Stock Code:9912

ASSOCIATED INDUSTRIES CHINA, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Review Report
for the Six Months Ended June 30, 2026 and 2025

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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

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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 June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 2026 and 2025, 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 $17,580 thousand and $14,175 thousand, constituting 2.17% and 1.64% of consolidated total assets; and the total liabilities amounting to $16,954 thousand and $21,941 thousand, constituting 3.81% and 4.67% of consolidated total liabilities as of June 30, 2026 and 2025, respectively, and the total comprehensive income (loss) amounting to $(810) thousand, $(5,006) thousand, $(1,137) thousand and $(7,365) thousand, constituting 4.54%, 13.74%, 3.68% and 13.43% of the absolute value of consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2026 and 2025, 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 June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, as well as 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 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 Chien, Szu-Chuan and Liu, Chen-Hsing.

KPMG

Taipei, Taiwan (Republic of China)
August 5, 2026

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

June 30, 2026, December 31, and June 30, 2025

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2026		December 31, 2025		June 30, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 97,970	12	93,241	11	101,612	12
1110	Current financial assets at fair value through profit or loss (note 6(b))	370	-	-	-	-	-
1170	Notes and accounts receivable, net (note 6(c))	62,670	8	72,005	9	48,156	6
1200	Other receivables	206	-	442	-	291	-
1300	Inventories, net (note 6(d))	197,843	24	210,068	26	267,843	31
1410	Prepayments	25,952	3	21,956	3	27,296	3
1470	Other current assets	5,842	1	9,742	1	7,393	1
		390,853	48	407,454	50	452,591	53
	Non-current assets:						
1600	Property, plant and equipment (notes 6(f) and 8)	119,108	15	120,824	15	121,065	14
1755	Right-of-use assets (note 6(g))	30,629	4	24,238	3	28,194	3
1760	Investment property, net (notes 6(h) and 8)	236,000	29	235,000	29	233,000	27
1780	Intangible assets (note 6(i))	20,348	3	18,232	2	20,999	2
1900	Other non-current assets (note 8)	11,922	1	11,451	1	8,307	1
		418,007	52	409,745	50	411,565	47
	Total assets	**$ 808,860**	**100**	**817,199**	**100**	**864,156**	**100**

		June 30, 2026		December 31, 2025		June 30, 2025	
	Liabilities	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note 6(j))	$ 328,058	41	310,452	38	319,152	37
2120	Current financial liabilities at fair value through profit or loss (note 6(b))	-	-	-	-	1,834	-
2130	Current contract liabilities (note 6(s))	4,243	1	4,472	1	5,545	1
2170	Notes and accounts payable	35,339	4	29,279	4	66,448	8
2200	Other payables	35,400	4	38,804	4	36,116	4
2250	Current provisions (note 6(k))	3,216	-	3,451	-	3,683	-
2280	Current lease liabilities (note 6(l))	11,450	2	9,058	1	9,553	1
2300	Other current liabilities	3,121	-	4,881	1	4,420	1
		420,827	52	400,397	49	446,751	52
	Non-current liabilities:						
2570	Deferred tax liabilities (note 6(n))	2,578	-	2,538	-	1,932	-
2580	Non-current lease liabilities(note 6(l))	21,157	3	16,938	2	20,049	2
2600	Other non-current liabilities	906	-	906	-	906	-
		24,641	3	20,382	2	22,887	2
	Total liabilities	445,468	55	420,779	51	469,638	54
	Equity: (notes 6(p) and (q))						
	Equity attributable to owners of parent:						
3110	Common stock	537,926	67	541,706	66	541,706	62
3200	Capital surplus	33,756	4	34,055	4	33,692	4
	Retained earnings:						
3310	Legal reserve	-	-	52,704	7	52,704	6
3320	Special reserve	-	-	79,510	10	79,510	9
3350	Accumulated deficits	(128,226)	(16)	(232,154)	(28)	(219,348)	(25)
		(128,226)	(16)	(99,940)	(11)	(87,134)	(10)
3400	Other equity interest	(90,758)	(11)	(88,179)	(11)	(106,984)	(12)
	Total equity attributable to owners of parent:	352,698	44	387,642	48	381,280	44
3600	Non-controlling interests (note 6(e))	10,694	1	8,778	1	13,238	2
	Total equity	363,392	45	396,420	49	394,518	46
	Total liabilities and equity	**$ 808,860**	**100**	**817,199**	**100**	**864,156**	**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 and six months ended June 30, 2026 and 2025

