	(677,380)	588,986
Prepayments	168,284	132,035
Other current assets	384	(857)
Contract liabilities	5,630	(18,073)
Notes payable	2,221	(330)
Accounts payable	123,417	(416,017)
Other payables	(49,179)	(80,057)
Other current liabilities	(508)	1
Cash generated from operations	(129,383)	1,231,533
Income tax paid	(76,487)	(121,363)
Net cash (used in) generated from operating activities	(205,870)	1,110,170

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TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from financial assets at amortized cost	\$ 206,750	\$ 528,518
Purchase of financial assets at fair value through profit or loss	-	(44)
Proceeds from sale of financial assets at fair value through profit or loss	-	5,552
Net cash outflow on disposal of subsidiaries	(20,165)	-
Payments for property, plant and equipment	(33,670)	(31,754)
Proceeds from disposal of property, plant and equipment	-	64
Refundable deposits paid	(447)	-
Refundable deposits refunded	-	659
Payments for intangible assets	(1,651)	(15,498)
Increase in other non-current assets	-	(5,029)
Decrease in other non-current assets	478	-
Increase in prepayments for equipment	(9,770)	(33,748)
Interest received	16,943	22,586
Increase in deferred revenue	-	12,010
Net cash generated from investing activities	158,468	483,316
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	311,586	-
Repayments of short-term borrowings	-	(431,776)
Proceeds from long-term borrowings	1,360,100	1,065,192
Repayments of long-term borrowings	(1,221,400)	(762,914)
Repayment of the principal portion of lease liabilities	(4,162)	(3,838)
Acquisition of interests in subsidiaries	(21,527)	-
Interest paid	(65,810)	(68,820)
Dividends paid to non-controlling interests	-	(2,055)
Net cash generated from (used in) financing activities	358,787	(204,211)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	204,801	(390,091)
NET INCREASE IN CASH AND CASH EQUIVALENTS	516,186	999,184
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,064,511	1,126,780
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 2,580,697	\$ 2,125,964

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

(Concluded)

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

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

1. GENERAL INFORMATION

Tong Ming Enterprise Co., Ltd. (Cayman) (the “Company”) was incorporated in the Cayman Islands in November 2009. The Company was established mainly to restructure the organization for public listing on the Taiwan Stock Exchange (TWSE). The Company has been the holding company of all its subsidiaries. The Company and its subsidiaries (collectively referred to as the “Group”) mainly manufacture and sell stainless steel fasteners and wires.

The Company’s shares have been listed on the TWSE since December 16, 2013.

The functional currency of the Company is the renminbi. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s shares are listed on the Taiwan Stock Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 18, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

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

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

- a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- b) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

- b. The IFRS Accounting Standards endorsed by the FSC applicable in 2027

New Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 1)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027
Amendments to IAS 28 “Fair Value Option for Investments in Associates and Joint Ventures”	January 1, 2027 (Note 2)

Note 1: Companies in the ROC are required to apply IFRS 18 starting from January 1, 2028, and may also elect to apply it early.

Note 2: The amendments shall be applied at the same time as IFRS 18 is applied.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments, and amendments to IAS 28 “Fair Value Option for Investments in Associates and Joint Ventures”

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Upon initial application of IFRS 18, an entity that is a venture capital organization or a mutual fund, unit trust or similar entity (or that holds investments indirectly through such entities) may change its election for measuring investments in associates or joint ventures from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that the aforementioned “similar entities” include entities that are assessed under IFRS 18 as having investing in particular types of assets as a main business activity. If the Group meets these conditions, it may elect to make this change on the date of initial application.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has specified main business activities, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

The Group does not expect to early apply IFRS 18 and the related consequential amendments.

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

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

New Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 20 “Regulatory Assets and Regulatory Liabilities”	January 1, 2029

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets to an associate (or joint venture), or loses control of a subsidiary while retaining significant influence (or joint control) over it, and the assets or the former subsidiary meet the definition of a “business” under IFRS 3 “Business Combinations”, the Group recognizes the gain or loss resulting from the transaction in full.

In addition, when the Group sells or contributes assets to an associate (or joint venture), or loses control of a subsidiary in a transaction with an associate (or joint venture) while retaining significant influence (or joint control) over it, and the assets or the former subsidiary do not meet the definition of a “business” under IFRS 3, the Group recognizes the gain or loss resulting from the transaction only to the extent of the unrelated investors’ interests in the associate (or joint venture); that is, the Group’s share of the gain or loss is eliminated.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting,” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards endorsed and issued into effect by the FSC (collectively, the “Taiwan-IFRS Accounting Standards”).

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including structured entities). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Description of other significant accounting policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2025.

1) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that is not a business combination, affects neither the taxable profit nor the accounting profit and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of the U.S. reciprocal tariff measures and other developments on the cash flow projections, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

For a description of the material accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year 2025.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	\$ 723	\$ 630	\$ 570
Checking accounts and demand deposits	2,151,392	2,050,791	1,496,610
Cash equivalents with original maturities of 3 months or less			
Time deposits	421,890	6,701	622,710
Others	6,692	6,389	6,074
	<u>\$ 2,580,697</u>	<u>\$ 2,064,511</u>	<u>\$ 2,125,964</u>

The range of interest rates for bank time deposits as of the balance sheet date is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits	0.20%–4.00%	3.83%	1.80%–4.40%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at FVTPL - current			
Mandatorily measured at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts (b)	\$ -	\$ -	\$ 386
Hybrid financial assets			
Structured deposits (a)	47	45	41
Non-derivative financial assets			
Listed stocks - domestic	1,065	753	656
Listed stocks - overseas	-	2,602	-
Fund beneficiary certificates	1,324	804	-
	<u>\$ 2,436</u>	<u>\$ 4,204</u>	<u>\$ 1,083</u>
Financial liabilities at FVTPL - current			
Mandatorily measured at FVTPL			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts (b)	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ -</u>

- a. As of June 30, 2026 and December 31, 2025, the Group held financial product contracts issued by China Zheshang Bank, with contract amounts of RMB10 thousand at both dates.
- b. At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2025			
Sell	NTD/USD	2026.02.04–2026.07.07	NTD 10,876 / USD 352
June 30, 2025			
Sell	NTD/USD	2025.07.21–2025.12.19	NTD 13,098 / USD 440

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2026	December 31, 2025	June 30, 2025
Non-current			
Domestic investments			
Unlisted shares	<u>\$ 37,688</u>	<u>\$ 52,154</u>	<u>\$ 50,701</u>

The Company acquired ordinary shares of Shanghai Elitesland Software System Co., Ltd. for medium- to long-term strategic purposes and expects to profit from these long-term investments. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Time deposits with original maturity of more than 3 months (a)	\$ 397,565	\$ 561,715	\$ 162,025
Restricted asset (b)	632,160	674,760	373,143
	<u>\$ 1,029,725</u>	<u>\$ 1,236,475</u>	<u>\$ 535,168</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1%–4.1%, 3.77%–4.17% and 1%–4.5% per annum as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.
- b. Restricted assets are mainly deposits with restricted uses, with interest rates ranging approximately 0.035%–1%, 0.04%–1% and 0.35%–1.75% per annum as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively. For information on related pledges, please refer to Note 33.

10. NOTES AND ACCOUNTS RECEIVABLE

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Notes receivable</u>			
At amortized cost - arising from operations			
Gross carrying amount	\$ 497,828	\$ 187,271	\$ 348,522
Less: Allowance for impairment loss	-	-	-
	<u>\$ 497,828</u>	<u>\$ 187,271</u>	<u>\$ 348,522</u>

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 2,530,253	\$ 2,308,189	\$ 1,931,892
Less: Allowance for impairment loss	(14,188)	(6,338)	(9,298)
	2,516,065	2,301,851	1,922,594
At fair value through other comprehensive income	2,877	8,638	6,309
	<u>\$ 2,518,942</u>	<u>\$ 2,310,489</u>	<u>\$ 1,928,903</u>

Notes Receivable

Aging analysis of notes receivables

	June 30, 2026	December 31, 2025	June 30, 2025
Not past due	\$ 497,828	\$ 187,271	\$ 348,522
Allowance for impairment loss	-	-	-
	<u>\$ 497,828</u>	<u>\$ 187,271</u>	<u>\$ 348,522</u>

Accounts Receivable

a. At amortized cost

The average credit period of sales of goods was 90–120 days. No interest was charged on trade receivables.

