Stock Code:9912

ASSOCIATED INDUSTRIES CHINA, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Review Report
for the Three Months Ended March 31, 2025 and 2024

Address: 5F-1, No. 3-1, Park Street, Nangang District, Taipei, 11503
Telephone: (02)2655-8080

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Table of contents

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Auditors' Review Report

To the Board of Directors of Associated Industries China, Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Associated Industries China, Inc. and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to $25,540 thousand and $8,535 thousand, constituting 3.04% and 1.04% of consolidated total assets; and the total liabilities amounting to $20,291 thousand and $8,660 thousand, constituting 5.01% and 2.48% of consolidated total liabilities as of March 31, 2025 and 2024, respectively, and the total comprehensive income (loss) amounting to $(2,359) thousand and $(15) thousand, constituting 12.81% and 0.09% of the absolute value of consolidated total comprehensive income (loss) for the three months ended March 31, 2025 and 2024, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and of its consolidated financial performance for the three months ended March 31, 2025 and 2024, as well as its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance 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 Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Au, Yiu-Kwan and Huang, Keng-Chia.

KPMG

Taipei, Taiwan (Republic of China)
May 7, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2025, December 31, and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 87,843	10	76,577	9	90,341	11
1110	Current financial assets at fair value through profit or loss (note 6(b))	-	-	-	-	327	-
1170	Notes and accounts receivable, net (note 6(c))	46,738	5	46,082	5	48,250	6
1200	Other receivables	1,108	-	723	-	1,303	-
1300	Inventories, net (note 6(d))	260,368	31	267,154	32	234,791	29
1410	Prepayments	30,057	3	28,026	3	32,499	4
1470	Other current assets	6,698	1	5,695	1	2,415	-
		432,812	50	424,257	50	409,926	50
	Non-current assets:						
1600	Property, plant and equipment (notes 6(f) and 8)	122,021	15	122,197	15	122,356	15
1755	Right-of-use assets (note 6(g))	22,261	3	23,510	3	25,373	3
1760	Investment property, net (notes 6(h) and 8)	233,000	28	233,000	28	233,000	28
1780	Intangible assets (note 6(i))	23,165	3	25,296	3	23,489	3
1900	Other non-current assets (note 8)	6,937	1	6,801	1	6,247	1
		407,384	50	410,804	50	410,465	50
	Total assets	$ 840,196	100	835,061	100	820,391	100

		March 31, 2025		December 31, 2024		March 31, 2024	
	Liabilities	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note 6(j))	$ 292,561	35	258,811	31	210,840	26
2120	Current financial liabilities at fair value through profit or loss (note 6(b))	814	-	-	-	-	-
2130	Current contract liabilities (note 6(s))	5,213	1	4,556	1	5,580	1
2170	Notes and accounts payable	35,165	4	48,667	6	59,727	7
2200	Other payables	35,975	4	34,143	4	35,096	4
2250	Current provisions	3,862	-	3,581	-	3,546	-
2280	Current lease liabilities (note 6(l))	7,803	1	8,138	1	6,799	1
2300	Other current liabilities	4,861	1	6,410	1	4,705	1
2530	Bonds payable, current portion	-	-	-	-	-	-
		386,254	46	364,306	44	326,293	40
	Non-current liabilities:						
2570	Deferred tax liabilities	1,932	-	1,932	-	2,192	-
2580	Non-current lease liabilities(note 6(l))	15,820	2	16,521	2	19,110	3
2600	Other non-current liabilities	906	-	906	-	906	-
		18,658	2	19,359	2	22,208	3
	Total liabilities	404,912	48	383,665	46	348,501	43
	Equity: (notes 6(p) and (q))						
	Equity attributable to owners of parent:						
3110	Common stock	546,566	65	546,566	65	552,186	67
3200	Capital surplus	33,552	4	34,370	4	27,790	3
	Retained earnings:						
3310	Legal reserve	52,704	6	52,704	6	52,704	6
3320	Special reserve	79,510	10	79,510	10	79,510	10
3350	Accumulated deficits	(195,123)	(23)	(167,120)	(20)	(121,522)	(15)
		(62,909)	(7)	(34,906)	(4)	10,692	1
3400	Other equity interest	(93,019)	(11)	(105,111)	(12)	(106,400)	(13)
3500	Treasury shares	-	-	-	-	(24,831)	(3)
	Total equity attributable to owners of parent:	424,190	51	440,919	53	459,437	55
3600	Non-controlling interests (note 6(e))	11,094	1	10,477	1	12,453	2
	Total equity	435,284	52	451,396	54	471,890	57
	Total liabilities and equity	$ 840,196	100	835,061	100	820,391	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenues, net (note 6(s)):**				
4110	Sales revenue	$ 114,634	99	119,686	99
4310	Rental income (note 6(m))	1,389	1	1,361	1
		116,023	100	121,047	100
5000	**Operating costs (notes 6(d), 6(m), 6(n) and 12)**	68,025	59	69,748	58
5950	**Gross profit from operations**	47,998	41	51,299	42
	Operating expenses (notes 6(l), 6(n), 6(q) and 12):				
6100	Selling expenses	40,883	35	34,848	29
6200	Administrative expenses	22,600	20	26,082	21
6300	Research and development expenses	13,092	11	10,342	9
6450	Expected credit reversal gain (note 6(c))	(10)	-	(65)	-
		76,565	66	71,207	59
	Net operating loss	(28,567)	(25)	(19,908)	(17)
	Non-operating income and expenses:				
7100	Interest income	44	-	25	-
7190	Other income	(70)	-	176	-
7230	Foreign exchange gains (losses), net (note 6(u))	2,098	2	(124)	-
7235	Gains (losses) on financial assets at fair value through profit or loss	(1,401)	(1)	231	-
7510	Interest expense (note 6(l))	(2,030)	(2)	(1,430)	(1)
7590	Other losses	(8)	-	-	-
		(1,367)	(1)	(1,122)	(1)
7900	**Loss before tax**	(29,934)	(26)	(21,030)	(18)
7950	**Less: Income tax (benefits) expenses (note 6(o))**	21	-	95	-
	Net loss	(29,955)	(26)	(21,125)	(18)
8300	**Other comprehensive income:**				
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	11,541	10	4,321	4
8300	**Other comprehensive income, net**	11,541	10	4,321	4
8500	**Total comprehensive income (loss)**	**$ (18,414)**	**(16)**	**(16,804)**	**(14)**
	Total net income, attributable to:				
8610	Loss, attributable to owners of parent	$ (26,830)	(23)	(17,032)	(15)
8620	Loss, attributable to non-controlling interests (note 6(e))	(3,125)	(3)	(4,093)	(3)
		$ (29,955)	**(26)**	**(21,125)**	**(18)**
	Comprehensive income (loss) attributable to:				
8710	Comprehensive income (loss), attributable to owners of parent	$ (15,289)	(13)	(12,711)	(11)
8720	Comprehensive income (loss), attributable to non-controlling interests (note 6(e))	(3,125)	(3)	(4,093)	(3)
		$ (18,414)	**(16)**	**(16,804)**	**(14)**
	Earnings per share (note (r))				
9750	**Basic earnings (losses) per share (NT dollars)**	**$ (0.50)**		**(0.34)**	
9850	**Diluted earnings (losses) per share (NT dollars)**	**$ (0.50)**		**(0.34)**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			Other equity interest							
	Common stock	Capital surplus	Legal reserve	Special reserve	Accumulated deficits	Exchange differences on translation of foreign financial statements	Unrealized losses from financial assets measured at fair value through other comprehensive income	Unearned employee benefits	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2024	$ 552,186	30,302	52,704	79,510	(104,490)	(71,900)	(33,710)	(6,163)	(111,773)	(24,831)	473,608	6,881	480,489
Loss for the three months ended March 31, 2024	-	-	-	-	(17,032)	-	-	-	-	-	(17,032)	(4,093)	(21,125)
Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	4,321	-	-	4,321	-	4,321	-	4,321
Total comprehensive loss for the three months ended March 31, 2024	-	-	-	-	(17,032)	4,321	-	-	4,321	-	(12,711)	(4,093)	(16,804)
Other changes in capital surplus:													
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(9,140)	-	-	-	-	-	-	-	-	(9,140)	-	(9,140)
Share-based payment transactions	-	6,628	-	-	-	-	-	1,052	1,052	-	7,680	-	7,680
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	9,665	9,665
Balance at March 31, 2024	**$ 552,186**	**27,790**	**52,704**	**79,510**	**(121,522)**	**(67,579)**	**(33,710)**	**(5,111)**	**(106,400)**	**(24,831)**	**459,437**	**12,453**	**471,890**
Balance at January 1, 2025	$ 546,566	34,370	52,704	79,510	(167,120)	(69,036)	(33,710)	(2,365)	(105,111)	-	440,919	10,477	451,396
Loss for the three months ended March 31, 2025	-	-	-	-	(26,830)	-	-	-	-	-	(26,830)	(3,125)	(29,955)
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	11,541	-	-	11,541	-	11,541	-	11,541
Total comprehensive loss for the three months ended March 31, 2025	-	-	-	-	(26,830)	11,541	-	-	11,541	-	(15,289)	(3,125)	(18,414)
Other changes in capital surplus:													
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(1,074)	-	-	(1,173)	-	-	-	-	-	(2,247)	2,247	-
Share-based payment transactions	-	-	-	-	-	-	-	551	551	-	551	-	551
Changes in equity in subsidiaries	-	256	-	-	-	-	-	-	-	-	256	91	347
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,404	1,404
Balance at March 31, 2025	**$ 546,566**	**33,552**	**52,704**	**79,510**	**(195,123)**	**(57,495)**	**(33,710)**	**(1,814)**	**(93,019)**	**-**	**424,190**	**11,094**	**435,284**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2025	2024
Cash flows from (used in) operating activities:		
Loss before tax	$ (29,934)	(21,030)
Adjustments:		
Adjustments to reconcile loss:		
Depreciation expense	3,230	3,525
Amortization expense	2,221	1,696
Expected credit reversal gain	(10)	(65)
Losses (gains) on financial assets or liabilities at fair value through profit or loss	1,401	(231)
Interest expense	2,030	1,430
Interest income	(44)	(25)
Share based payment transaction costs	898	7,680
Total adjustments to reconcile loss	9,726	14,010
Changes in operating assets and liabilities:		
Increase in current financial liabilities at fair value through profit or loss	(617)	(8)
Increase in notes and accounts receivable	(646)	(4,981)
Increase in other receivables	(385)	(861)
Decrease (increase) in inventories	6,786	(23,328)
Increase in prepayments	(1,704)	(937)
Increase in other current assets	(1,003)	(843)
Decrease in other assets	63	286
Increase in contract liabilities	657	1,189
Decrease in notes and accounts payable	(13,502)	(3,930)
Increase in other payables	1,466	2,080
Increase (decrease) in provisions	277	(254)
Decrease in other current liabilities	(1,549)	(1,643)
Total changes in operating assets and liabilities	(10,157)	(33,230)
Total adjustments	(431)	(19,220)
Cash outflows generated from operations	(30,365)	(40,250)
Interest received	44	25
Interest paid	(2,006)	(1,434)
Income taxes paid (refund)	93	(1,844)
Net cash flows used in operating activities	(32,234)	(43,503)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(831)	(120)
(Increase) decrease in refundable deposits	(229)	251
Acquisition of intangible assets	(90)	-
Increase in prepayments for equipment	-	(171)
Net cash flows used in investing activities	(1,150)	(40)
Cash flows (used in) from financing activities:		
Increase in short-term borrowings	33,750	19,155
Payment of lease liabilities	(2,008)	(2,655)
Change in non-controlling interests	1,404	-
Net cash flows from financing activities	33,146	16,500
Effect of exchange rate changes on cash and cash equivalents	11,504	4,711
Net increase (decrease) in cash and cash equivalents	11,266	(22,332)
Cash and cash equivalents at beginning of period	76,577	112,673
Cash and cash equivalents at end of period	**$ 87,843**	**90,341**