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

		For the three months ended June 30				For the six months ended June 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenues, net (note 6(s)):**								
4110	Sales revenue	$ 121,458	99	124,832	99	233,177	99	239,466	99
4310	Rental income (note 6(m))	1,390	1	1,390	1	2,779	1	2,779	1
		122,848	100	126,222	100	235,956	100	242,245	100
5000	**Operating costs (notes 6(d), 6(m), 6(n) and 12)**	68,634	56	74,549	59	131,593	56	142,574	59
5950	**Gross profit from operations**	54,214	44	51,673	41	104,363	44	99,671	41
	Operating expenses (notes 6(l), 6(n), 6(q) and 12):								
6100	Selling expenses	37,139	30	36,170	29	70,802	30	77,053	32
6200	Administrative expenses	21,256	18	19,443	15	40,295	17	42,043	17
6300	Research and development expenses	8,939	7	11,271	9	18,170	7	24,363	10
6450	Expected credit loss (reversal gain) (note 6(c))	1	-	(21)	-	(168)	-	(31)	-
		67,335	55	66,863	53	129,099	54	143,428	59
	Net operating loss	(13,121)	(11)	(15,190)	(12)	(24,736)	(10)	(43,757)	(18)
	Non-operating income and expenses:								
7100	Interest income	229	-	186	-	289	-	230	-
7190	Other income	198	-	94	-	302	-	24	-
7215	Gains on disposals of property, plant and equipment, net	-	-	(10)	-	-	-	(10)	-
7230	Foreign exchange gains, net (note 6(t))	(97)	-	(1,633)	(1)	853	-	465	-
7235	Gains (losses) on financial assets at fair value through profit or loss (note 6(b))	315	-	(3,528)	(3)	335	-	(4,929)	(2)
7255	Gains on fair value adjustment, investment property (note 6(h))	-	-	-	-	1,000	1	-	-
7510	Interest expense (note 6(l))	(2,377)	(1)	(2,221)	(2)	(4,822)	(2)	(4,251)	(2)
7590	Other losses	-	-	-	-	-	-	(8)	-
		(1,732)	(1)	(7,112)	(6)	(2,043)	(1)	(8,479)	(4)
7900	**Loss before tax**	(14,853)	(12)	(22,302)	(18)	(26,779)	(11)	(52,236)	(22)
7950	**Less: Income tax expenses (benefits) (note 6(o))**	474	-	400	-	1,069	1	421	-
	Net loss	(15,327)	(12)	(22,702)	(18)	(27,848)	(12)	(52,657)	(22)
8300	**Other comprehensive income:**								
8360	**Items that may be reclassified subsequently to profit or loss:**								
8361	Exchange differences on translation of foreign financial statements	(2,506)	(2)	(13,732)	(11)	(3,052)	(1)	(2,191)	(1)
8300	**Other comprehensive income, net**	(2,506)	(2)	(13,732)	(11)	(3,052)	(1)	(2,191)	(1)
8500	**Total comprehensive income (loss)**	**$ (17,833)**	**(14)**	**(36,434)**	**(29)**	**(30,900)**	**(13)**	**(54,848)**	**(23)**
	Total net income, attributable to:								
8610	Owners of parent	$ (12,915)	(10)	(20,040)	(16)	(23,142)	(10)	(46,870)	(20)
8620	Non-controlling interests (note 6(e))	(2,412)	(2)	(2,662)	(2)	(4,706)	(2)	(5,787)	(2)
		$ (15,327)	**(12)**	**(22,702)**	**(18)**	**(27,848)**	**(12)**	**(52,657)**	**(22)**
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	$ (15,421)	(12)	(33,772)	(27)	(26,194)	(11)	(49,061)	(20)
8720	Non-controlling interests (note 6(e))	(2,412)	(2)	(2,662)	(2)	(4,706)	(2)	(5,787)	(3)
		$ (17,833)	**(14)**	**(36,434)**	**(29)**	**(30,900)**	**(13)**	**(54,848)**	**(23)**
	Earnings per share (note (r))								
9750	**Basic earnings (losses) per share (NT dollars)**	**$**	**(0.24)**		**(0.38)**		**(0.43)**		**(0.88)**
9850	**Diluted earnings (losses) per share (NT dollars)**	**$**	**(0.24)**		**(0.38)**		**(0.43)**		**(0.88)**

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 six months ended June 30, 2026 and 2025