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

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the

debtor's current financial position and the economic conditions of the industry, while also taking into account GDP forecasts. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation, or when the trade receivables are over 180 days past due. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

June 30, 2026

	Not Past Due	Less than 60 Days	61 to 120 Days	121 to 180 Days	Over 181 Days	Total
Expected credit loss rate	0%–0.02%	0%–1.01%	0%–6.23%	0%–40.34%	100%	
Gross carrying amount	\$ 2,367,537	\$ 128,197	\$ 9,391	\$ 18,487	\$ 6,641	\$ 2,530,253
Loss allowance (lifetime ECL)	(470)	(132)	(21)	(6,924)	(6,641)	(14,188)
Amortized cost	<u>\$ 2,367,067</u>	<u>\$ 128,065</u>	<u>\$ 9,370</u>	<u>\$ 11,563</u>	<u>\$ -</u>	<u>\$ 2,516,065</u>

December 31, 2025

	Not Past Due	Less than 60 Days	61 to 120 Days	121 to 180 Days	Over 181 Days	Total
Expected credit loss rate	0%–0.01%	0%–1.34%	0%–5.54%	0.11%–30.81%	100%	
Gross carrying amount	\$ 2,224,062	\$ 65,227	\$ 9,349	\$ 3,922	\$ 5,629	\$ 2,308,189
Loss allowance (lifetime ECL)	(519)	(73)	(27)	(90)	(5,629)	(6,338)
Amortized cost	<u>\$ 2,223,543</u>	<u>\$ 65,154</u>	<u>\$ 9,322</u>	<u>\$ 3,832</u>	<u>\$ -</u>	<u>\$ 2,301,851</u>

June 30, 2025

	Not Past Due	Less than 60 Days	61 to 120 Days	121 to 180 Days	Over 181 Days	Total
Expected credit loss rate	0%–0.02%	0%–1.41%	0%–5.47%	0.11%–33.59%	100%	
Gross carrying amount	\$ 1,794,317	\$ 121,156	\$ 5,787	\$ 2,130	\$ 8,502	\$ 1,931,892
Loss allowance (lifetime ECL)	(412)	(148)	(100)	(136)	(8,502)	(9,298)
Amortized cost	<u>\$ 1,793,905</u>	<u>\$ 121,008</u>	<u>\$ 5,687</u>	<u>\$ 1,994</u>	<u>\$ -</u>	<u>\$ 1,922,594</u>

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

	Six Months Ended June 30	
	2026	2025
Balance, beginning of period	\$ 6,338	\$ 11,659
Impairment loss recognized (reversed)	7,398	(1,482)
Foreign exchange gains and losses	452	(879)
Balance, end of period	<u>\$ 14,188</u>	<u>\$ 9,298</u>

b. At FVTOCI

For trade receivables that are sold, the Group will decide whether to sell these trade receivables to banks without recourse based on its level of working capital. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The average credit period of sales of goods was 120 days. No interest was charged on trade receivables.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The lifetime expected credit losses are calculated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial position. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation, or when the trade receivables are over 180 days past due. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

June 30, 2026

	Not Past Due	Less than 60 Days	61 to 120 Days	120 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	\$ 2,877	\$ -	\$ -	\$ -	\$ -	\$ 2,877
Loss allowance (lifetime ECL)	-	-	-	-	-	-
Amortized cost	<u>\$ 2,877</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,877</u>

December 31, 2025

	Not Past Due	Less than 60 Days	61 to 120 Days	121 to 180 Days	Over 181 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	\$ 8,638	\$ -	\$ -	\$ -	\$ -	\$ 8,638
Loss allowance (lifetime ECL)	-	-	-	-	-	-
Amortized cost	<u>\$ 8,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,638</u>

June 30, 2025

	Not Past Due	Less than 60 Days	61 to 120 Days	120 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	\$ 6,309	\$ -	\$ -	\$ -	\$ -	\$ 6,309
Loss allowance (lifetime ECL)	-	-	-	-	-	-
Amortized cost	<u>\$ 6,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,309</u>

11. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	\$ 3,296,149	\$ 2,932,772	\$ 2,543,441
Raw materials and supplies	2,415,666	2,082,682	1,763,975
	<u>\$ 5,711,815</u>	<u>\$ 5,015,454</u>	<u>\$ 4,307,416</u>

The cost of goods sold is as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Cost of inventories sold	\$ 2,989,490	\$ 2,750,310	\$ 5,654,972	\$ 5,530,842
Reversal of write-downs of inventory	(5,965)	9,117	(28,593)	(53,873)
	<u>\$ 2,983,525</u>	<u>\$ 2,759,427</u>	<u>\$ 5,626,379</u>	<u>\$ 5,476,969</u>

The reversal of write-downs of inventory for the six months ended June 30, 2026 and 2025 was mainly due to inventory being sold and the rebound in raw material prices.

12. SUBSIDIARIES

Subsidiaries Included in Consolidated Financial Statements

The entities included in the consolidated financial statements were as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership		
			June 30, 2026	December 31, 2025	June 30, 2025
Tong Ming Enterprise Co., Ltd. (Cayman)	Tong Group	Investment	100%	100%	100%
	China Rich	Investment	100%	100%	100%
	Winlink Fasteners Co., Ltd.	Selling and marketing of fasteners and wires	100%	100%	100%
	Tong Win	Selling and marketing of fasteners and wires	100%	100%	100%
	Fast Link	Selling and marketing of fasteners and wires	(Note 1)	59.52%	59.52%
	Meta	Investment	100%	100%	100%
	Tonglink Enterprise Co., Ltd.	Purchase and sale of screws, etc. and computer programming	100%	100%	100%
	Tong Ming Fasteners Co., Ltd.	Selling and marketing of fasteners and wires	100%	100%	100%
Tong Group	Tong Ming Enterprise (Zhejiang) Co., Ltd.	Manufacturing, selling and marketing of fasteners and wires	90.5% (Note 2)	90.2%	90.2%
China Rich	Tong Ming Enterprise (Zhejiang) Co., Ltd.	Manufacturing, selling and marketing of fasteners and wires	9.5%	9.5%	9.5%
Tong Ming Enterprise (Zhejiang) Co., Ltd.	Tong Ming Trading Limited	Buying and selling raw materials	100%	100%	100%
	Tong Ming Holding Ltd.	Investment	(Note 3)	100%	100%
	Shenzhen Yiqin Industrial Fastener Co., Ltd.	Selling and marketing of fasteners and wires	100%	100%	100%
	Tong Win Trading (Jiaxing) Co., Ltd.	Selling and marketing of fasteners and wires	100%	100%	100%
	Tong Yi Enterprise (Zhejiang) Co., Ltd.	E-commerce platform	100%	100%	100%
Meta	Tong Ho Steel Enterprise Co., Ltd.	Stainless steel wire manufacturing and other hardware business	100%	100%	100%

Note 1: On March 31, 2026, the Group disposed of 26.54% of the shares of Fast Link and lost control over Fast Link on that date; its shareholding decreased from 59.52% to 32.98%. Refer to Note 27.

Note 2: On May 29, 2026, Tong Group acquired an additional 0.3% of the shares of Tong Ming Enterprise (Zhejiang) Co., Ltd. for RMB4,674 thousand, raising its shareholding to 90.5% after the acquisition. Refer to Note 28.

Note 3: The liquidation and deregistration of Tong Ming Holding Ltd. was completed in April 2026.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

a. Investments in associates

	June 30, 2026	December 31, 2025	June 30, 2025
Associates that are not individually material	\$ 81,298	\$ 66,158	\$ 61,293

b. Aggregate information of associates that are not individually material

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
The Group's share of:				
Profit from continuing operations	\$ 4,506	\$ 5,248	\$ 3,388	\$ 6,298
Total comprehensive income	\$ 4,506	\$ 5,248	\$ 3,388	\$ 6,298

14. PROPERTY, PLANT AND EQUIPMENT

						Property under Construction and Equipments Pending Acceptance	
	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment and Other Equipment		Total
<u>Cost</u>							
Balance at January 1, 2026	\$ 180,643	\$ 2,188,481	\$ 2,866,170	\$ 54,450	\$ 396,768	\$ 3,999	\$ 5,690,511
Additions	-	-	22,340	37	7,739	265	30,381
Disposals	-	-	(3,231)	(388)	(961)	-	(4,580)
Reclassification	-	-	4,420	-	-	(332)	4,088
Effects of foreign currency exchange differences	-	93,979	124,102	1,480	16,969	171	236,701
Balance at June 30, 2026	<u>\$ 180,643</u>	<u>\$ 2,282,460</u>	<u>\$ 3,013,801</u>	<u>\$ 55,579</u>	<u>\$ 420,515</u>	<u>\$ 4,103</u>	<u>\$ 5,957,101</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2026	\$ -	\$ 673,636	\$ 1,786,705	\$ 41,075	\$ 328,875	\$ -	\$ 2,830,291
Depreciation expense	-	51,376	88,519	1,630	27,059	-	168,584
Disposals	-	-	(2,768)	(349)	(856)	-	(3,973)
Effects of foreign currency exchange differences	-	29,648	78,659	1,188	14,438	-	123,933
Balance at June 30, 2026	<u>\$ -</u>	<u>\$ 754,660</u>	<u>\$ 1,951,115</u>	<u>\$ 43,544</u>	<u>\$ 369,516</u>	<u>\$ -</u>	<u>\$ 3,118,835</u>
Carrying amounts at June 30, 2026	<u>\$ 180,643</u>	<u>\$ 1,527,800</u>	<u>\$ 1,062,686</u>	<u>\$ 12,035</u>	<u>\$ 50,999</u>	<u>\$ 4,103</u>	<u>\$ 2,838,266</u>
Carrying amounts at December 31, 2025 and January 1, 2026	<u>\$ 180,643</u>	<u>\$ 1,514,845</u>	<u>\$ 1,079,465</u>	<u>\$ 13,375</u>	<u>\$ 67,893</u>	<u>\$ 3,999</u>	<u>\$ 2,860,220</u>