See accompanying notes to consolidated financial statements.

(1) Company history

Associated Industries China, Inc. (the "Company") was incorporated in May 18, 1978 as a company limited by shares, and registered under the Ministry of Economic Affairs, in the Republic of China. The major business activities of the Company and its subsidiaries (together referred to as the "Group") are (1) research, development and sale of LCD monitors, and related components, (2)sale of medical equipment, (3)real estate rental business and (4)research and development, manufacture and sale of medical equipment and health care products.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on May 7, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 "Lack of Exchangeability"

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group's anticipated adoption of the new amendments beginning on January 1, 2026, are expected to have the following impacts:

(i) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’ s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
Annual Improvements to IFRS Accounting Standards—Volume 11	The amendments set out: 1. IFRS 1 “ First-time Adoption of International Financial Reporting Standards”: The amendments address a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments. 2. IFRS 7 “ Financial Instruments: Disclosures”: The amendments address a potential confusion in IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued. 3. IFRS 9 “Financial Instruments”: ● Derecognition of a lease liability The IASB’ s amendment states that if a lease liability is derecognized, then the derecognition will be accounted for under IFRS 9, (i.e. the difference between the carrying amount and the consideration paid is recognized in profit or loss). However, when a lease liability is modified, the modification will be accounted for under IFRS 16 Leases. ● Transaction price The amendments require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15 Revenue from Contracts with Customers. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.	January 1, 2026

(Continued)

Standards or Interpretations	Content of amendment	Effective date per IASB
	4. IFRS 10 “ Consolidated Financial Statements”: The amendments clarify the determination of a ‘de facto agent’. 5. IAS 7 “Statement of Cash Flows”: The amendments address a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term ‘cost method’.	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations and IAS 34 “ Interim Financial Reporting” which are endorsed and issued into effect by FSC. The consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (altogether referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements:

			Shareholding			
Name of investor	**Name of subsidiary**	**Principal activity**	**March 31, 2025**	**December 31, 2024**	**March 31, 2024**	**Note**
The Company	AG Neovo International Ltd. (AG Neovo International)	Investment	100 %	100 %	100 %	Note 1
The Company	AG Neovo Technology B.V. (AG Neovo B.V)	Sale of LCD monitors	100 %	100 %	100 %	
The Company	AG Neovo Investment Co., Ltd. (AG Neovo Investment)	Investment	100 %	100 %	100 %	Note 1
The Company	Taiwan Biophotonic Co. (tBPC)	Research and development, manufacture and sale of medical equipment and health care products	73.92 %	72.73 %	67.01 %	Note 2
AG Neovo Investment	AG Neovo Technology (Shanghai) Co., Ltd. (AG Neovo Shanghai)	Sale of LCD monitors	100 %	100 %	100 %	Note 1
AG Neovo International	AG Neovo Technology Corp. (AG Neovo USA)	Sale of LCD monitors and medical equipment	100 %	100 %	100 %	Note 1

Note 1 :A non-significant subsidiary, wherein its financial statements have not been reviewed.
Note 2 :In February 2025, the Company increased its capital in tBPC by cash of $14,173, and obtained 35,433 thousand shares, the Company's shareholding ratio was 73.92% as of March 31, 2025.