(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	Total equity attributable to owners of parent	Non-controlling interests	Total equity
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 six months ended June 30, 2025	-	-	-	-	(46,870)	-	-	-	-	(46,870)	(5,787)	(52,657)
Other comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	(2,191)	-	-	(2,191)	(2,191)	-	(2,191)
Total comprehensive loss for the six months ended June 30, 2025	-	-	-	-	(46,870)	(2,191)	-	-	(2,191)	(49,061)	(5,787)	(54,848)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(1,282)	-	-	(5,358)	-	-	-	-	(6,640)	6,640	-
Share-based payment transactions	(4,860)	140	-	-	-	-	-	318	318	(4,402)	-	(4,402)
Changes in equity in subsidiaries	-	464	-	-	-	-	-	-	-	464	158	622
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,750	1,750
Balance at June 30, 2025	**$ 541,706**	**33,692**	**52,704**	**79,510**	**(219,348)**	**(71,227)**	**(33,710)**	**(2,047)**	**(106,984)**	**381,280**	**13,238**	**394,518**
Balance at January 1, 2026	$ 541,706	34,055	52,704	79,510	(232,154)	(53,524)	(33,710)	(945)	(88,179)	387,642	8,778	396,420
Legal reserve used to offset accumulated deficits	-	-	(52,704)	-	52,704	-	-	-	-	-	-	-
Special reserve used to offset accumulated deficits	-	-	-	(79,510)	79,510	-	-	-	-	-	-	-
Loss for the six months ended June 30, 2026	-	-	-	-	(23,142)	-	-	-	-	(23,142)	(4,706)	(27,848)
Other comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	(3,052)	-	-	(3,052)	(3,052)	-	(3,052)
Total comprehensive loss for the six months ended June 30, 2026	-	-	-	-	(23,142)	(3,052)	-	-	(3,052)	(26,194)	(4,706)	(30,900)
Disposal of subsidiaries or investments Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(516)	-	-	(5,144)	-	-	-	-	(5,660)	5,660	-
Share-based payment transactions	(3,780)	-	-	-	-	-	-	473	473	(3,307)	-	(3,307)
Changes in equity in subsidiaries	-	217	-	-	-	-	-	-	-	217	68	285
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	894	894
Balance at June 30, 2026	**$ 537,926**	**33,756**	**-**	**-**	**(128,226)**	**(56,576)**	**(33,710)**	**(472)**	**(90,758)**	**352,698**	**10,694**	**363,392**

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 six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30,	
	2026	**2025**
Cash flows from (used in) operating activities:		
Loss before tax	$ (26,779)	(52,236)
Adjustments:		
Adjustments to reconcile loss:		
Depreciation expense	7,775	6,677
Amortization expense	3,502	4,387
Expected reversal gain	(168)	(31)
(Gain) losses on financial assets or liabilities at fair value through loss or profit, net	(335)	4,929
Interest expense	4,822	4,251
Interest income	(289)	(230)
Share based payment transaction costs	(3,022)	(3,780)
Losses on disposal of property, plant and equipment, net	24	10
Gain on fair value adjustment of investment property	(1,000)	-
Total adjustments to reconcile loss	11,309	16,213
Changes in operating assets and liabilities:		
Increase in current financial assets at fair value through profit or loss	(41)	-
Increase in current financial liabilities at fair value through profit or loss	-	(3,070)
Decrease (increase) in notes and accounts receivable	9,503	(2,043)
Decrease in other receivables	236	154
Decrease (increase) in inventories	12,225	(689)
(Increase) decrease in prepayments	(3,190)	955
Increase in other current assets	(813)	(1,698)
(Increase) decrease in other assets	(604)	40
(Decrease) increase in contract liabilities	(229)	989
Increase in notes and accounts payable	6,060	17,781
(Decrease) increase in other payables	(4,409)	1,480
(Decrease) increase in provisions	(239)	140
Decrease in other current liabilities	(1,760)	(1,990)
Total changes in operating assets and liabilities	16,739	12,049
Total adjustments	28,048	28,262
Cash outflows generated from operations	1,269	(23,974)
Interest received	289	231
Interest paid	(4,768)	(4,248)
Income taxes paid (refund)	(884)	137
Net cash flows used in operating activities	(4,094)	(27,854)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(186)	(979)
Decrease (Increase) in refundable deposits	133	(1,576)
Acquisition of intangible assets	(905)	(90)
Net cash flows used in investing activities	(958)	(2,645)
Cash flows (used in) from financing activities:		
Increase in short-term borrowings	17,606	60,341
Payment of lease liabilities	(5,634)	(4,277)
Change in non-controlling interests	894	1,750
Net cash flows from financing activities	12,866	57,814
Effect of exchange rate changes on cash and cash equivalents	(3,085)	(2,280)
Net increase (decrease) in cash and cash equivalents	4,729	25,035
Cash and cash equivalents at beginning of period	93,241	76,577
Cash and cash equivalents at end of period	**$ 97,970**	**101,612**

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 August 5, 2026.

(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, 2026:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements:

- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19
- Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"

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

The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

(i) 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.

The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

(ii) Amendments to IAS 28 “ The Fair Value Option for Investments in Associates and Joint Ventures”

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

(Continued)

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

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

The Group does not expect the following 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 20 "Regulatory Assets and Regulatory Liabilities"

(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, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements:

			Shareholding			
Name of investor	**Name of subsidiary**	**Principal activity**	**June 30, 2026**	**December 31, 2025**	**June 30, 2025**	**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	76.96 %	75.43 %	75.62 %	Note 2

(Continued)

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

			Shareholding			
Name of investor	**Name of subsidiary**	**Principal activity**	**June 30, 2026**	**December 31, 2025**	**June 30, 2025**	**Note**
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 and May 2025, the Company increased its capital in tBPC by cash of $14,173 and $21,827, respectively, and obtained a total of 90,000 thousand shares. In January and April 2026, increased its capital in tBPC by cash of $20,367 and $8,741, respectively, and obtained a total of 58,216 thousand shares. The Company’s shareholding ratio was 76.96% as of June 30, 2026.