						Property under Construction and Equipment Pending Acceptance	Total
	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment and Other Equipment		
<u>Cost</u>							
Balance at January 1, 2025	\$ 180,643	\$ 2,129,020	\$ 2,777,618	\$ 53,322	\$ 389,607	\$ 54,812	\$ 5,585,022
Additions	-	40	12,530	3,137	841	15,307	31,855
Disposals	-	-	(5,898)	(10)	(1,640)	-	(7,548)
Reclassification	-	47,170	22,889	(19)	19	(65,720)	4,339
Effects of foreign currency exchange differences	-	(186,264)	(242,034)	(3,583)	(33,119)	(1,346)	(466,346)
Balance at June 30, 2025	<u>\$ 180,643</u>	<u>\$ 1,989,966</u>	<u>\$ 2,565,105</u>	<u>\$ 52,847</u>	<u>\$ 355,708</u>	<u>\$ 3,053</u>	<u>\$ 5,147,322</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2025	\$ -	\$ 574,127	\$ 1,627,047	\$ 40,838	\$ 286,593	\$ -	\$ 2,528,605
Depreciation expense	-	48,609	82,808	1,598	23,671	-	156,686
Disposals	-	-	(3,842)	(6)	(1,413)	-	(5,261)
Effects of foreign currency exchange differences	-	(52,214)	(145,925)	(2,560)	(25,826)	-	(226,525)
Balance at June 30, 2025	<u>\$ -</u>	<u>\$ 570,522</u>	<u>\$ 1,560,088</u>	<u>\$ 39,872</u>	<u>\$ 283,023</u>	<u>\$ -</u>	<u>\$ 2,453,505</u>
Carrying amounts at June 30, 2025	<u>\$ 180,643</u>	<u>\$ 1,419,444</u>	<u>\$ 1,005,017</u>	<u>\$ 12,975</u>	<u>\$ 72,685</u>	<u>\$ 3,053</u>	<u>\$ 2,693,817</u>

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

Buildings	
Main buildings	20–35 years
Renovation	5–20 years
Machinery and equipment	10 years
Transportation equipment	5–10 years
Office equipment and other equipment	5–10 years

The Group did not recognize or reverse any impairment loss for the six months ended June 30, 2026 and 2025.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Land	\$ 142,676	\$ 138,751	\$ 126,055
Buildings	29,439	29,868	6,867
Transportation	1,323	1,745	1,626
	<u>\$ 173,438</u>	<u>\$ 170,364</u>	<u>\$ 134,548</u>
	Three Months Ended June 30		Six Months Ended June 30
	2026	2025	2026
2025			
Additions to right-of-use assets			\$ 4,028
Depreciation charge for right-of-use assets			\$ 2,194
Land	\$ 1,022	\$ 874	\$ 2,026
Buildings	2,869	2,856	5,474
Transportation	211	168	422
	<u>\$ 4,102</u>	<u>\$ 3,898</u>	<u>\$ 7,922</u>
			<u>\$ 8,052</u>

Other than the recognition of depreciation expense, the Group's right-of-use assets did not have any significant subleases or impairment for the six months ended June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Current	\$ 12,516	\$ 10,925	\$ 2,944
Non-current	\$ 16,609	\$ 17,495	\$ 3,668

Range of discount rates for lease liabilities was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Buildings	2.455%–4.000%	2.455%–4.030%	2.685%–4.03%
Transportation	2.200%–2.933%	2.200%–2.933%	2.993%

c. Material lease-in activities and terms

The Group leases certain land and buildings for the use of plant and offices with lease terms of 1 to 44 years. The lease contract for land located in China is prepaid land use rights for 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease term. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying asset without the lessor's consent.

d. Other lease information

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	\$ 1,550	\$ 2,120	\$ 3,513	\$ 2,907
Total cash outflow for leases			<u>(\$ 7,957)</u>	<u>(\$ 6,880)</u>

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

16. INVESTMENT PROPERTIES

	<u>Investment Properties - Buildings</u>
<u>Cost</u>	
Balance at January 1, 2026	\$ 86,108
Effects of foreign currency exchange differences	3,715
Balance at June 30, 2026	<u>\$ 89,823</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2026	\$ 8,970
Depreciation expense	2,205
Effects of foreign currency exchange differences	427
Balance at June 30, 2026	<u>\$ 11,602</u>
Carrying amounts at June 30, 2026	<u>\$ 78,221</u>
<u>Cost</u>	
Balance at January 1, 2025	\$ 85,763
Effects of foreign currency exchange differences	(7,412)
Balance at June 30, 2025	<u>\$ 78,351</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2025	\$ 4,646
Depreciation expense	2,100
Effects of foreign currency exchange differences	(543)
Balance at June 30, 2025	<u>\$ 6,203</u>
Carrying amounts at June 30, 2025	<u>\$ 72,148</u>

The fair values of the Group's investment properties as of June 30, 2026 and 2025 were \$98,725 thousand and \$86,116 thousand, respectively, determined by the independent appraisal company Zhejiang Hecheng Real Estate Appraisal Co., Ltd. based on market evidence of similar real estate transaction prices as of February 13, 2025, and by the independent appraisal company Jiaxing Zhongruixin Real Estate Appraisal Co., Ltd. based on market evidence of similar real estate transaction prices as of August 24, 2023, respectively.

The Group's investment properties are depreciated on a straight-line basis over the following useful lives:

Investment Properties - Buildings	
Main buildings	20 years

17. OTHER ASSETS

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>Current</u>			
Prepayments			
Prepayments to suppliers	\$ 192,686	\$ 313,364	\$ 269,381
Prepaid expense	68,689	54,083	58,092
Other prepayments	5,172	4,065	1,853
Tax allowance	47,407	111,104	56,607
	<u>\$ 313,954</u>	<u>\$ 482,616</u>	<u>\$ 385,933</u>
<u>Non-current</u>			
Prepayment for equipment	<u>\$ 31,648</u>	<u>\$ 25,966</u>	<u>\$ 45,088</u>

Prepayments to suppliers mainly represent advance payments for the purchase of wire rod.

18. BORROWINGS

a. Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured borrowings			
Line of credit borrowings (1)	\$ 1,878,757	\$ 1,666,058	\$ 1,720,408
Bank borrowings for supplier financing arrangements (2)	187,600	215,808	102,275
	<u>2,066,357</u>	<u>1,881,866</u>	<u>1,822,683</u>
Guaranteed borrowings (Note 33)			
Bank borrowings for supplier financing arrangements (2)	1,383,550	1,267,872	736,380
	<u>\$ 3,449,907</u>	<u>\$ 3,149,738</u>	<u>\$ 2,559,063</u>

- 1) The interest rates on bank revolving borrowings were 2.11%–2.50%, 1.35%–2.70% and 0.90%–2.80% per annum as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.
- 2) Tong Ming Enterprise (Zhejiang) Co., Ltd., a subsidiary of the Group, negotiated arrangements with financial institutions under which the banks pay suppliers in advance to settle the Group's accounts payable, and the Group pays the banks 180 days after the bank payment date. The effective interest rates on the interest expense arising from these transactions, which is borne by the Group, were 0.35%–0.94%, 0.48%–0.99% and 0.84%–1.73% as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively. For information on the related pledges, refer to Note 33.

b. Long-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured borrowings			
Line of credit borrowings	\$ 2,577,155	\$ 2,444,272	\$ 2,118,016
Less: Current portion	(1,533,630)	(1,310,673)	(709,137)
	<u>\$ 1,043,525</u>	<u>\$ 1,133,599</u>	<u>\$ 1,408,879</u>

The maturity dates of the long-term borrowings are from July 12, 2026 to December 16, 2027. The effective annual interest rates, which are adjusted on a 12-month basis, were 2.25%–2.50%, 0.90%–2.90% and 1.40%–3.70% as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

19. TRADE PAYABLES

The average credit period on purchases of goods was on a monthly settlement basis, with payment due on the 25th of the following month. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER LIABILITIES - CURRENT

	June 30, 2026	December 31, 2025	June 30, 2025
Other payables			
Payables for salaries or bonuses	\$ 70,515	\$ 104,092	\$ 48,006
Payables for insurance	203,576	189,595	177,927
Payables for remuneration of directors	960	960	840
Payables for interest	2,794	2,334	2,696
Payables for equipment	4,159	7,448	3,823
Cash dividends payable	301,805	-	301,805
Others	43,430	77,212	38,415
	<u>\$ 627,239</u>	<u>\$ 381,641</u>	<u>\$ 573,512</u>

21. EQUITY

a. Share capital

Ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Number of shares authorized (in thousands)	250,000	250,000	250,000
Shares authorized	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Number of shares issued and fully paid (in thousands)	201,203	201,203	201,203
Shares issued	\$ 2,012,033	\$ 2,012,033	\$ 2,012,033

A holder of issued ordinary shares with par value of NT\$10 per share is entitled to vote and to receive dividends.

b. Capital surplus

The details of the capital surplus were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 993,530	\$ 993,530	\$ 993,530
Conversion of bonds	129,903	129,903	129,903
Organization restructured	703,860	703,860	703,860
Difference between the consideration paid or received on actual acquisition or disposal of interests in subsidiaries and the carrying amount	141	-	-
	\$ 1,827,434	\$ 1,827,293	\$ 1,827,293

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital, provided that any transfer to share capital is limited to a certain percentage of paid-in capital each year.

c. Retained earnings and dividends policy

Under the earnings distribution policy set forth in the Company's Articles of Incorporation, where the annual closing accounts show a profit, the profit shall first be applied to paying taxes and offsetting losses of previous years, and then to setting aside a legal reserve (where required) and a special reserve (where applicable); the board of directors shall prepare a proposal for the distribution of the remaining distributable earnings and submit it to the shareholders' meeting for resolution on the distribution of dividends and bonuses to shareholders. Dividends shall be distributed to shareholders in proportion to their shareholdings and shall be no less than 10% of such distributable earnings, and the total amount of cash dividends shall be no less than 10% of the total dividends distributed. For the Company's policies on the distribution of compensation of employees and remuneration of directors and supervisors, refer to compensation of employees and remuneration of directors in Note 23-(g).