(i) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(d) Investment property

The Board of Directors resolved a decision on March 11, 2024, to change the accounting policy for the subsequent measurement of the investment property from the cost model to the fair value model starting from January 1, 2024.

The investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. The investment property is measured at cost on initial recognition, and subsequently at fair value, and any changes are recognized in profit or loss.

Any gain or loss on disposal of the investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(e) Employee benefits

(i) Defined contribution plans

Obligations for contributions to the defined contribution plans are expensed as the related service is provided.

(ii) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(f) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting” .

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management’s best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 " Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

The uncertainties in the following assumptions and estimates with significant risks of causing the carrying amount of assets and liabilities to be adjusted significantly in the next fiscal year are as follows:

- Fair value of investment properties

  The subsequent measurement of the investment property of the Group is evaluated by the discounted cash flow analysis method under the income approach, and Level 3 inputs are used in the fair value valuation technique.

Please refer to note 6(h) for relevant information on the assumptions adopted to measure the fair value.

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to note 6 of the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Petty cash, checking accounts and demand deposits	$ 78,943	67,677	87,441
Time deposits	8,900	8,900	2,900
Cash and cash equivalents in the consolidated statements of cash flows	**$ 87,843**	**76,577**	**90,341**

Please refer to note 6(u) for the exchange rate risk, the interest rate risk and the sensitivity analysis of the financial assets and liabilities of the Group.

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Financial assets and liabilities at fair value through profit or loss-current

	March 31, 2025	December 31, 2024	March 31, 2024
Mandatorily measured at fair value through profit or loss financial assets			
Derivative instruments not used for hedging			
Forward exchange contracts	$ **-**	**-**	**327**
Mandatorily measured at fair value through profit or loss financial liabilities			
Derivative instruments not used for hedging			
Forward exchange contracts	$ **814**	**-**	**-**

(i) The Group holds derivative financial instruments to hedge certain foreign exchange risk the Group is exposed to, arising from its operating activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily designated at fair value through profit or loss:

	March 31, 2025		
	Contract amount (in thousands)	**Currency**	**Maturity date**
Financial liabilities :			
Forward exchange sold	EUR **1,048**	EUR to USD	2025.04.07~2025.05.27

	March 31, 2024		
	Contract amount (in thousands)	**Currency**	**Maturity date**
Financial assets:			
Forward exchange sold	EUR **1,020**	EUR to USD	2024.04.08~2024.05.17

(c) Notes and accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable from operating activities	$ 471	-	-
Accounts receivable-measured at amortized cost	46,343	46,168	48,348
	46,814	46,168	48,348
Less: Loss allowance	(76)	(86)	(98)
	$ **46,738**	**46,082**	**48,250**

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance was determined as follows:

	March 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 36,270	0%	-
Less than 30 days past due	8,256	0.28%	23
31 to 90 days past due	2,288	2.32%	53
	$ 46,814		**76**

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 39,358	0%	-
Less than 30 days past due	5,484	0.16%	9
31 to 90 days past due	1,312	5.03%	66
181 to 360 days past due	14	78.57%	11
	$ 46,168		**86**

	March 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 39,020	0%	-
Less than 30 days past due	6,069	1.32%	80
31 to 90 days past due	3,259	0.55%	18
	$ 48,348		**98**

The movements in the allowance for notes and accounts receivable were as follows:

	For the three months ended March 31,	
	2025	2024
Balance at January 1	$ 86	163
Impairment losses reversed	(10)	(65)
Balance at March 31	**$ 76**	**98**

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any of the aforementioned notes and accounts receivable as collaterals for its loans.

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Inventories

		March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	$	216	-	656
Work in progress		1,269	315	901
Raw materials		622	351	524
Merchandise inventories		258,261	266,488	232,710
	$	**260,368**	**267,154**	**234,791**

The details of cost of sales for the three months ended March 31, 2025 and 2024, were as follows:

		For the three months ended March 31,	
		2025	2024
Cost of goods sold and expenses	$	69,382	68,163
Inventory valuation loss and obsolescence (reversal gain)		(1,462)	1,480
	$	**67,920**	**69,643**

For the three months ended March 31, 2025, the Group reversed allowance for inventory valuation loss and obsolescence due to sale of obsolete stock amounting to $1,462. For the three months ended March 31, 2024, the write-down of inventories to net realizable value amounted to $1,480.

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any inventories as collaterals for its loans.

(e) Subsidiaries with Significant Non-controlling Interests

The Company exercised exercised its rights to convert the 1st of five and 2nd of five batches of matured convertible bonds issued by tBPC in March of 2024 in advance, with the convertible prices of $0.3 New Taiwan dollars per share, at the book values of $18,222 (including interest receivable of $1,222) and $13,587 (including interest receivable of $587), resulting in the acquisition of 106,030 thousand shares, as of March 31, 2024, the Company' s shareholding ratio was 67.01%.

For the conversion of tBPC convertible bonds into common stock during the three months ended March 31, 2024, it resulted in a decrease in the Company's capital surplus by $9,140 based on the carrying amount difference.

In February 2025, the Company increased its investment in tBPC by $14,173 in cash, and obtained 35,433 thousand shares. As of March 31, 2025, the Company' s shareholding ratio was 73.92%.

Due to the aforementioned transactions for the three months ended March 31, 2025, it resulted in a decrease in capital surplus by $1,074 and retained earnings by $1,173, respectively, based on the difference between carrying amount and investment.

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The material non-controlling interests of subsidiaries were as follows:

		Percentage of non-controlling interests		
Subsidiaries	**Main operation place**	**March 31, 2025**	**December 31, 2024**	**March 31, 2024**
Taiwan Biophotonic Co. (tBPC)	Taiwan	26.08 %	27.27 %	32.99 %

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

(i) tBPC collective financial information

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Current assets	$ 21,446	18,285	13,849
Non-current assets	29,598	31,779	35,036
Current liabilities	(8,491)	(11,628)	(9,129)
Non-current liabilities	(15)	(15)	(2,007)
Net assets	**$ 42,538**	**38,421**	**37,749**
Non-controlling interests	**$ 11,094**	**10,477**	**12,453**

	For the three months ended March 31,	
	2025	**2024**
Sales revenue	**$ 463**	**605**
Net loss (as same as total comprehensive loss)	**$ (11,808)**	**(10,494)**
Loss, attributable to non-controlling interests	**$ (3,125)**	**(4,093)**
Total comprehensive loss, attributable to non-controlling interests	**$ (3,125)**	**(4,093)**

	For the three months ended March 31,	
	2025	**2024**
Net cash flows used in operating activities	$ (13,498)	(9,512)
Net cash flows used in investing activities	(724)	(171)
Net cash flows from financing activities	15,578	1,349
Net increase (decrease) in cash and cash equivalents	**$ 1,356**	**(8,334)**

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Property, plant and equipment

The movements of cost and depreciation of the property, plant and equipment of the Group for the three months ended March 31, 2025 and 2024, were as follows:

		Land	Buildings and building improvement	Machinery equipment	Other equipment	Transportation equipment	Equipment to be accepted	Total
Cost:								
Balance on January 1, 2025	$	95,104	29,484	5,095	27,069	536	6,479	163,767
Additions		-	-	33	798	-	-	831
Transferred in (out)		-	-	30	-	-	-	30
Effect of movements in exchange rates		-	-	29	290	7	-	326
Balance on March 31, 2025	**$**	**95,104**	**29,484**	**5,187**	**28,157**	**543**	**6,479**	**164,954**
Balance on January 1, 2024	$	95,104	29,484	7,092	24,091	502	6,653	162,926
Additions		-	-	-	120	-	-	120
Disposals		-	-	-	(30)	-	-	(30)
Effect of movements in exchange rates		-	-	93	81	21	-	195
Balance on March 31, 2024	**$**	**95,104**	**29,484**	**7,185**	**24,262**	**523**	**6,653**	**163,211**
Depreciation:								
Balance on January 1, 2025	$	-	10,757	3,993	20,664	417	5,739	41,570
Depreciation		-	148	88	779	45	-	1,060
Effect of movements in exchange rates		-	-	30	267	6	-	303
Balance on March 31, 2025	**$**	**-**	**10,905**	**4,111**	**21,710**	**468**	**5,739**	**42,933**
Balance on January 1, 2024	$	-	10,154	5,635	18,152	223	5,739	39,903
Depreciation		-	153	92	515	43	-	803
Disposals		-	-	-	(28)	-	-	(28)
Effect of movements in exchange rates		-	-	93	74	10	-	177
Balance on March 31, 2024	**$**	**-**	**10,307**	**5,820**	**18,713**	**276**	**5,739**	**40,855**
Book value:								
Balance on January 1, 2025	**$**	**95,104**	**18,727**	**1,102**	**6,405**	**119**	**740**	**122,197**
Balance on March 31, 2025	**$**	**95,104**	**18,579**	**1,076**	**6,447**	**75**	**740**	**122,021**
Balance on January 1, 2024	**$**	**95,104**	**19,330**	**1,457**	**5,939**	**279**	**914**	**123,023**
Balance on March 31, 2024	**$**	**95,104**	**19,177**	**1,365**	**5,549**	**247**	**914**	**122,356**

As of March 31, 2025, December 31 and March 31, 2024, the property, plant and equipment has been pledged as collateral for short-term borrowings and credits. Please refer to note 8.

(g) Right-of-use assets

The Group leases many assets including buildings and transportation. The movements of cost and depreciation of those assets were as below:

		Buildings	Transportation	Total
Cost:				
Balance on January 1, 2025	$	58,398	20,312	78,710
Effect of movements in foreign exchange rates		1,981	1,065	3,046
` Balance on March 31, 2025	**$**	**60,379**	**21,377**	**81,756**

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		Buildings	Transportation	Total
Balance on January 1, 2024	$	35,375	15,925	51,300
Additions		17,408	4,281	21,689
Effect of movements in foreign exchange rates		819	276	1,095
Balance on March 31, 2024	$	**53,602**	**20,482**	**74,084**
Depreciation:				
Balance on January 1, 2025	$	39,948	15,252	55,200
Depreciation		1,932	238	2,170
Reclassification		(1,774)	1,774	-
Effect of movements in foreign exchange rates		1,254	871	2,125
Balance on March 31, 2025	$	**41,360**	**18,135**	**59,495**
Balance on January 1, 2024	$	30,910	14,184	45,094
Depreciation		2,476	246	2,722
Effect of movements in foreign exchange rates		678	217	895
Balance on March 31, 2024	$	**34,064**	**14,647**	**48,711**
Carrying amounts:				
Balance on January 1, 2025	$	**18,450**	**5,060**	**23,510**
Balance on March 31, 2025	$	**19,019**	**3,242**	**22,261**
Balance on January 1, 2024	$	**4,465**	**1,741**	**6,206**
Balance on March 31, 2024	$	**19,538**	**5,835**	**25,373**

(h) Investment property

The investment property include the buildings and underground parking lots the Group rents to the lessee under operating leases. The initial period of the leased investment property is 3 years. At the end of a lease term, the Group will negotiate the subsequent lease terms with the lessee.

The changes in the Group’s investment property were as follows:

		Land	Buildings and construction	Total
Book value:				
Balance on January 1, 2025	$	**172,245**	**60,755**	**233,000**
Balance on March 31, 2025	$	**172,245**	**60,755**	**233,000**
Balance on January 1, 2024	$	**173,305**	**59,695**	**233,000**
Balance on March 31, 2024	$	**173,305**	**59,695**	**233,000**

Level 3 inputs were used in the valuation technique for the subsequent measurement of the fair value of the investment property of the Group. There was no transfers in or out of the Level 3 fair value hierarchy in the period.

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The subsequent measurement of the investment property of the Group was evaluated by the discounted cash flow analysis method under the income approach, and the relevant important contract terms and valuation information were as follows:

(i) 5F-2 and underground parking lot, No. 3-1, Yuanqu St, Nangang District, Taipei City

Property	Important contract terms
Important contract terms	1.Rent：$475/month (Including value-added business tax 5%) $485/month (Including value-added business tax 5%) 2.Lease term：3 years (From January 1, 2024 to December 31, 2026)
Current status	For rent
Discount rate	March 31, 2025: 3.920% December 31, 2024: 3.920% March 31, 2024: 3.695%
External or in-house appraisal	External appraisal
Appraisal company	Home Ban Appraisers Joint Firm
Name of appraiser	Ching-Tang Li, Fang-Mei,Fu
Date of appraisal	December 31, 2024 and 2023
Fair value of external appraisal	March 31, 2025: $233,000 December 31, 2024: $233,000 March 31, 2024: $233,000

The valuation of the fair value of the investment property and the changes in cash inflows and outflows in the future periods were determined based on the above-mentioned lease agreements, and the relevant information was as follows:

1) Actual rent and the annual rental growth rate

Regarding the rental growth rate, according to the lease contract assessment, the annual growth rate is 2.11%.

From January 1, 2024 to December 31, 2024, the monthly rent is $475, including 5% value-added business tax. From January 1, 2025 to December 31, 2026, the monthly rent will be $485, including 5% value-added business tax.

2) Estimation of discount rate

The discount rate is determined by the risk premium method, which uses certain interest rates as the basis for estimation, and taking into account the individual characteristics of the investment property, the above-mentioned certain interest rates, shall not be lower than the floating interest rate on a 2-year time deposit of a small amount, as posted by the Chunghwa Post Co., Ltd., plus 0.75 percentage points. It also takes into account of the differences in individual characteristics of the individual properties and is determined based on factors such as the liquidity, risk, value-added, and the ease of management.

(Continued)

Therefore, the discount rates on March 31, 2025, December 31 and March 31, 2024, were calculated to be 3.920%, 3.920% and 3.695%, respectively.

3) Estimation of ending disposal value

The ending disposal value is obtained by direct capitalization of the income method, which is calculated by dividing the net income (NOI) in the eleventh year by the ending income capitalization rate, taking into account the rental capitalization rate of commercial properties, and deducting the expense rate and the vacancy rate. The capitalization rate of the ending income from the individual properties as of March 31, 2025, December 31 and March 31, 2024 were 1.90%, 1.90% and 0.95%, respectively. The ending property disposal prices were $290,424, $290,424 and $284,413, respectively.