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

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(d) 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.

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, 2025. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2025.

(Continued)

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

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 2025 consolidated financial statements. Please refer to note 6 of the 2025 annual consolidated financial statements.

(a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Petty cash, checking accounts and demand deposits	$ 75,221	86,341	76,712
Time deposits	22,749	6,900	24,900
	$ 97,970	**93,241**	**101,612**

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.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Mandatorily measured at fair value through profit or loss financial assets			
Derivative instruments not used for hedging			
Forward exchange contracts	**$ 370**	**-**	**-**
Mandatorily measured at fair value through profit or loss financial liabilities			
Derivative instruments not used for hedging			
Forward exchange contracts	**$ -**	**-**	**1,834**

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:

	June 30, 2026			
	Contract amount (in thousands)		Currency	Maturity date
Financial assets:				
Forward exchange sold	EUR	**350**	EUR to USD	2026.07.07~2026.07.17

	June 30, 2025			
	Contract amount (in thousands)		Currency	Maturity date
Financial liabilities :				
Forward exchange sold	EUR	**1,570**	EUR to USD	2025.07.07~2025.08.18

The Group did not hold any outstanding forward foreign exchange contracts as of December 31, 2025.

(c) Notes and accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable from operating activities	$ -	50	-
Accounts receivable—measured at amortized cost	62,706	72,159	48,211
	62,706	72,209	48,211
Less: Loss allowance	(36)	(204)	(55)
	$ 62,670	**72,005**	**48,156**

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:

	June 30, 2026		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 52,674	0%	-
Less than 30 days past due	7,981	0.25%	20
31 to 90 days past due	2,051	0.78%	16
	$ 62,706		**36**

(Continued)

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

	December 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 50,378	0%	-
Less than 30 days past due	16,891	0.52%	87
31 to 90 days past due	4,940	2.37%	117
	$ 72,209		204

	June 30, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 40,542	0%	-
Less than 30 days past due	6,312	0.14%	9
31 to 90 days past due	1,320	2.65%	35
91 to 180 days past due	37	29.73%	11
	$ 48,211		55

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

	For the six months ended June 30,	
	2026	2025
Balance at January 1	$ 204	86
Impairment reversal gain	(168)	(31)
Balance at June 30	$ 36	55

As of June 30, 2026, December 31 and June 30, 2025, the Group did not provide any of the aforementioned notes and accounts receivable as collaterals for its loans.

(d) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	$ 225	765	541
Work in progress	129	954	1,186
Raw materials	477	563	665
Merchandise inventories	197,012	207,786	265,451
	$ 197,843	210,068	267,843

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

The details of cost of sales for the three months and six months ended June 30, 2026 and 2025, were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Cost of goods sold and expenses	$ 68,935	74,532	132,001	143,914
Inventory valuation and recovery gain	(406)	(86)	(618)	(1,548)
	$ 68,529	**74,446**	**131,383**	**142,366**

For the three months and six months ended June 30, 2026 and 2025, the Group reversed its allowance for inventory valuation loss and obsolescence due to sale of obsolete stock.

As of June 30, 2026, December 31 and June 30, 2025, the Group did not provide any inventories as collaterals for its loans.

(e) Subsidiaries with Significant Non-controlling Interests

In February and May 2025, the Company increased its investment in tBPC by $14,173 and $21,827 in cash, respectively, and obtained a total of 90,000 thousand shares. As of December 31, 2025, the Company's shareholding ratio was 75.43% .

Due to the aforementioned transactions for the six months ended June 30, 2025, it resulted in a decrease in capital surplus by $1,282 and retained earnings by $5,358, respectively, based on the difference between carrying amount and investment.

In January and April 2026, the Company increased its investment in tBPC by $20,367 and $8,741 in cash, respectively, and obtained a total of 58,216 thousand shares. As of June 30, 2026, the Company's shareholding ratio was 76.96% .

Due to the aforementioned transactions for the six months ended June 30 2026, it resulted in a decrease in capital surplus by $516 and retained earnings by $5,144, respectively, based on the difference between carrying amount and investment.

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

		Percentage of non-controlling interests		
Subsidiaries	**Main operation place**	**June 30, 2026**	**December 31, 2025**	**June 30, 2025**
Taiwan Biophotonic Co. (tBPC)	Taiwan	23.04 %	24.57 %	24.38 %

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.