The appropriations of earnings for 2025 and 2024 were resolved at the annual shareholders' meetings held on June 16, 2026 and June 19, 2025, respectively, as follows:

	2025	2024
Legal reserve	\$ 60,814	\$ 57,820
Reversal of special reserve	(\$ 24,564)	(\$ 222,692)
Cash dividends	\$ 301,805	\$ 301,805
Cash dividends per share (NT\$)	\$ 1.5	\$ 1.5

d. Non-controlling interests

	Six Months Ended June 30	
	2026	2025
Balance, beginning of period	\$ 30,262	\$ 29,281
Net income	2,077	878
Other comprehensive income (loss)		
Exchange differences on translation of the financial statements of foreign operations	309	(1,857)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	10
Acquisition of additional interests in Tong Ming Enterprise (Zhejiang) Co., Ltd. (Note 28)	(21,668)	-
Cash dividends paid to non-controlling interests	-	(2,055)
Disposal of a portion of the shares of Fast Link with loss of control (Note 27)	(10,980)	-
Balance, end of period	<u>\$ -</u>	<u>\$ 26,257</u>

22. REVENUE

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Revenue from contracts with customers				
Sales of goods	<u>\$ 3,656,199</u>	<u>\$ 3,133,667</u>	<u>\$ 6,828,713</u>	<u>\$ 6,211,781</u>

Contract balance

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Trade receivables (Note 10)	<u>\$ 3,016,770</u>	<u>\$ 2,497,760</u>	<u>\$ 2,277,425</u>	<u>\$ 2,776,573</u>
Contract liabilities				
Sales of goods	<u>\$ 78,234</u>	<u>\$ 72,777</u>	<u>\$ 70,782</u>	<u>\$ 88,855</u>

Refer to Note 37 for information on disaggregation of revenue.

23. PROFIT FOR THE PERIOD

a. Interest income

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Bank deposits	\$ 2,138	\$ 9,159	\$ 3,784	\$ 13,455
Financial assets at amortized cost	5,459	3,345	11,070	6,481
Others	492	130	1,244	784
	<u>\$ 8,089</u>	<u>\$ 12,634</u>	<u>\$ 16,098</u>	<u>\$ 20,720</u>

b. Other income

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Income from government grants	\$ 8,878	\$ 13,351	\$ 15,733	\$ 51,853
Input tax plus 5% deduction	5,061	4,397	16,994	14,807
Rent	2,155	-	2,715	-
Others	1,107	2,556	3,378	4,160
	<u>\$ 17,201</u>	<u>\$ 20,304</u>	<u>\$ 38,820</u>	<u>\$ 70,820</u>

In accordance with the “Policy Announcement of Additional Deduction of Value Added for Advanced Manufacturing Enterprises” promulgated by the Mainland Ministry of Finance and the State Administration of Taxation of Mainland, Tong

Ming Enterprise (Zhejiang) Co., Ltd. had an additional 5% deduction of the value-added tax payable in the first halves of 2026 and 2025 of RMB 3,690 thousand and RMB 3,376 thousand, respectively.

c. Other gains and losses

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Net foreign exchange (losses) gains	(\$ 24,769)	(\$ 2,770)	(\$ 46,610)	\$ 4,236
Loss on disposal of property, plant and equipment	(398)	(391)	(607)	(2,223)
Loss on disposal of subsidiaries (Note 27)	-	-	(1,228)	-
Gain on fair value changes of financial assets designated as at FVTPL	745	675	959	728
Others	(2,446)	(718)	(3,879)	(1,654)
	<u>(\$ 26,868)</u>	<u>(\$ 3,204)</u>	<u>(\$ 51,365)</u>	<u>\$ 1,087</u>

d. Finance costs

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Interest on bank loans	\$ 34,002	\$ 31,427	\$ 66,270	\$ 69,033
Interest on lease liabilities	151	75	282	135
	<u>\$ 34,153</u>	<u>\$ 31,502</u>	<u>\$ 66,552</u>	<u>\$ 69,168</u>

e. Depreciation and amortization

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
An analysis of depreciation by function				
Operating cost	\$ 75,116	\$ 58,985	\$ 138,242	\$ 123,944
Operating expense	21,101	22,404	40,469	42,894
	<u>\$ 96,217</u>	<u>\$ 81,389</u>	<u>\$ 178,711</u>	<u>\$ 166,838</u>
An analysis of amortization by function				
Operating expense	<u>\$ 3,118</u>	<u>\$ 2,912</u>	<u>\$ 6,252</u>	<u>\$ 5,752</u>

f. Employee benefits expense

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Post-employment benefits				
Defined contribution plans	\$ 345	\$ 356	\$ 683	\$ 673
Other employee benefits	204,875	166,541	383,931	344,744
Total employee benefits expense	<u>\$ 205,220</u>	<u>\$ 166,897</u>	<u>\$ 384,614</u>	<u>\$ 345,417</u>
An analysis of employee benefits expense by function				
Operating cost	\$ 129,899	\$ 111,588	\$ 245,363	\$ 227,540
Operating expense	75,321	55,309	139,251	117,877
	<u>\$ 205,220</u>	<u>\$ 166,897</u>	<u>\$ 384,614</u>	<u>\$ 345,417</u>

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued compensation of employees and remuneration of directors at rates of no less than 0% and no higher than 0.1% and no higher than 5%, respectively, of net profit before income tax, compensation of employees and remuneration of directors.

The compensation of employees and remuneration of directors estimated for the six months ended June 30, 2026 and 2025 were assessed to be insignificant in amount and were therefore not accrued.

If the amounts change after the annual consolidated financial statements are authorized for issue, the differences are accounted for as a change in accounting estimate and adjusted in the following year.

The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024 were resolved by the Company's board of directors on March 11, 2026 and March 14, 2025, respectively, as follows:

Accrual rate

	<u>2025</u>	<u>2024</u>
Compensation of employees	-	-
Remuneration of directors	0.16%	0.15%

Amount

	<u>2025</u>	<u>2024</u>
	<u>Cash</u>	<u>Cash</u>
Compensation of employees	\$ -	\$ -
Remuneration of directors	960	840

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

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

h. Gains or losses on foreign currency exchange

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Foreign exchange gains	\$ 1,194	\$ 32,467	\$ 3,784	\$ 41,481
Foreign exchange losses	(25,963)	(35,237)	(50,394)	(37,245)
Net (loss) gain	<u>(\$ 24,769)</u>	<u>(\$ 2,770)</u>	<u>(\$ 46,610)</u>	<u>\$ 4,236</u>

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Current tax				
In respect of the current period	\$ 40,586	\$ 74,253	\$ 73,736	\$ 87,934
Income tax on unappropriated earnings	87	834	87	834
Adjustments for prior years' tax	4,416	(1,461)	4,416	806
	<u>45,089</u>	<u>73,626</u>	<u>78,239</u>	<u>89,574</u>
Deferred tax				
In respect of the current period	27,898	(48,329)	51,373	(27,931)
Income tax expense recognized in profit or loss	<u>\$ 72,987</u>	<u>\$ 25,297</u>	<u>\$ 129,612</u>	<u>\$ 61,643</u>

1) Tong Ming Enterprise (Zhejiang) Co., Ltd. was recognized by the tax authorities as a high-tech enterprise in 2023 and estimates its income tax at a tax rate of 15%, valid for a period of 3 years (2023 to 2026).

2) The applicable tax rate used by Tong Win Trading (Jiaxing) Co., Ltd., Shenzhen Yiqin Industrial Fastener Co., Ltd. and Tong Ho Steel Enterprise Co., Ltd. in China is 25%.

3) The applicable corporate income tax rate used by Winlink Fasteners Co., Ltd. in the ROC is 20%.

b. Income tax examination

- 1) The income tax returns through 2024 of Winlink Fasteners Co., Ltd. have been assessed by the tax authorities in the ROC. The companies in other jurisdictions have filed their income tax returns within the deadlines prescribed by their local governments.
- 2) Tong Group Limited and China Rich International Holding Limited estimated the earnings remittance tax of their subsidiaries in China at the statutory tax rate of 10% on earnings remittances.

25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Basic earnings per share				
From continuing operations	\$ 1.62	\$ 0.71	\$ 2.74	\$ 1.41
Diluted earnings per share				
From continuing operations	\$ 1.62	\$ 0.71	\$ 2.74	\$ 1.41

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit for the Year

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Earnings used in the computation of basic earnings per share	\$ 325,259	\$ 143,787	\$ 551,233	\$ 284,284
Earnings used in the computation of diluted earnings per share	\$ 325,259	\$ 143,787	\$ 551,233	\$ 284,284

The weighted average number of ordinary shares outstanding (in thousand shares) is as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	201,203	201,203	201,203	201,203

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

26. GOVERNMENT GRANTS

The Group received government grants for the capital increase to build the high-end stainless steel fastener digital factory of Tong Ming Enterprise (Zhejiang) Co., Ltd. and for technological transformation. These are government grants related to assets and are therefore recorded as deferred revenue and recognized in income over the useful lives of the buildings and of machinery and equipment; deferred income of \$4,201 thousand and \$3,173 thousand was recognized for the three months ended June 30, 2026 and 2025, respectively, and \$8,333 thousand and \$5,802 thousand for the six months ended June 30, 2026 and 2025, respectively.