4) The abovementioned fair value valuation techniques and significant unobservable inputs are explained in the following table:

Fair value valuation technique	Significant unobservable input	Interrelationships between significant unobservable inputs and fair value measurements
The discounted cash flow analysis (DCF) using the income approach is adopted to evaluate the contractual rent provided by the Group. Discounted cash flow analysis using the income approach: It refers to the method of estimating the price of the appraised property by summing up the net income of each period and the ending value of the future discounted cash flows after discounting at an appropriate discount rate. The method is applicable to the valuation of properties for investment purposes.	·Risk-adjusted discount rate on March 31, 2025：3.920% December 31, 2024：3.920% March 31, 2024：3.695%	The estimated fair value would increase (or decrease) if: ·The risk-adjusted discount rate decreases (increases).

(ii) There was no significant difference between the fair value of the investment property of the Group on March 31, 2025 and 2024, and December 31, 2024 and 2023.

(iii) As of March 31, 2025 and 2024, the pledged on the Group's investment property as collateral, please refer to note 8 .

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Intangible assets

The cost and amortization of intangible assets of the Group were as follows:

	Patent	Computer software and others	Total
Cost:			
Balance on January 1, 2025	$ 38,142	19,642	57,784
Addition	-	90	90
Balance on March 31, 2025	**$ 38,142**	**19,732**	**57,874**
Balance on March 31, 2024 (Same Balance on January 1, 2024)	**$ 34,838**	**15,716**	**50,554**
Amortization and impairment loss:			
Balance on January 1, 2025	$ 17,069	15,419	32,488
Amortization	1,823	398	2,221
Balance on March 31, 2025	**$ 18,892**	**15,817**	**34,709**
Balance on January 1, 2024	$ 10,302	15,067	25,369
Amortization	1,623	73	1,696
Balance on March 31, 2024	**$ 11,925**	**15,140**	**27,065**
Book value:			
Balance on January 1, 2025	**$ 21,073**	**4,223**	**25,296**
Balance on March 31, 2025	**$ 19,250**	**3,915**	**23,165**
Balance on January 1, 2024	**$ 24,536**	**649**	**25,185**
Balance on March 31, 2024	**$ 22,913**	**576**	**23,489**

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide intangible assets as collaterals for its bank loans.

(j) Short-term borrowings

The details of short-term borrowings were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	$ 72,061	69,311	61,840
Secured bank loans	220,500	189,500	149,000
Total	**$ 292,561**	**258,811**	**210,840**
Unused credit lines for short-term borrowings	**$ 179,067**	**220,189**	**268,160**
Range of interest rates	**2.185%~5.88%**	**2.185%~5.88%**	**2.06%~6.91%**

Please refer to note 6(u) for the interest risk, foreign currency exchange rate risk, and liquidity risk information of the Group.

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group provided property, plant and equipment and the investment property as collaterals for its bank loans. Please refer to note 8.

(k) Provisions — warranties

There were no significant changes in provisions for the three months ended March 31, 2025 and 2024. Please refer to note 6(j) of the 2024 annual consolidated financial statements for the related information.

Provisions related to sale of products are assessed based on historical information.

(l) Lease liabilities

The details of lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	$ 7,803	8,138	6,799
Non-current	$ 15,820	16,521	19,110

For the maturity analysis, please refer to note 6(u).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2025	2024
Interest on lease liabilities	$ 309	219
Variable lease payments not included in the measurement of lease liabilities	$ 1,734	1,344
Expenses relating to short-term leases	$ 1,212	58

The amounts recognized in the consolidated statements of cash flows for the Group were as follows:

	For the three months ended March 31,	
	2025	2024
Total cash outflow from leases	$ 5,263	4,276

(i) Real estate lease

The Group leases buildings for its office space. The leases of office space typically run for three to seven years.

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other leases

The Group leases vehicle, with lease terms of two to five years.

The Group also leases office equipment with contract terms of less than one year. These leases are short-term leases or low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(m) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(h) sets out information about the operating leases of the investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Less than one year	$ 5,543	5,543	5,457
One to two years	4,157	5,543	5,543
Two to three years	-	-	4,157
Total undiscounted lease payments	**$ 9,700**	**11,086**	**15,157**

For the three months ended March 31, 2025 and 2024, the rental income recognized in operating revenue amounted to $1,389 and $1,361, respectively; the direct costs incurred in rental, which were recognized as operating costs, both amounted to $105.

(n) Employee benefits

The Company and tBPC allocated no less than 6% of each employee's monthly wages to the labor pension personal account at Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company and tBPC allocated a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

Overseas subsidiaries recognized the pension expenses and made the periodical payments under the defined contribution method by local laws.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended March 31,	
	2025	2024
Operating cost	$ 9	9
Selling expenses	631	577
Administrative expenses	592	590
Research and development expenses	368	319
Total	**$ 1,600**	**1,495**

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Income taxes

(i) Income tax expenses

The details of income tax expenses were as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Current tax expenses for the periods	$ 21	95

(ii) The Company's income tax returns for the years through 2023 have been examined by the tax authorities.

(p) Capital and other equities

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to March 31, 2025 and 2024. For the related information, please refer to note 6(p) to the consolidated financial statements for the year ended December 31, 2024.

(i) Ordinary shares

As of March 31, 2025, December 31 and March 31, 2024, the Company's authorized common stocks were consisting of 200,000 thousand shares with a par value of $10 New Taiwan dollars per share amounted $2,000,000 of which 54,657 thousand shares, 54,657 thousand shares and 55,219 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

Reconciliations of shares outstanding for the three months ended March 31, 2025 and 2024 were as follows:

Unit: in thousand shares

	Common stocks For the three months ended March 31, 2025	Common stocks For the three months ended March 31, 2024
Balance on January 1 (Same Balance on March 31)	54,657	55,219

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-in capital	$ 20,106	20,106	20,106
Treasury share transactions	6,628	6,628	6,628
Restricted employee shares	(140)	(140)	(303)
Employee stock options-expired	5,343	5,343	5,343
Donation from shareholders	1,615	1,615	1,615
Changes in equity in subsidiaries	-	818	(5,599)
	$ 33,552	34,370	27,790

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and the others are supposed to be set aside or reversed as the special reserve in accordance with laws and regulations. And then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The Company adopts the residual dividend policy. In consideration of the expansion of operations and the need of cash flows in the future, when the Company plans to distribute its dividends, the distributable amounts cannot be less than 50% of the cumulative distributable surplus. Moreover, at least 10% of the dividends should be distributed in cash.

Based on the resolutions made during the Board of Directors meeting held on March 11, 2025 and annual stockholder's meeting held on June 20, 2024, respectively, there are no earnings could be distributed in 2024 and 2023, respectively, no dividends are planned to be distributed, the related information can be accessed through the Market observation Post System website.

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Share-based payment

(i) Treasury stock transferred to employees

The Company granted the treasury stock to eligible employees, including those of the Company and its subsidiaries in accordance with the relevant plan. The key terms and conditions related to the grants were disclosed as follows:

Grant date	Total shares granted	Vesting conditions	Share price(New Taiwan Dollars)	Exercise price(New Taiwan Dollars)	Fair value per unit(New Taiwan Dollars)
Mar. 18, 2024	1,500 thousand shares	Vest immediately	$ 11.4	9.09	2.31
Mar. 18, 2024	1,260 thousand shares	Vest immediately	$ 11.4	8.89	2.51

The fair value of the share-based payments granted on the grant date was estimated by the Group, and the Group recognized employee stock option compensation cost of $6,628 for the three months ended March 31, 2024. The aforementioned treasury stock transfer was completed in April 2024.