(Continued)

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

(i) tBPC collective financial information

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 29,862	17,475	36,228
Non-current assets	33,098	24,495	26,892
Current liabilities	(7,545)	(5,949)	(8,806)
Non-current liabilities	(9,000)	(15)	(15)
Net assets	**$ 46,415**	**36,006**	**54,299**
Non-controlling interests	**$ 10,694**	**8,778**	**13,238**

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Sales revenue	**$ 372**	**790**	**3,176**	**1,253**
Net loss (as same as total comprehensive loss)	**$ (10,468)**	**(10,685)**	**(19,879)**	**(22,493)**
Loss, attributable to non-controlling interests	**$ (2,412)**	**(2,662)**	**(4,706)**	**(5,787)**
Total comprehensive loss, attributable to non-controlling interests	**$ (2,412)**	**(2,662)**	**(4,706)**	**(5,787)**

	For the six months ended June 30,	
	2026	**2025**
Net cash flows used in operating activities	$ (12,863)	(21,214)
Net cash flows used in investing activities	(13,088)	(784)
Net cash flows from financing activities	38,988	37,750
Net decrease in cash and cash equivalents	**$ 13,037**	**15,752**

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 six months ended June 30, 2026 and 2025, were as follows:

		Land	Buildings and building improvement	Machinery equipment	Other equipment	Transportation equipment	Equipment to be accepted	Total
Cost:								
Balance on January 1, 2026	$	95,104	29,484	5,119	28,276	1,825	6,479	166,287
Additions		-	-	162	24	-	-	186
Disposals		-	-	-	(128)	-	-	(128)
Effect of movements in exchange rates		-	-	30	(86)	24	-	(32)
Balance on June 30, 2026	$	**95,104**	**29,484**	**5,311**	**28,086**	**1,849**	**6,479**	**166,313**
Balance on January 1, 2025	$	95,104	29,484	5,095	27,069	536	6,479	163,767
Additions		-	-	91	888	-	-	979
Disposals		-	-	-	(124)	-	-	(124)
Transferred in (out)		-	-	30	-	-	-	30
Effect of movements in exchange rates		-	-	(251)	11	(57)	-	(297)
Balance on June 30, 2025	$	**95,104**	**29,484**	**4,965**	**27,844**	**479**	**6,479**	**164,355**
Depreciation:								
Balance on January 1, 2026	$	-	11,347	4,256	24,060	61	5,739	45,463
Depreciation		-	295	187	1,230	184	-	1,896
Disposals		-	-	-	(104)	-	-	(104)
Effect of movements in exchange rates		-	-	30	(82)	2	-	(50)
Balance on June 30, 2026	$	**-**	**11,642**	**4,473**	**25,104**	**247**	**5,739**	**47,205**
Balance on January 1, 2025	$	-	10,757	3,993	20,664	417	5,739	41,570
Depreciation		-	295	177	1,564	87	-	2,123
Disposals		-	-	-	(114)	-	-	(114)
Effect of movements in exchange rates		-	-	(251)	13	(51)	-	(289)
Balance on June 30, 2025	$	**-**	**11,052**	**3,919**	**22,127**	**453**	**5,739**	**43,290**
Book value:								
Balance on January 1, 2026	$	**95,104**	**18,137**	**863**	**4,216**	**1,764**	**740**	**120,824**
Balance on June 30, 2026	$	**95,104**	**17,842**	**838**	**2,982**	**1,602**	**740**	**119,108**
Balance on January 1, 2025	$	**95,104**	**18,727**	**1,102**	**6,405**	**119**	**740**	**122,197**
Balance on June 30, 2025	$	**95,104**	**18,432**	**1,046**	**5,717**	**26**	**740**	**121,065**

As of June 30, 2026, December 31 and June 30, 2025, the property, plant and equipment has been pledged as collateral for short-term borrowings and credits. Please refer to note 8.

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

(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, 2026	$	61,225	31,220	92,445
Additions		12,547	-	12,547
Effect of movements in foreign exchange rates		(397)	(500)	(897)
Balance on June 30, 2026	**$**	**73,375**	**30,720**	**104,095**
Balance on January 1, 2025	$	58,398	20,312	78,710
Additions		775	8,807	9,582
Effect of movements in foreign exchange rates		(1,529)	(55)	(1,584)
Balance on June 30, 2025	**$**	**57,644**	**29,064**	**86,708**
Depreciation:				
Balance on January 1, 2026	$	47,188	21,019	68,207
Depreciation		3,959	1,920	5,879
Effect of movements in foreign exchange rates		(258)	(362)	(620)
Balance on June 30, 2026	**$**	**50,889**	**22,577**	**73,466**
Balance on January 1, 2025	$	39,948	15,252	55,200
Depreciation		3,846	708	4,554
Reclassification		(1,782)	1,782	-
Effect of movements in foreign exchange rates		(1,237)	(3)	(1,240)
Balance on June 30, 2025	**$**	**40,775**	**17,739**	**58,514**
Carrying amounts:				
Balance on January 1, 2026	**$**	**14,037**	**10,201**	**24,238**
Balance on June 30, 2026	**$**	**22,486**	**8,143**	**30,629**
Balance on January 1, 2025	**$**	**18,450**	**5,060**	**23,510**
Balance on June 30, 2025	**$**	**16,869**	**11,325**	**28,194**

(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.