27. DISPOSAL OF SUBSIDIARIES

On March 13, 2026, the Group entered into an agreement to dispose of Fast Link, which was responsible for all of the Group's import and export operations for standard fasteners. The disposal was completed on March 31, 2026, on which date the Group lost control over the subsidiary.

a. Consideration received

	Fast Link
Cash and cash equivalents	\$ 4,420

b. Analysis of assets and liabilities over which control was lost

	Fast Link
Current assets	
Cash and cash equivalents	\$ 24,585
Financial assets at fair value through profit or loss	2,564
Accounts receivable	16,462
Other receivables	2,917
Inventories	8,143
Prepayments to suppliers	378
Non-current assets	
Intangible assets	261
Other non-current assets	811
Current liabilities	
Contract liabilities	(173)
Short-term borrowings	(11,417)
Accounts payable	(7,439)
Other payables	(4,199)
Non-current liabilities	
Long-term borrowings	(5,769)
Net assets disposed of	\$ 27,124

c. Loss on disposal of subsidiaries

	Fast Link
Consideration received	\$ 4,420
Net assets disposed of	(27,124)
Non-controlling interests	10,980
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	1,553
Investment retained accounted for using the equity method	8,943
Loss on disposal	(\$ 1,228)

d. Net cash outflow on disposal of subsidiaries

	Fast Link
Consideration received in cash and cash equivalents	\$ 4,420
Less: Cash and cash equivalent balances disposed of	(24,585)
	(\$ 20,165)

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On May 29, 2026, Tong Group, a subsidiary of the Company, acquired additional shares of the subsidiary Tong Ming Enterprise (Zhejiang) Co., Ltd., which increased its ownership interest from 90.2% to 90.5%.

As the above transaction did not change the Group's control over the subsidiary, it was accounted for as an equity transaction.

	Subsidiary Tong Ming Enterprise (Zhejiang) Co., Ltd.
Consideration paid	\$ 21,527
Amount transferred from non-controlling interests, calculated on the carrying amount of the subsidiary's net assets according to the relative change in interests	(21,668)
Difference arising from the equity transaction	(\$ 141)
	Subsidiary Tong Ming Enterprise (Zhejiang) Co., Ltd.
Account adjusted for the difference arising from the equity transaction	
Capital surplus - difference between the consideration paid or received on actual acquisition or disposal of interests in subsidiaries and the carrying amount	\$ 141

29. CASH FLOW INFORMATION

For the six months ended June 30, 2026 and 2025, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows:

a. Non-cash transactions

- 1) For the six months ended June 30, 2026, the Group reclassified prepayment for equipment with an aggregated value of \$4,088 thousand as property, plant and equipment (refer to Note 14).
- 2) For the six months ended June 30, 2025, the Group reclassified prepayment for equipment with an aggregated value of \$11,220 thousand as property, plant and equipment (refer to Note 14).
- 3) For the six months ended June 30, 2026, the Group acquired property, plant and equipment totaling \$30,381 thousand; with a decrease in other payables of \$3,289 thousand in aggregate, the cash paid for the acquisition of property, plant and equipment totaled \$33,670 thousand (refer to Note 14).
- 4) For the six months ended June 30, 2025, the Group acquired property, plant and equipment totaling \$31,855 thousand; with an increase in other payables of \$101 thousand in aggregate, the cash paid for the acquisition of property, plant and equipment totaled \$31,754 thousand (refer to Note 14).
- 5) For the six months ended June 30, 2026, the Group's accounts payable, which were directly settled by banks to suppliers through supplier financing arrangement, amounted to \$1,571,150 thousand (refer to Note 18).
- 6) For the six months ended June 30, 2025, the Group's accounts payable, which were directly settled by banks to suppliers through supplier financing arrangement, amounted to \$838,655 thousand (refer to Note 18).

b. Changes in liabilities arising from financing activities

For the six months ended June 30, 2026

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New leases	Others	
Short-term borrowings	\$ 3,149,738	\$ 224,116	\$ -	\$ 76,053	\$ 3,449,907
Long-term borrowings	2,444,272	138,700	-	(5,817)	2,577,155
Lease liabilities	28,420	(4,162)	4,028	839	29,125
	<u>\$ 5,622,430</u>	<u>\$ 358,654</u>	<u>\$ 4,028</u>	<u>\$ 71,075</u>	<u>\$ 6,056,187</u>

For the six months ended June 30, 2025

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New leases	Others	
Short-term borrowings	\$ 2,989,307	\$ 737,245	\$ -	(\$ 1,167,489)	\$ 2,559,063
Long-term borrowings	1,817,270	300,746	-	-	2,118,016
Lease liabilities	8,828	(3,838)	2,194	(572)	6,612
	<u>\$ 4,815,405</u>	<u>\$ 1,034,153</u>	<u>\$ 2,194</u>	<u>(\$ 1,168,061)</u>	<u>\$ 4,683,691</u>

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity).

The Group is not subject to any externally imposed capital requirements.

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

31. FINANCIAL INSTRUMENTS

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

The management of the Group considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements to be approximate amounts of their fair values.

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

1) Fair value hierarchy

June 30, 2026

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Equity instruments				
Domestic listed shares and emerging market shares	\$ 1,065	\$ -	\$ -	\$ 1,065
Fund beneficiary certificates	1,324	-	-	1,324
Structured deposits	-	-	47	47
Total	<u>\$ 2,389</u>	<u>\$ -</u>	<u>\$ 47</u>	<u>\$ 2,436</u>
<u>Financial assets at FVTOCI</u>				
Equity instruments				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,688</u>	<u>\$ 37,688</u>

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Domestic listed shares and emerging market shares	\$ 753	\$ -	\$ -	\$ 753
Overseas listed shares	2,602	-	-	2,602
Fund beneficiary certificates	804	-	-	804
Structured deposits	-	-	45	45
Total	<u>\$ 4,159</u>	<u>\$ -</u>	<u>\$ 45</u>	<u>\$ 4,204</u>
<u>Financial assets at FVTOCI</u>				
<u>Equity instruments</u>				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,154</u>	<u>\$ 52,154</u>
<u>Financial liabilities at FVTPL</u>				
<u>Derivatives</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ -</u>	<u>\$ 127</u>

June 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
<u>Derivatives</u>				
Forward exchange contracts	\$ -	\$ 386	\$ -	\$ 386
<u>Equity instruments</u>				
Domestic listed shares and emerging market shares	656	-	-	656
Structured deposits	-	-	41	41
Total	<u>\$ 656</u>	<u>\$ 386</u>	<u>\$ 41</u>	<u>\$ 1,083</u>
<u>Financial assets at FVTOCI</u>				
<u>Equity instruments</u>				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,701</u>	<u>\$ 50,701</u>

There were no transfers between Level 1 and Level 2 fair value measurements for the six months ended June 30, 2026 and 2025.

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

For the six months ended June 30, 2026

<u>Financial assets</u>	<u>Financial Instruments at FVTOCI</u> <u>Equity instruments</u>	<u>Financial Instruments at FVTPL</u> <u>Derivatives</u>
Balance, beginning of period	\$ 52,154	\$ 45
Purchases	-	-
Disposals	-	-
Recognized in other comprehensive income or loss	(16,417)	-
Effects of exchange rates	1,951	2
Balance, end of period	<u>\$ 37,688</u>	<u>\$ 47</u>

For the six months ended June 30, 2025

Financial assets	Financial Instruments at FVTOCI	Financial Instruments at FVTPL
	Equity instruments	Derivatives
Balance, beginning of period	\$ 51,945	\$ -
Purchases	-	44
Recognized in other comprehensive income or loss	3,479	-
Effects of exchange rates	(4,723)	(3)
Balance, end of period	<u>\$ 50,701</u>	<u>\$ 41</u>

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

The fair values of financial instruments at FVTPL are determined by net asset value method.

c. Categories of financial instruments

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Financial assets			
At FVTPL			
Mandatorily classified as at FVTPL	\$ 2,436	\$ 4,204	\$ 1,083
Financial assets at amortized cost (1)	6,681,921	5,805,800	4,959,226
Financial assets at FVTOCI			
Debt instruments	2,877	8,638	6,309
Equity instruments	37,688	52,154	50,701
Financial liabilities			
At FVTPL			
Held for trading	-	127	-
Financial liabilities at amortized cost (2)	7,242,914	6,412,488	5,731,814

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost - current, notes receivable, accounts receivable, other receivables and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, other payables, current portion of long-term borrowings and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, notes and accounts receivable, other receivables, notes and accounts payable, other payables, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see a) below) and interest rates (see b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including: foreign exchange forward contracts to hedge the exchange rate risk arising on the export of products.

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

a) Foreign currency risk

Several subsidiaries of the Group have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 17% of the Group's sales are denominated in currencies other than the functional currency of the Group entity making the sale, whilst almost 14% of costs are denominated in currencies other than the functional currency of the Group entity concerned. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

Refer to Note 35 for the carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the functional currencies at the balance sheet dates (including those monetary items denominated in non-functional currencies that were eliminated in the consolidated financial statements).

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. The scope of the sensitivity analysis included borrowings and intra-group loans to foreign operations. A positive number below indicates the amount by which pre-tax profit or equity would increase when the functional currency strengthens 1% against the relevant currency; for a 1% weakening of the functional currency against the relevant currency, the impact on pre-tax profit or equity would be the same amount with the opposite sign.