(ii) Restricted employee shares

Except for the following disclosure, there were no significant changes in the share-based payment during the periods from January 1 to March 31, 2025 and 2024. For the related information, please refer to note 6(q) to the consolidated financial statements for the year ended December 31, 2024.

The information of the Company's restricted stock was as follows:

Unit: in thousand shares

	For the three months ended March 31,	
	2025	**2024**
Outstanding units on January 1 (same amount on March 31)	**1,242**	**1,804**

As of March 31, 2025 and 2024, the unearned employee compensation balances were $1,814 and $5,111, respectively.

The expenses incurred by the Group for employee restricted shares were $551 and $1,052 for the three months ended March 31, 2025 and 2024, respectively.

(iii) Employee stock options

A resolution was approved during the Board meeting of tBPC, a subsidiary of the Group, held on October 26, 2023, to issue the employee stock options of 20,000 thousand shares for subscription to qualified employees of its own, as well as its controlled or subordinate companies, with the base date set on January 24, 2024, as follows:

The issuance status and related information of employee stock warrants are as follows:

	For the three months ended March 31,			
	2025		2024	
	Number of options (in thousands)	Weighted-average exercise price (NT dollars)	Shares (in thousands)	Weighted-average exercise price (NT dollars)
Outstanding shares on January 1	20,000	$ 0.001	-	-
Issued during the year	-	-	20,000	$ 0.001
invalided shares due to employee resignation	(591)	0.001	-	-
Exercised during the year	(1,138)	0.001	-	-
Outstanding shares on March 31	**18,271**	0.001	20,000	0.001

The main terms of issuance of abovementioned employee stock options are as follows:

1) Subscription price: NT$0.001 per share.

2) Period of subscription rights: Employees may exercise their options according to the following grant period of stock warrants, with a duration of four years, and proportion of exercisable options. Once this period has elapsed, any option rights, which have not been exercised, shall be invalided. The stock warrants may not be transferred, pledged, assigned as a gift, or disposed, by the employees, except if they are acquired by inheritance.

Grant Period to Stock Warrants	Proportion of Exercisable Options (Accumulated)
After 1 year	30 %
After 2 years	60 %
After 3 years	100 %

3) Method for performance of contract: tBPC exercises its employee stock options by issuing new shares.

4) Procedures for exercising options: tBPC shall apply for change of registration upon issuing new shares at least once every year after the new shares are issued and delivered, according to the employee stock option plan.

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

tBPC uses the Black-Scholes-Merton model to estimate the fair value of its employee stock option plan as follows:

Share price at grant date (NT dollars)	0.001
Current price of the stock on the measurement date (NT dollars)	0.20
Expected dividend rate	0.00%
Expected volatility	45.45%~48.65%
Risk-free interest rate	1.14%~1.17%
Expected life	4 years
Fair value per share (NT dollars per unit)	0.20

tBPC recognized the compensation cost for its employee stock options of $347 and $439 for the three months ended March 31, 2025 and 2024, respectively.

(r) Earnings (losses) per share

The Group's basic earnings (losses) per share was computed as follows:

	For the three months ended March 31,	
	2025	**2024**
Basic earnings per share		
Belong to parent company net loss	$ (26,830)	(17,032)
Weighted-average number of outstanding shares (in thousands)	53,415	50,655
Basic earnings (losses) per share (dollars)	$ (0.50)	(0.34)
Diluted earnings per share		
Belong to parent company net loss	$ (26,830)	(17,032)
Weighted-average number of outstanding common shares (in thousands)	53,415	50,655
Employee restricted shares	-	-
Weighted-average number of outstanding common shares (After adjusting for dilutive potential common share impact)	53,415	50,655
Diluted earnings (losses) per share (dollars)	$ (0.50)	(0.34)

For the three months ended March 31, 2025 and 2024, the employee restricted shares had an anti-dilutive effect; hence, no diluted losses per share were required to be computed.

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

		For the three months ended March 31, 2025	For the three months ended March 31, 2024
Primary geographical markets:			
Netherlands	$	13,311	10,021
Germany		39,212	46,996
Switzerland		5,696	5,825
United States		19,414	11,426
Others		38,390	46,779
	$	116,023	121,047
Major products / services lines:			
LED monitors	$	110,635	116,905
Medical equipment		200	185
Other accessories		3,799	2,596
Rental income		1,389	1,361
	$	116,023	121,047

(ii) Contract balances

1) For details on notes and accounts receivable and allowance for impairment, please refer to note 6(c).

2) Contract liabilities

		March 31, 2025	December 31, 2024	March 31, 2024
Contract liabilities (Receipt in advance)	$	5,213	4,556	5,580

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

The amount of revenue recognized for the three months ended March 31, 2025 and 2024, that included in the contract liability balance at the beginning of the periods were $0 and $1, respectively.

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Employees' compensation and directors' remuneration

According to the Company’ s Articles of Incorporation require that earning shall first be offset against any deficit, then, a minimum of 10% will be distributed as employees' remuneration and a maximum of 2% will be allocated as directors’ remuneration. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the subsidiaries of the Company who meet certain specific requirement.

Due to loss before tax for the three months ended March 31, 2025 and 2024, no employees' compensation and directors’ remuneration was recognized.

(u) Financial instruments

Except for the contention mentioned below, there were no significant changes in the fair value of the Group’ s financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(u) to the consolidated financial statements for the year ended December 31, 2024.

(i) Credit risk

For credit risk exposure of note and accounts receivables, please refer to note 6(c).

Other financial assets at amortized cost includes cash and cash equivalents, other receivables, and guaranteed deposits, are considered to have low risk, and thus, the impairment provision recognized during the period is limited to 12-month expected losses.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flows	Within a year	Over 1 year
March 31, 2025				
Non-derivative financial liabilities:				
Short-term borrowings	$ 292,561	(294,095)	(294,095)	-
Notes and accounts payable	35,165	(35,165)	(35,165)	-
Lease liabilities (including current and non-current)	23,623	(25,810)	(8,832)	(16,978)
Other payables	35,975	(35,975)	(35,975)	-
Guaranteed deposits	906	(906)	-	(906)
Forward exchange contracts	814			
Outflow	-	(1,431)	(1,431)	-
Inflow	-	617	617	-
	$ 389,044	**(392,765)**	**(374,881)**	**(17,884)**

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Carrying amount	Contractual cash flows	Within a year	Over 1 year
December 31, 2024				
Non-derivative financial liabilities:				
Short-term borrowings	$ 258,811	(260,200)	(260,200)	-
Notes and accounts payable	48,667	(48,667)	(48,667)	-
Lease liabilities (including current and non-current)	24,659	(27,054)	(9,218)	(17,836)
Other payables	34,143	(34,143)	(34,143)	-
Guarantee deposits	906	(906)	-	(906)
	$ 367,186	**(370,970)**	**(352,228)**	**(18,742)**
March 31, 2024				
Non-derivative financial liabilities:				
Short-term borrowings	$ 210,840	(212,074)	(212,074)	-
Notes and accounts payable	59,727	(59,727)	(59,727)	-
Lease liabilities (including current and non-current)	25,909	(28,775)	(7,864)	(20,911)
Other payables	35,096	(35,096)	(35,096)	-
Guaranteed deposits	906	(906)	-	(906)
	$ 332,478	**(336,578)**	**(314,761)**	**(21,817)**

The Group does not expect the cash flows included in the maturity analysis, to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk (expressed in thousands for foreign currencies)

The Group's financial assets and liabilities exposed to significant foreign currency risk were as follows:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 556	USD/NTD =33.205	18,462	763	USD/NTD =32.785	25,015	488	USD/NTD =32.000	15,616
USD	102	USD/EUR =1.0833	110	98	USD/EUR =1.0413	102	37	USD/EUR =1.0769	40
USD	105	USD/CNY =7.2611	762	105	USD/CNY =7.3214	769	6	USD/CNY =7.2595	44
Financial liabilities									
Monetary items									
USD	980	USD/NTD =33.205	32,541	1,243	USD/NTD =32.785	40,752	1,501	USD/NTD =32.000	48,032
USD	76	USD/EUR =1.0833	82	204	USD/EUR =1.0413	212	233	USD/EUR =1.0769	251
USD	-	USD/CNY =7.2611	-	-	USD/CNY =7.3214	-	-	USD/CNY =7.2595	-

(Continued)

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, short-term borrowings, notes and accounts payable, and other payables that are denominated in foreign currency.