(Continued)

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

The details of investment properties were as follows:

	Land	Buildings and construction	Total
Book value:			
Balance on January 1, 2026	$ 176,034	58,966	235,000
Balance on June 30, 2026	$ 177,929	58,071	236,000
Balance on January 1, 2025	$ 172,245	60,755	233,000
Balance on June 30, 2025	$ 172,245	60,755	233,000

There were no significant additions, disposals, or significant changes in fair value of the investment property for the six months ended June 30, 2026 and 2025.

For the six months ended June 30, 2026 and 2025, the gains recognized from changes in fair value, attributable to fair value adjustments of investment properties, amounted to $1,000 and $0, respectively.

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.

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	Leased out
Discount rate	June 30, 2026: 3.820% December 31, 2025: 3.820% June 30, 2025:3.920%
External or in-house appraisal	External appraisal
Appraisal company	Home Ban Appraisers Joint Firm
Name of appraiser	June 30, 2026: Ching-Tang,Li, Ming-Fu,Zheng December 31, 2025: Ching-Tang,Li, Ming-Fu,Zheng June 30, 2025:Ching-Tang,Li, Fang-Mei,Fu
Date of appraisal	June 30, 2026, December 31 and June 30, 2025
Fair value of external appraisal	June 30, 2026: $236,000 December 31, 2025:$235,000 June 30, 2025:$234,000

(Continued)

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

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. Therefore, the discount rates on June 30, 2026, December 31 and June 30, 2025, were calculated to be 3.820%, 3.820% and 3.920%, 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 June 30, 2026, December 31 and June 30, 2025 to be 1.90%. The ending property disposal prices as of June 30, 2026, December 31 and June 30, 2025 were $290,494, $290,494 and $290,424, respectively.

(Continued)

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 June 30, 2026：3.820% December 31, 2025：3.820% June 30, 2025: 3.920%	The estimated fair value would increase (or decrease) if: ·The risk-adjusted discount rate decreases (increases).

(ii) As of June 30, 2026, December 31 and June 30, 2025, the pledged on the Group's investment property as collateral, please refer to note 8 .

(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, 2026	$ 38,257	20,232	58,489
Addition	-	905	905
Disposals	-	(3,500)	(3,500)
Transferred in	-	4,713	4,713
Balance on June 30, 2026	**$ 38,257**	**22,350**	**60,607**
Balance on January 1, 2025	$ 38,142	19,642	57,784
Addition	-	90	90
Balance on June 30, 2025	**$ 38,142**	**19,732**	**57,874**

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

		Patent	Computer software and others	Total
Amortization and impairment loss:				
Balance on January 1, 2026	$	23,209	17,048	40,257
Amortization		2,370	1,132	3,502
Disposals		-	(3,500)	(3,500)
Balance on June 30, 2026	$	**25,579**	**14,680**	**40,259**
Balance on January 1, 2025	$	17,069	15,419	32,488
Amortization		3,583	804	4,387
Balance on June 30, 2025	$	**20,652**	**16,223**	**36,875**
Book value:				
Balance on January 1, 2026	$	**15,048**	**3,184**	**18,232**
Balance on June 30, 2026	$	**12,678**	**7,670**	**20,348**
Balance on January 1, 2025	$	**21,073**	**4,223**	**25,296**
Balance on June 30, 2025	$	**17,490**	**3,509**	**20,999**

As of June 30, 2026, December 31 and June 30, 2025, 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:

		June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	$	70,058	80,952	76,152
Secured bank loans		258,000	229,500	243,000
	$	**328,058**	**310,452**	**319,152**
Unused credit lines for short-term borrowings	$	**166,942**	**190,548**	**155,075**
Range of interest rates		**2.185%~5.379%**	**2.185%~5.24%**	**2.185%~5.75%**

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

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 six months ended June 30, 2026 and 2025. Please refer to note 6(j) of the 2025 annual consolidated financial statements for the related information.

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

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

(l) Lease liabilities

The details of lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	$ 11,450	9,058	9,553
Non-current	$ 21,157	16,938	20,049

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 June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Interest on lease liabilities	$ 359	284	752	593
Variable lease payments not included in the measurement of lease liabilities	$ 1,499	1,614	3,096	3,348
Expenses relating to short-term leases	$ 473	917	986	2,129

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

	For the six months ended June 30,	
	2026	2025
Total cash outflow from leases	$ 10,468	10,347

(i) Real estate lease

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

(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.

(Continued)

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

(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:

	June 30, 2026	December 31, 2025	June 30, 2025
Less than one year	$ 2,771	5,543	5,543
One to two years	-	-	2,771
Total undiscounted lease payments	$ 2,771	5,543	8,314

For the three months and six months ended June 30, 2026 and 2025, the rental income recognized in operating revenue amounted to $1,390, $1,390, $2,779 and $2,779, respectively; the direct costs incurred in rental, which were recognized as operating costs, amounted to $105, $103, $210 and $208 , respectively.