	Impact on Profit	
	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
USD	\$ 7,154	\$ 9,265

This was mainly attributable to the exposure outstanding on U.S. dollar denominated bank deposits and receivables (payables), which were not hedged by cash flow hedges at the end of the reporting period.

b) Interest rate risk

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
Financial liabilities	\$ 1,600,275	\$ 1,512,100	\$ 845,267
Cash flow interest rate risk			
Financial assets	3,609,699	3,300,356	2,660,562
Financial liabilities	4,455,912	4,110,330	3,838,424

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole reporting period. The 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2026 and 2025 would have decreased by \$4,231 thousand and \$5,889 thousand, respectively,

which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, arose from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group's policy is to adjust its credit policy in accordance with historical experience and, where necessary, to reduce transactions with customers with poor credit standing, so as to mitigate the risk of financial loss from defaults. The Group continuously monitors its credit exposure and the credit ratings of its counterparties, and controls credit exposure through credit limits for counterparties that are reviewed and approved periodically.

Trade receivables consist of a large number of customers, spread across diverse individual customers. The Group continuously evaluates the financial condition of its trade receivable customers.

The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any other counterparty did not exceed 1% of gross monetary assets at any time during the six months ended June 30, 2026 and 2025.

The Group's concentration of credit risk by geographical locations was mainly in mainland China, which accounted for 96%, 96% and 96% of total trade receivables as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

The Group transacts with a large number of unrelated customers and, thus, the concentration of credit risk was limited.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group had available unutilized bank loan facilities set out in b) below.

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

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

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

June 30, 2026

	Weighted Average Effective Interest Rate	On Demand or Less than 1 Month	1–3 Months	3 Months to 1 Year	1–5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing		\$ 4,198	\$ 1,076,716	\$ 203,619	\$ -	\$ -
Lease liabilities	2.20%–4.40%	958	1,916	8,523	17,723	-
Variable interest rate liabilities	0.35%–2.50%	140,700	228,598	4,673,676	1,059,749	-
		<u>\$ 145,856</u>	<u>\$ 1,307,230</u>	<u>\$ 4,885,818</u>	<u>\$ 1,077,472</u>	<u>\$ -</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1–5 Years	5–10 Years	10–15 Years	15–20 Years	20+ Years
Lease liabilities	<u>\$ 11,397</u>	<u>\$ 17,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2025

	Weighted Average Effective Interest Rate	On Demand or Less than 1 Month	1–3 Months	3 Months to 1 Year	1–5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing		\$ 3,111	\$ 626,732	\$ 189,595	\$ -	\$ -
Lease liabilities	2.20%–4.03%	911	1,821	8,197	23,339	-
Variable interest rate liabilities	0.90%–2.90%	513,096	1,242,838	2,772,857	1,157,988	-
		<u>\$ 517,118</u>	<u>\$ 1,871,391</u>	<u>\$ 2,970,649</u>	<u>\$ 1,181,327</u>	<u>\$ -</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1–5 Years	5–10 Years	10–15 Years	15–20 Years	20+ Years
Lease liabilities	<u>\$ 10,929</u>	<u>\$ 23,339</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2025

	Weighted Average Effective Interest Rate	On Demand or Less than 1 Month	1–3 Months	3 Months to 1 Year	1–5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing		\$ 5,038	\$ 871,548	\$ 178,149	\$ -	\$ -
Lease liabilities	2.685%–4.03%	816	949	2,373	4,171	-
Variable interest rate liabilities	1.40%–3.70%	34,822	465,379	2,011,023	1,442,428	-
		<u>\$ 40,676</u>	<u>\$ 1,337,876</u>	<u>\$ 2,191,545</u>	<u>\$ 1,446,599</u>	<u>\$ -</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1–5 Years	5–10 Years	10–15 Years	15–20 Years	20+ Years
Lease liabilities	<u>\$ 4,138</u>	<u>\$ 4,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

b) Financing facilities

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 4,643,512	\$ 4,326,138	\$ 3,940,699
Amount unused	<u>6,559,308</u>	<u>6,015,206</u>	<u>5,530,819</u>
	<u>\$ 11,202,820</u>	<u>\$ 10,341,344</u>	<u>\$ 9,471,518</u>
Secured bank overdraft facilities, reviewed annually:			
Amount used	\$ 1,383,550	\$ 1,267,872	\$ 736,380
Amount unused	<u>98,390</u>	<u>263,039</u>	<u>277,472</u>
	<u>\$ 1,481,940</u>	<u>\$ 1,530,911</u>	<u>\$ 1,013,852</u>

c) Transfers of financial assets

Factored trade receivables of the Group were as follows:

For the six months ended June 30, 2026

Counterparties	Receivables Sold	Amounts Collected	Amounts Uncollected at Period End	Advances Received at Period End	Interest Rates on Advances Received (%)	Credit Line
CTBC Bank Co., Ltd.	\$ 9,201 (US\$ 288,884)	\$ 6,324 (US\$ 198,561)	\$ 2,877 (US\$ 90,322)	\$ - (US\$ -)	-	US\$ 1,000,000

For the six months ended June 30, 2025

Counterparties	Receivables Sold	Amounts Collected	Amounts Uncollected at Period End	Advances Received at Period End	Interest Rates on Advances Received (%)	Credit Line
CTBC Bank Co., Ltd.	\$ 12,202 (US\$ 416,467)	\$ 5,893 (US\$ 201,153)	\$ 6,309 (US\$ 215,314)	\$ - (US\$ -)	-	US\$ 1,000,000

The above credit lines may be used on a revolving basis.

Pursuant to the Group's factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Group, while losses from credit risk are borne by the banks.

As of June 30, 2026, December 31, 2025 and June 30, 2025, the carrying amount of the trade receivables that had been transferred but not derecognized was \$2,877 thousand, \$8,638 thousand and \$6,309 thousand, respectively.

For the six months ended June 30, 2026 and 2025, the Group endorsed and transferred a portion of its commercial acceptance bills in mainland China to some of its suppliers in order to settle the payments for goods to these suppliers, in the amounts of \$117,938 thousand and \$165,186 thousand, respectively. Under the agreements, if the commercial acceptance bills are not paid at maturity, the transferees have the right to request that the Group pay the unsettled balance. Therefore, the Group has not transferred substantially all the risks and rewards relating to these commercial acceptance bills, and the Group continues to recognize all of these commercial acceptance bills.

As of June 30, 2026, December 31, 2025 and June 30, 2025, the carrying amount of the commercial acceptance bills that had been transferred but not derecognized was \$117,938 thousand, \$92,107 thousand and \$165,186 thousand, respectively.

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Tong Heer Fasteners Co., Sdn Bhd.	Other related party - the chairman of the company is a relative within the second degree of kinship of the Company's chairman
Tong Heer Fasteners (Thailand) Co., Ltd.	Other related party - the chairman of the company is a relative within the second degree of kinship of the Company's chairman
Tong Yi Qin (Shanghai) Co., Ltd.	Associate
Tong You Co., Ltd. (Jiaxing)	Associate
Jiaxing Chun You Co., Ltd. (Jiaxing)	Associate
Jiaxing Famous Hotel Management Co., Ltd.	Other related party - the chairman of the company is the General Manager of the Company
Jiaxing Fudi Properties Co., Ltd.	Other related party - the chairman of the company is the General Manager of the Company
Tsai, Ching-Tung	Key management personnel
Tsai, Hung-Chuan	Key management personnel
Tian-I Foundation	Other related party - the legal representative of the foundation is the chairman of the Company
Tiansheng Social Welfare Foundation	Other related party - the legal representative of the foundation is the chairman of the Company
Brighton-Best International (Taiwan) Inc.	Related party in substance
Fast Link	Associate (a related party since April 1, 2026)
Kenji Tsukada	Other related party - a manager of an associate

b. Sales of goods

Line Item	Related Party Category	Three Months Ended June 30		Six Months Ended June 30	
		2026	2025	2026	2025
Sales	Associate	\$ 24,912	\$ 23,311	\$ 51,816	\$ 51,275
	Other related parties	11,491	16,319	19,369	26,744
	Related party in substance				
	Brighton-Best International (Taiwan) Inc.	210,275	248,187	501,772	536,383
		<u>\$ 246,678</u>	<u>\$ 287,817</u>	<u>\$ 572,957</u>	<u>\$ 614,402</u>

The sales prices and payment terms to related parties were not significantly different from those of sales to third parties.

c. Purchases of goods

Related Party Category/Name	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Associate	\$ 2,595	\$ 1,879	\$ 3,755	\$ 3,407
Other related parties				
Tong Heer Fasteners (Thailand) Co., Ltd.	115,884	137,033	267,866	282,149
Tong Heer Fasteners Co., Sdn Bhd.	<u>35,118</u>	<u>40,812</u>	<u>53,950</u>	<u>83,914</u>
	<u>\$ 153,597</u>	<u>\$ 179,724</u>	<u>\$ 325,571</u>	<u>\$ 369,470</u>

The purchase prices and payment terms with related parties were not significantly different from those of purchases from third parties.