A weakening (strengthening) 5% of each foreign currency against the functional currency, under other conditions remain the same, profit before tax for the three months ended March 31, 2025 and 2024 would have been affected as follows:

	March 31, 2025	March 31, 2024
USD (against NTD)		
Appreciate 5%	$ (704)	(1,621)
Depreciate 5%	704	1,621
USD (against EUR)		
Appreciate 5%	1	(11)
Depreciate 5%	(1)	11
USD (against CNY)		
Appreciate 5%	38	2
Depreciate 5%	(38)	(2)

The analysis is performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

As the Group deals in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount for disclosure. For the three months ended March 31, 2025 and 2024, the foreign exchange gains (losses), including realized and unrealized ones, amounted to $2,098 and $(124), respectively.

(iv) Interest rate analysis

Please refer to liquidity risk for the details of financial assets and liabilities exposed to interest rate risk.

	Carrying amount		
	March 31, 2025	December 31, 2024	March 31, 2024
Variable rate instruments:			
Financial assets	$ 59,467	49,783	77,473
Financial liabilities	(292,561)	(258,811)	(210,840)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents management of the Group's assessment on the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 0.25%, the net loss before tax would have increased or decreased by $146 and $83 for the three months ended March 31, 2025 and 2024, respectively, which would mainly result from the bank savings, time deposits and short-term borrowings with variable interest rates at the reporting date.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging and of financial assets at fair value through other comprehensive income are measured on a recurring basis.

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices).

c) Level 3: inputs for the assets or liabilities that are not based on observable market data.

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and lease liabilities, disclosure of fair value information is not required:

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2025				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 87,843	-	-	-	-
Notes and accounts receivable	46,738	-	-	-	-
Other receivables	1,108	-	-	-	-
Restricted deposits (recognized as other non-current assets)	3,526	-	-	-	-
Refundable deposits (recognized as other non-current assets)	2,748	-	-	-	-
	141,963				
	$ 141,963				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ 814	-	814	-	814
Financial liabilities measured at amortized cost:					
Short-term borrowing	292,561	-	-	-	-
Notes and accounts payable	35,165	-	-	-	-
Lease liabilities (current and non-current)	23,623	-	-	-	-
Other payables	35,975	-	-	-	-
Guaranteed deposits	906	-	-	-	-
	388,230				
	$ 389,044				

	December 31, 2024				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 76,577	-	-	-	-
Notes and accounts receivable	46,082	-	-	-	-
Other receivables	723	-	-	-	-
Restricted deposits (recognized as other non-current assets)	3,526	-	-	-	-
Refundable deposits (recognized as other non-current assets)	2,519	-	-	-	-
	129,427				
	$ 129,427				

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024				
		Fair Value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at amortized cost:					
Short-term borrowing	258,811	-	-	-	-
Notes and accounts payable	48,667				
Lease liabilities (current and non-current)	24,659	-	-	-	-
Other payables	34,143				
Guaranteed deposits	906				
	367,186				
	$ 367,186				

	March 31, 2024				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
Derivative financial assets	$ 327	-	327	-	327
Financial assets measured at amortized cost:					
Cash and cash equivalents	90,341	-	-	-	-
Notes and accounts receivable	48,250	-	-	-	-
Other receivables	1,303	-	-	-	-
Restricted deposits (recognized as other non-current assets)	2,334	-	-	-	-
Refundable deposits (recognized as other non-current assets)	2,699	-	-	-	-
	144,927				
	$ 145,254				
Financial liabilities measured at amortized cost:					
Short-term borrowing	210,840	-	-	-	-
Notes and accounts payable	59,727	-	-	-	-
Lease liabilities (current and non-current)	25,909	-	-	-	-
Other payables	35,096	-	-	-	-
Guaranteed deposits	906	-	-	-	-
	332,478				
	$ 332,478				

(Continued)

2) Fair value valuation technique for financial instruments not measured at fair value

The book value of financial assets and liabilities at amortized cost in the consolidated report is approximately its fair value.

3) Fair value valuation technique for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument will use the public quoted price from active market as the fair value if it has the public quoted price from active market.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by using a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

b) Derivative financial instruments

Measurement of fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants such as the discounted cash flow or option pricing models. Fair value of forward currency exchange is usually determined by using the forward currency rate.

4) There was no transfer among fair value hierarchies for the three months ended March 31, 2025 and 2024.

(v) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(v) of the 2024 annual consolidated financial statements.

(w) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to note 6(w) of the 2024 annual consolidated financial statements for other related information.

(x) Investing and financing activities not affecting current cash flow

(i) The Group’s investing and financing activity which did not affect the current cash flow for the three months ended March 31, 2025 and 2024 were as follows: The acquisition of right-of-use assets by lease, please refer to note 6(g).

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes: Additions	Non-cash changes: Effect of movements in exchange rates	March 31, 2025
Short-term borrowings	$ 258,811	33,750	-	-	292,561
Deposits received	906	-	-	-	906
Lease liabilities	24,659	(2,008)	-	972	23,623
Total liabilities from financing activities	**$ 284,376**	**31,742**	**-**	**972**	**317,090**

	January 1, 2024	Cash flows	Non-cash changes: Additions	Non-cash changes: Effect of movements in exchange rates	March 31, 2024
Short-term borrowings	$ 191,685	19,155	-	-	210,840
Deposits received	906	-	-	-	906
Lease liabilities	6,670	(2,655)	21,689	205	25,909
Total liabilities from financing activities	**$ 199,261**	**16,500**	**21,689**	**205**	**237,655**

(7) Related-party transactions:

(a) Names and relationship with related parties

Due to the absence of any transaction with related parties during the periods covered in the consolidated financial statements, the name and relationships of related parties have not been disclosed.

(b) Significant transactions with related parties: None.

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Short-term employee benefits	$ 5,219	4,474
Post-employment benefits	198	158
	$ 5,417	**4,632**

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Assets pledged as security:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	March 31, 2025	December 31, 2024	March 31, 2024
Land and buildings	Guarantee for short-term loans and credit line	$ 113,683	113,831	114,281
Investment property	〃	233,000	233,000	233,000
Restricted deposits (recongnized as other non-current assets)	Warranty guarantee	3,526	3,526	2,334
		$ 350,209	**350,357**	**349,615**

(9) Commitments and contingencies:

As of March 31, 2025, December 31 and March 31, 2024, the unused balances of the Group’s letters of credit amounted to $7,372, $0 and $0, respectively.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other:

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	For the three months ended March 31, 2025 Cost of sales	2025 Operating expenses	2025 Total	2024 Cost of sales	2024 Operating expenses	2024 Total
Employee benefits						
Salary	183	34,157	34,340	184	38,865	39,049
Labor and health insurance	23	4,269	4,292	21	3,814	3,835
Pension	9	1,591	1,600	9	1,486	1,495
Others	4	945	949	4	462	466
Depreciation	779	2,451	3,230	645	2,880	3,525
Amortization	484	1,737	2,221	318	1,378	1,696

(b) Seasonality of operations

The Group's operations were not significantly affected by seasonality or cyclicality factors.