(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 June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Operating cost	$ 12	10	23	19
Selling expenses	767	672	1,534	1,303
Administrative expenses	654	605	1,291	1,197
Research and development expenses	349	356	633	724
Total	$ 1,782	1,643	3,481	3,243

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 June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Tax expenses	$ 474	400	1,069	421

(ii) The Company's income tax returns for the years through 2024 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 June 30, 2026 and 2025. For the related information, please refer to note 6(o) to the consolidated financial statements for the year ended December 31, 2025.

(i) Ordinary shares

As of June 30, 2026, December 31 and June 30, 2025, 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 53,793 thousand shares, 54,171 thousand shares and 54,171 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

Reconciliations of shares outstanding for the six months ended June 30, 2026 and 2025 were as follows:

Unit: in thousand shares

	Common stocks	
	For the six months ended June 30,	
	2026	**2025**
Balance on January 1	54,171	54,657
Cancellation of restricted employee shares	(378)	(486)
Balance on June 30	**53,793**	**54,171**

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

(ii) Capital surplus

The balances of capital surplus were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Additional paid-in capital	$ 20,106	20,106	20,106
Treasury share transactions	6,628	6,628	6,628
Employee stock options—expired	5,343	5,343	5,343
Donation from shareholders	1,615	1,615	1,615
Changes in equity in subsidiaries	64	363	-
	$ 33,756	34,055	33,692

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.

On June 18, 2026, the Company's shareholders'meeting resolved to offset accumulated deficits using special reserve of $79,510 thousand and legal reserve of $52,704 thousand.

Based on the resolutions made during the annual general meeting held on June 18, 2026 and June 18, 2025, there are no plans to distribute dividends, as the Company has decided to use its profits to offset losses for fiscal years 2025 and 2024. Relevant information can be accessed through the Market observation Post System website.

(q) Share-based payment

Except as described below, there were no significant changes in share-based payment arrangements of the Group for the six-month periods ended June 30, 2026 and 2025. Please refer to Note 6(q) to the Group' s consolidated financial statements for the year ended December 31, 2025 for related information.

(i) Restricted employee shares

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

Unit: in thousand shares

	For the six months ended June 30,	
	2026	**2025**
Outstanding units on January 1	756	1,242
Forfeited during the periods	(378)	(486)
Outstanding units on June 30	**378**	**756**

As of June 30, 2026 and 2025, the unearned employee compensation balances were $472 and $2,047, respectively.

A total of 378 and 486 thousand employee restricted shares were retrieved and canceled due to failure or loss of qualifications to meet the vesting requirements for the six months ended June 30, 2026 and 2025, respectively. The effective date of capital reduction was June 22, 2026 and June 19, 2025, respectively.

The expenses reversed by the Group for employee restricted shares were ($3,307) and ($4,402) for the six months ended June 30, 2026 and 2025, respectively.

(ii) 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 grant date set on January 24, 2024, as follows:

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

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

	For the six months ended June 30,			
	2026		2025	
	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	13,858	$ 0.001	20,000	0.001
Invalided shares due to employee resignation	-	0.001	(591)	0.001
Exercised during the period	(2,638)	0.001	(3,437)	0.001
Outstanding shares on June 30	11,220	0.001	15,972	0.001

tBPC recognized the compensation cost for its employee stock options of $285 and $622 for the six months ended June 30, 2026 and 2025, respectively.

(r) Earnings (losses) per share

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

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Basic earnings (losses) per share				
Belong to parent company net loss	$ (12,915)	(20,040)	(23,142)	(46,870)
Weighted-average number of outstanding shares (in thousands)	53,415	53,415	53,415	53,415
Basic losses per share (dollars)	$ (0.24)	(0.38)	(0.43)	(0.88)
Diluted earnings (losses) per share				
Belong to parent company net loss	$ (12,915)	(20,040)	(23,142)	(46,870)
Weighted-average number of outstanding common shares (After adjusting for dilutive potential common share impact)	53,415	53,415	53,415	53,415
Diluted losses per share (dollars)	$ (0.24)	(0.38)	(0.43)	(0.88)

For the six months ended June 30, 2026 and 2025, the employee restricted shares had an anti-dilutive effect; hence, no diluted losses per share was required to be computed.

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 June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Primary geographical markets:				
Germany	$ 48,961	43,698	78,523	82,910
UK	10,529	5,371	24,683	8,786
USA	12,207	18,485	21,602	37,899
Others	51,151	58,668	111,148	112,650
	$ 122,848	**126,222**	**235,956**	**242,245**
Major products / services lines:				
LED monitors	$ 117,233	121,929	221,663	232,564
Medical equipment	-	95	-	295
Other accessories	4,225	2,808	11,514	6,607
Rental income	1,390	1,390	2,779	2,779
	$ 122,848	**126,222**	**235,956**	**242,245**

(ii) Contract balances

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

2) Contract liabilities

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Contract liabilities (Receipt in advance)	**$ 4,243**	**4,472**	**5,545**

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 six months ended June 30, 2026 and 2025, that included in the contract liability balance at the beginning of the periods were $1,093 and $153, respectively.