d. Manufacturing overhead - material consumption

Line Item	Related Party Category/Name	Three Months Ended June 30		Six Months Ended June 30	
		2026	2025	2026	2025
Manufacturing overhead - material consumption	Associate Others	<u>\$ 9,081</u>	<u>\$ 9,232</u>	<u>\$ 12,805</u>	<u>\$ 18,267</u>

e. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	Associate	\$ 33,087	\$ 25,312	\$ 28,378
	Other related parties	5,913	2,315	3,936
	Related party in substance	50,967	52,728	36,021
		<u>\$ 89,967</u>	<u>\$ 80,355</u>	<u>\$ 68,335</u>

The outstanding receivables from related parties are unguaranteed. For the six months ended June 30, 2026 and 2025, no allowance for impairment loss was recognized for receivables from related parties.

f. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable	Associate	\$ 4,155	\$ 2,634	\$ 3,335
	Other related parties	29,308	25,780	33,873
		<u>\$ 33,463</u>	<u>\$ 28,414</u>	<u>\$ 37,208</u>
Others payable	Key management personnel	\$ 6	\$ -	\$ 6
	Other related parties	124	-	103
		<u>\$ 130</u>	<u>\$ -</u>	<u>\$ 109</u>

The outstanding balances of payables to related parties are unguaranteed.

g. Prepayments

Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Key management personnel	<u>\$ 221</u>	<u>\$ -</u>	<u>\$ -</u>

h. Lease arrangements

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilities	Key management personnel	\$ 193	\$ 377	\$ 187
	Other related parties	238	-	-
		<u>\$ 431</u>	<u>\$ 377</u>	<u>\$ 187</u>

Line Item	Related Party Category/Name	Three Months Ended June 30		Six Months Ended June 30	
		2026	2025	2026	2025
Interest expense	Key management personnel	\$ 11	\$ 14	\$ 23	\$ 28
	Other related parties	27	-	27	-
		<u>\$ 38</u>	<u>\$ 14</u>	<u>\$ 50</u>	<u>\$ 28</u>
Leases expense	Key management personnel	\$ 6	\$ 26	\$ 12	\$ 32
	Other related parties	138	458	517	458
		<u>\$ 144</u>	<u>\$ 484</u>	<u>\$ 529</u>	<u>\$ 490</u>

The Company leases part of its business premises from related parties. The rent is paid annually at prices agreed between the parties, and the terms of these transactions were not significantly different from those with third parties.

i. Others

Line Item	Related Party Category/Name	Three Months Ended June 30		Six Months Ended June 30	
		2026	2025	2026	2025
Other expense	Other related parties	\$ 1,620	\$ 4	\$ 4,692	\$ 30

j. Equity transactions

On March 31, 2026, the Group sold 26.54% of the equity of Fast Link to a manager of a subsidiary for \$4,420 thousand (JPY22,300 thousand), resulting in a loss on disposal of subsidiaries of \$1,228 thousand, which was recognized under other gains and losses.

k. Endorsements and guarantees

Endorsements given by related parties

Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Key management personnel			
Amount endorsed	\$ 726,850	\$ 721,631	\$ 731,574

l. Compensation of key management personnel

The total remuneration of directors and other key management personnel for the six months ended June 30, 2026 and 2025 was as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 6,647	\$ 5,984	\$ 16,322	\$ 14,488

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following pledged deposits of the Group have been provided as bank acceptance bill guarantee and bank performance guarantee:

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at amortized cost - current	\$ 632,160	\$ 674,760	\$ 373,143

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Unrecognized commitments were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Acquisition of property, plant and equipment	\$ 5,410	\$ 6,969	\$ 5,460

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2026

	Foreign Currency	Exchange Rate	Carrying Amount (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 26,349	6.8109 (USD:RMB)	\$ 841,668
USD	784	31.85 (USD:NTD)	24,967
USD	118	33.036 (USD:THB)	4,049
EUR	1,932	7.7377 (EUR:RMB)	70,109
JPY	162,673	0.0061 (JPY :USD)	31,933
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	112	31.85 (USD:NTD)	3,562
NTD	307,537	0.2132 (NTD:RMB)	307,537

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 21,970	7.0288 (USD:RMB)	\$ 694,287
USD	1,352	31.4300 (USD:NTD)	42,496
USD	686	31.3704 (USD:THB)	21,554
EUR	1,415	8.2073 (EUR:RMB)	52,224
JPY	140,318	0.0064 (JPY :USD)	28,176
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 114	31.4300 (USD:NTD)	\$ 3,596
USD	126	31.3704 (USD:THB)	3,970
NTD	5,002	0.2224 (NTD:RMB)	5,002

June 30, 2025

	Foreign Currency	Exchange Rate	Carrying Amount (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 29,669	7.1586 (USD:RMB)	\$ 868,876
USD	684	29.3000 (USD:NTD)	20,030
USD	1,083	32.3079 (USD:THB)	31,739
EUR	1,512	8.3965 (EUR:RMB)	51,944
JPY	140,311	0.0069 (JPY :USD)	28,539
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	140	29.3000 (USD:NTD)	4,113
NTD	305,996	0.2444 (NTD:RMB)	305,996

For the three months ended June 30, 2026 and 2025, realized and unrealized net foreign exchange losses were \$24,769 thousand and \$2,770 thousand, respectively; for the six months ended June 30, 2026 and 2025, a net foreign exchange loss of \$46,610 thousand and a net foreign exchange gain of \$4,236 thousand were recognized, respectively. It is impractical to

disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group.

36. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions and investees:
 - 1) Financing provided to others (Table 1)
 - 2) Endorsements/guarantees provided (Table 2)
 - 3) Significant marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 6) Others: intercompany relationships and significant intercompany transactions (Table 6)
- b. Information on investees (Table 7)
- c. Information on investments in mainland China:
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, percentage of ownership, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriated investment income, and limit on the amount of investment in the mainland China area (Table 8)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 6.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group operates principally in mainland China.

- a. Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services.

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Fasteners	\$ 2,553,136	\$ 2,122,387	\$ 4,660,072	\$ 4,181,511
Wire	696,353	553,745	1,239,715	1,046,818
Strategic products	360,800	381,158	795,047	837,020
Others	45,910	76,377	133,879	146,432
	<u>\$ 3,656,199</u>	<u>\$ 3,133,667</u>	<u>\$ 6,828,713</u>	<u>\$ 6,211,781</u>

b. Geographical information

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
China	\$ 2,842,164	\$ 2,287,359	\$ 5,165,418	\$ 4,421,359
America	362,197	397,239	778,908	847,308
Asia	310,879	289,042	612,520	592,438
Others	148,926	160,027	271,867	350,676
	<u>\$ 3,656,199</u>	<u>\$ 3,133,667</u>	<u>\$ 6,828,713</u>	<u>\$ 6,211,781</u>

TABLE 1**TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES****FINANCING PROVIDED TO OTHERS****FOR THE SIX MONTHS ENDED JUNE 30, 2026**

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

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
0	Tong Ming Enterprise Co., Ltd.	Tong Group Limited	Other receivables - related parties	Yes	\$ 25,480	\$ 25,480	\$ 21,916	3	2	\$ -	Operating capital needs	\$ -	—	\$ -	\$ 3,194,338	\$ 3,194,338	

Note 1: Number should be noted in number column.

a. "0" for the Company.

b. Investee companies are numbered from "1".

Note 2: Nature of financing:

1. Business transactions.

2. The need for short-term financing.

Note 3: The financing limits are calculated in accordance with the Procedures for Financing Provided to Others of Tong Ming Enterprise Co., Ltd. as follows:

a. The total amount of financing provided to others shall not exceed 40% of the net worth of the parent company, Tong Ming Enterprise Co., Ltd., which is $\$7,985,846 \times 40\% = \$3,194,338$ (in thousands).

b. For companies having business transactions with the Company: the total amount of financing shall not exceed 40% of the net worth of the parent company, Tong Ming Enterprise Co., Ltd., which is $\$7,985,846 \times 40\% = \$3,194,338$ (in thousands), and the individual financing amount shall not exceed the amount of business transactions between the two parties.

TABLE 2

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE SIX MONTHS ENDED JUNE 30, 2026

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

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	Tong Ming Enterprise Co., Ltd.	Tonglink Enterprise Co., Ltd.	2	\$ 1,597,169	\$ 28,000	\$ 28,000	\$ 7,500	\$ -	0.35	\$ 3,992,923	Y	N	N	
0	Tong Ming Enterprise Co., Ltd.	Fast Link	2	1,597,169	63,700 (US\$ 2,000)	-	-	-	0.80	3,992,923	N	N	N	

Note 1: Number should be noted in number column.

- “0” for the Company.
- Investee companies are numbered from “1”.

Note 2: Relationship information of endorser and endorsee should be noted.

- Trading partner.
- Majority owned subsidiary.
- The Company and subsidiary own over fifty percent (50%) ownership of the investee company.
- Directly or through subsidiaries owned over fifty percent (50%) of the Company’s ordinary shares.
- Guaranteed by the Company according to the construction contract.
- An investee company of which the guarantees were provided based on the Company’s proportionate share in the investee company.

Note 3: The limit amount is calculated as follows:

- The total amount of guarantee shall not exceed 50% of the net worth of Tong Ming Enterprise Co., Ltd. which is $\$7,985,846 \times 50\% = \$3,992,923$ (in thousands).
- The total amount of guarantee provided by Tong Ming Enterprise Co., Ltd. to any individual entity shall not exceed 20% of the net worth of Tong Ming Enterprise Co., Ltd. which is $\$7,985,846 \times 20\% = \$1,597,169$ (in thousands).