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions

The followings are the information on significant transactions required by the “ Regulations Governing the Preparation of Financial Reports by Securities Issuers” of the Group for the three months ended March 31, 2025:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars and foreign currencies)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Amount of property pledged for guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount of guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	AG Neovo B.V	100% owned subsidiary	424,190	150,000	150,000	2,309	-	35.36 %	424,190	Yes	No	No
0	The Company	AG Neovo USA	100% owned subsidiary	424,190	40,000	40,000	10,061	-	9.43 %	424,190	Yes	No	No

Note：According to the Company’s Procedures for Endorsement and Guarantee, the total amount of endorsements and guarantees, which the Company or the Group is permitted to provide, shall not exceed 100% of the Company’s net worth.

(iii) Information regarding securities held at the reporting date (excluding subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars and shares (units)

Company holding securities	Security type and name	Relationship with the Company	Account	March 31, 2025				Remark
				Shares/Units	Carrying value	Percentage of ownership	Fair value	
The Company	IRONYUN INCORPORATED	-	Financial assets measured at fair value through other comprehensive income－non-current	6,025	-	3.37 %	-	Note 1

Note 1: Stocks are comprised of 552 preferred shares and 5,473 common shares at the reporting date.

(iv) Related-party purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

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

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Significant transactions and business relationship between the Company and its subsidiaries:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	2025 Intercompany transactions			
				Accounts	Amount	Terms	Percentage of the consolidated net revenue or total assets
0	The Company	AG Neovo B.V	1	Operating revenues	62,568	The price is marked up based on the cost; and the payment terms depends on the capital demand.	53.93 %
0	The Company	AG Neovo B.V	1	Receipt in advance	97,490	The price is marked up based on the cost; and the payment terms depends on the capital demand.	11.60 %
0	The Company	AG Neovo USA	1	Operating revenues	10,530	The price is marked up based on the cost; and the payment terms depends on the capital demand.	9.08 %
0	The Company	AG Neovo USA	1	Receipt in advance	26,117	The price is marked up based on the cost; and the payment terms depends on the capital demand.	3.11 %

Note 1: The numbers filled in as follows:
1.0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:
1 represents the transactions from the parent company to its subsidiaries.
2 represents the transactions between the subsidiaries and the parent company.
3 represents the transactions between subsidiaries.

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/ foreign currencies and shares in thousand units)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending Balance as of March 31, 2025			Net income (loss) of the Investee (Note2)	Investment income (loss) recognized by the investor (Note2)	Remark
				March 31, 2025 (Note 1)	December 31, 2024 (Note 1)	Shares	Percentage of ownership	Carrying amount (Note 1)			
The Company	AG Neovo International	British Virgin Islands	Investment	343,957	343,957	0.8	100 %	27,665	(2,544)	(2,544)	Note 3
The Company	AG Neovo B.V	Netherlands	Sales of LCD monitors	187,013	187,013	4.8	100 %	217,075	(5,344)	(5,344)	〃
The Company	AG Neovo Investment	British Virgin Islands	Investment	24,521	24,521	0.8	100 %	8,585	(541)	(541)	〃
The Company	Taiwan Biophotonic Corporation	Taiwan	Research and development, manufacture and sale of medical equipment and health care products	202,057	187,884	438,931	74 %	31,444	(11,808)	(8,683)	〃
AG Neovo International	AG Neovo USA	U.S.A.	Sales of LCD monitors and medical equipment	99,615 (US$3,000)	99,615 (US$3,000)	702	100 %	22,781 (US$686)	(2,236) (US$(68))	Recognized by AG Neovo International	〃

Note 1: The amounts in New Taiwan Dollars were translated at the exchange rates of USD33.205 at reporting date.
Note 2: The amounts in New Taiwan Dollars were translated at the exchange rates of USD32.8979 based on the average exchange rate at reporting date.
Note 3: The left transactions have been eliminated in the preparation of the consolidated financial statements.

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information on investment in mainland China:

(i) The related information on investees in Mainland China:

(In Thousands of New Taiwan Dollars/foreign currencies and shares in thousand units)

Name of investee	Main businesses and products	Total amount of paid-in capital (Note 2)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (Note 2)	Investment		Accumulated outflow of investment from Taiwan as of March 31, 2025 (Note 2)	Net income (loss) of the investee company (Note 3)	Percentage of ownership	Investment income (loss) recognized (Notes 3)	Carrying amount as of March 31, 2025 (Note 2)	Accumulated remittance of earnings as of March 31, 2025
					Outflow	Inflow						
AG Neovo (Shanghai)	Sales of LCD monitors	26,564 (US$800)	Note 1	26,564 (US$800)	-	-	26,564 (US$800)	(541) (US$(16))	100%	(541) (US$(16))	8,585 (US$258)	-

(ii) Upper limit on investment in Mainland China:

(In Thousands of New Taiwan Dollars and foreign currencies)

Accumulated investment in Mainland China as of March 31, 2025 (Notes 2 and 4)	Investment amounts authorized by Investment Commission, MOEA (Notes 2 and 4)	Upper limit on investment
143,977（US$4,336）	143,977（US$4,336）	254,514

Note 1 : Indirect investment in Mainland China through companies registered in the third region.
Note 2 : The basis for recognizing investment gains and losses is based on the self-reported financial statements of the company.
Note 3 : The amounts in New Taiwan Dollars were translated at the exchange rates of USD33.2050 at reporting date.
Note 4 : The amounts in New Taiwan Dollars were translated at the exchange rates of USD32.8979 based on the average exchange rate at reporting date.
Note 5 : Including the withdrawn amount of investment from the Shanghai CIMC Baowell Industries Co., Ltd.

(iii) Significant transactions: None.

(14) Segment information:

The Group’s operating segment information were as follows:

	For the three months ended March 31, 2025					
	Europe	America	Taiwan	Others	Adjustment & Elimination	Total
Revenue						
Revenue from external customers	$ 89,001	20,836	5,752	434	-	116,023
Revenue from segments	54	3	73,098	-	(73,155)	-
Total revenue	**$ 89,055**	**20,839**	**78,850**	**434**	**(73,155)**	**116,023**
Reportable segment profit (loss)	**$ (5,323)**	**(2,544)**	**(28,064)**	**(11,115)**	**17,112**	**(29,934)**
Reportable segment assets						**$ 840,196**
Reportable segment liabilities						**$ 404,912**

(Continued)

ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31, 2024					
	Europe	America	Taiwan	Others	Adjustment & Elimination	Total
Revenue						
Revenue from external customers	$ 104,222	11,428	4,887	510	-	121,047
Revenue from segments	76	-	71,054	-	(71,130)	-
Total revenue	**$ 104,298**	**11,428**	**75,941**	**510**	**(71,130)**	**121,047**
Reportable segment profit (loss)	**$ (730)**	**30**	**(19,230)**	**(8,848)**	**7,748**	**(21,030)**
Reportable segment assets						**$ 820,391**
Reportable segment liabilities						**$ 348,501**