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2026

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

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	June 30, 2026				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Tong Ming Enterprise (Zhejiang) Co., Ltd.	Shanghai Elitesland Software System Co., Ltd.	None	Financial assets at FVTOCI - non- current	1,318	\$ 37,688 (RMB 8,036)	2.31%	\$ 37,688 (RMB 8,036)	

Note 1: Marketable securities are shares, bonds and beneficiary certificates within the scope of IFRS 9.

Note 2: Refer to information of subsidiary, associate and joint venture in Tables 7 and 8.

TABLE 4**TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES****TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2026**

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Tong Win International Co., Ltd.	Tong Heer Fasteners (Thailand) Co., Ltd.	Other related parties	Purchase	\$ 253,725	79%	T/T after shipment	-	-	\$ 20,384	48%	
Tong Win International Co., Ltd.	Brighton-Best International (Taiwan) Inc.	Related party in substance	Sale	446,519	72%	T/T at sight 5 days of B/L copy	-	-	41,767	84%	
Tong Ming Enterprise (Zhejiang) Co., Ltd.	Tong Ho Steel Enterprise Co., Ltd.	Same ultimate parent company	Sale	481,019	9%	Paid quarterly	-	-	308,274	12%	
Tong Ming Enterprise (Zhejiang) Co., Ltd.	Tong Win International Co., Ltd.	Same ultimate parent company	Sale	133,562	2%	T/T at sight	-	-	10,939	-	

Note: The prices and payments to related parties were not significantly different from those of purchases/sales from third parties.

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2026

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Tong Ming Enterprise (Zhejiang) Co., Ltd.	Tong Ho Steel Enterprise Co., Ltd.	Fellow subsidiary	\$ 308,274 (RMB 65,730)	108 Days	\$ -	—	\$ 101,953 (RMB 21,738)	\$ -

Note: The ending balance is primarily consisted of other receivable, which is not applicable for the calculation of turnover days.

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
1	Tong Ming Enterprise (Zhejiang) Co., Ltd.	Tong Win International Co., Ltd.	3	Sales revenue	\$ 133,562	T/T at sight	2%
1	Tong Ming Enterprise (Zhejiang) Co., Ltd.	Tong Win International Co., Ltd.	3	Accounts receivable - related parties	10,939	T/T at sight	-
1	Tong Ming Enterprise (Zhejiang) Co., Ltd.	Tong Ho Steel Enterprise Co., Ltd.	3	Sales revenue	481,019	Paid quarterly	7%
1	Tong Ming Enterprise (Zhejiang) Co., Ltd.	Tong Ho Steel Enterprise Co., Ltd.	3	Accounts receivable - related parties	308,274	Paid quarterly	2%

Note 1: Intercompany relationships and significant intercompany transactions information are noted within the number column as follows:

Number 0 represents the parent company.

Subsidiaries are numbered from “1”.

Note 2: Parties involved in the transaction have a direct relationship noted by the following:

Note “1” represents transactions from parent company to subsidiary.

Note “2” represents transactions from subsidiary to parent company.

Note “3” represents transactions between subsidiaries.

Note 3: The amounts of asset and liability are calculated as a percentage of the combined total assets. The amounts of income are calculated as a percentage of the combined total sales.

Note 4: Balance and transactions between the Company and subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

TABLE 7

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE SIX MONTHS ENDED JUNE 30, 2026

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
Tong Ming Enterprise Co., Ltd. (Cayman)	Tong Group Limited	Hong Kong	Investment	\$ 2,014,320 (RMB 429,493)	\$ 2,014,320 (RMB 429,493)	1,000,000	100	\$ 6,324,993	\$ 440,588	\$ 440,588	Note 1
	China Rich International Holding Limited	Hong Kong	Investment	212,090 (RMB 45,222)	212,090 (RMB 45,222)	10,000	100	666,120	46,378	46,378	Note 1
	Winlink Fasteners Co., Ltd.	Taiwan	Domestic and export sale of screws, nuts, machinery parts, etc.	15,989	15,989	1,500,000	100	225,537	2,411	2,411	Note 1
	Tong Win International Co., Ltd.	Samoa	Import and export of standard fasteners	-	-	500,000	100	98,498	27,639	27,639	Note 1
	Fast Link	Japan	Import and export of standard fasteners	2,719 (JPY 13,850)	4,907 (JPY 25,000)	277	32.98	9,896	4,951	2,107	Note 4
	Meta Global Co., Ltd.	Samoa	Investment	406,154 (RMB 86,600)	406,154 (RMB 86,600)	13,000,000	100	339,369	46,497	46,497	
	Tonglink Enterprise Co., Ltd.	Taiwan	Purchase and sale of screws, etc. and computer programming	10,000	10,000	1,000,000	100	5,023	727	727	
	Tong Ming Fasteners Co., Ltd.	Thailand	Sale of hardware products, standard parts and molds	94,232 (US\$ 2,950)	94,232 (US\$ 2,950)	1,000,000	100	90,012	(778)	(778)	
Tong Ming Enterprise (Zhejiang) Co., Ltd.	Tong Ming Trading Limited	Hong Kong	Buying and selling of stainless steel products	1,597 (US\$ 50)	1,597 (US\$ 50)	50,000	100	46,991	28	28	
	Tong Ming Holding Ltd.	Hong Kong	Investment	-	-	-	-	-	55	55	Note 5

Note 1: Amounts were calculated based on the investee's financial statements which were audited by independent auditors for the six months ended June 30, 2026.

Note 2: For information of investees in mainland China, refer to Table 8.

Note 3: The exchange rate was RMB1=NT\$4.69; US\$1=NT\$31.9431; JPY1=NT\$0.1963 as of June 30, 2026.

Note 4: The Company disposed of a portion of its equity interest in Fast Link on March 31, 2026, decreasing its ownership percentage from 59.52% to 32.98% and resulting in a loss of control. Refer to Note 27 for details.

Note 5: The liquidation and deregistration was completed in April 2026.

TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2026

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outflow of Investment from Taiwan as of June 30, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2026	Accumulated Inward Remittance of Earnings as of June 30, 2026	Note
					Outward	Inward							
Tong Group Limited													
Tong Ming Enterprise (Zhejiang) Co., Ltd.	Manufacturing and selling of stainless steel fasteners and wires, including screws, nuts, threaded rods, wires and other hardware products	\$ 3,311,140 (RMB 706,000)	Direct investment	\$ -	\$ -	\$ -	\$ -	\$ 536,473	90.5%	\$ 484,168	\$ 6,722,930	\$ -	Note 1
China Rich International Holding Limited													
Tong Ming Enterprise (Zhejiang) Co., Ltd.	Manufacturing and selling of stainless steel fasteners and wires, including screws, nuts, threaded rods, wires and other hardware products	3,311,140 (RMB 706,000)	Direct investment	-	-	-	-	536,473	9.5%	50,965	705,722	-	Note 1
Tong Ming Enterprise (Zhejiang) Co., Ltd.													
Shanghai Dongyiqin Industrial Fastener Co., Ltd.	Wholesale and sale of fasteners, wires and hardware products	2,345 (RMB 500)	Direct investment	-	-	-	-	1,755	40%	702	30,347	-	Note 2
Jiaxing Spring You Precise Mold Co., Ltd.	Research and development, processing and sale of fasteners and molds	26,681 (RMB 5,689)	Direct investment	-	-	-	-	1,427	47.5%	678	24,639	-	Note 2

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outflow of Investment from Taiwan as of June 30, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2026	Accumulated Inward Remittance of Earnings as of June 30, 2026	Note
					Outward	Inward							
Jiaxing Toyou Hardware Co., Ltd.	Manufacturing and selling of stainless steel fasteners and standard parts and other hardware products	9,380 (RMB 2,000)	Direct investment	-	-	-	-	2,415	40%	966	16,416	-	Note 2
Shenzhen Yiqin Industrial Fastener Co., Ltd.	Research and development and sale of stainless steel fasteners and standard parts and other hardware products	46,900 (RMB 10,000)	Direct investment	-	-	-	-	1,361	100%	1,361	84,994	-	Note 2
Tong Win Trading (Jiaxing) Co., Ltd.	Sale of hardware products, standard parts and molds	7,035 (RMB 1,500)	Direct investment	-	-	-	-	631	100%	631	21,861	-	Note 2
Zhejiang Dongyi Supply Chain Technology Co., Ltd.	E-commerce platform	4,690 (RMB 1,000)	Direct investment	-	-	-	-	(20)	100%	(20)	2,946	-	Note 2
Meta Global Co., Ltd.													
Tong Ho Steel Enterprise Co., Ltd.	Stainless steel wire manufacturing and other hardware business	406,154 (RMB 86,600)	Direct investment	-	-	-	-	46,497	100%	46,497	339,369	-	Note 1

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2026	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
N/A	N/A	N/A

(Concluded)

Note 1: The investment gain (loss) was recognized based on the investee's financial statements which were audited by independent auditors for the same period.

Note 2: The investment gain (loss) was recognized based on the investee's financial statements which were not audited by independent auditors for the same period.

Note 3: The significant transactions with investee companies in mainland, either directly or indirectly through a third party: None.

Note 4: The condition of negotiable instrument endorsements or guarantees or pledges of collateral with investee companies in mainland, either directly or indirectly through a third party: None.

Note 5: The condition of financing of funds with investee companies in mainland, either directly or indirectly through a third party: None.

Note 6: Other transactions that have a material effect on the profit or loss for the year or on the financial position with investee companies in mainland, either directly or indirectly through a third party: None.