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

(t) Employees' compensation and directors' remuneration

On June 18, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Company Article of Incorporation, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 2% of the remainder shall be allocated as directors' remuneration, and not less than 10% (in shares or in cash) as employee remuneration, including a minimum of 20% to those base-level employees. The distribution shall also include those employees of the Company's subsidiaries who meet certain requirements.

Prior to the amendment, the Articles of Incorporation stipulated that, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 2% of the remainder shall be allocated as directors' remuneration, and a minimum of 10% (in shares or in cash) as employee remuneration, including those employees of the Company's subsidiaries who meet certain requirements.

Due to losses before tax for the six months ended June 30, 2026 and 2025, no employees' compensation and directors' remuneration were recognized.

Due to losses before tax for the years ended December 31, 2025 and 2024, no employees' compensation and directors' remuneration were distributed.

(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(t) to the consolidated financial statements for the year ended December 31, 2025.

(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.

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

(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
June 30, 2026					
Non-derivative financial liabilities:					
Short-term borrowings	$	328,058	(329,351)	(329,351)	-
Notes and accounts payable		35,339	(35,339)	(35,339)	-
Lease liabilities (including current and non-current)		32,607	(34,732)	(12,556)	(22,176)
Other payables		35,400	(35,400)	(35,400)	-
Guaranteed deposits		906	(906)	-	(906)
	$	**432,310**	**(435,728)**	**(412,646)**	**(23,082)**
December 31, 2025					
Non-derivative financial liabilities:					
Short-term borrowings	$	310,452	(312,160)	(312,160)	-
Notes and accounts payable		29,279	(29,279)	(29,279)	-
Lease liabilities (including current and non-current)		25,996	(27,912)	(10,085)	(17,827)
Other payables		38,804	(38,804)	(38,804)	-
Guarantee deposits		906	(906)	-	(906)
	$	**405,437**	**(409,061)**	**(390,328)**	**(18,733)**
June 30, 2025					
Non-derivative financial liabilities:					
Short-term borrowings	$	319,152	(320,823)	(320,823)	-
Notes and accounts payable		66,448	(66,448)	(66,448)	-
Lease liabilities (including current and non-current)		29,602	(32,024)	(10,720)	(21,304)
Other payables		36,116	(36,116)	(36,116)	-
Guaranteed deposits		906	(906)	-	(906)
Forward exchange contracts		1,834			-
Outflow			(4,904)	(4,904)	-
Inflow			3,070	3,070	-
	$	**454,058**	**(458,151)**	**(435,941)**	**(22,210)**

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

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’ s management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

(Continued)

The loans and borrowings from the bank forms an important source of liquidity for the Group. As of June 30, 2026, December 31 and June 30, 2025, the unused short-term bank facilities were $166,942, $190,548, and $155,075 ,respectively.

Apart from the aforementioned unused bank facilities, the Group is proactively engaging with financial institutions to seek increases in facilities and to establish new facilities, in order to ensure sufficient funding for future operational requirements.

(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:

Expressed in Thousands of Foreigin Currency

	June 30, 2026			December 31, 2025			June 30, 2025		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 470	USD/NTD =31.850	14,970	714	USD/NTD =31.430	22,441	491	USD/NTD =29.300	14,386
Financial liabilities									
Monetary items									
USD	692	USD/NTD =31.850	22,040	701	USD/NTD =31.430	22,032	1,827	USD/NTD =29.300	53,531

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 six months ended June 30, 2026 and 2025 would have been affected as follows:

	June 30, 2026	June 30, 2025
USD (against NTD)		
Appreciate 5%	$ 354	1,957
Depreciate 5%	(354)	(1,957)

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

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

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 and six months ended June 30, 2026 and 2025, the foreign exchange gains (losses), including realized and unrealized ones, amounted to $(97), $(1,633), $853 and $465, 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		
		June 30, 2026	**December 31, 2025**	**June 30, 2025**
Variable rate instruments:				
Financial assets	$	65,086	77,158	65,633
Financial liabilities		(328,058)	(310,452)	(319,152)

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 $329 and $317 for the six months ended June 30, 2026 and 2025, 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).

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

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:

	June 30, 2026				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
Derivative financial assets	$ 370	-	370	-	370
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 97,970	-	-	-	-
Notes and accounts receivable	62,670	-	-	-	-
Other receivables	206	-	-	-	-
Restricted deposits (recognized as other non-current assets)	8,064	-	-	-	-
Refundable deposits (recognized as other non-current assets)	2,382	-	-	-	-
	171,292				
	$ 171,662				
Financial liabilities measured at amortized cost:					
Short-term borrowing	$ 328,058	-	-	-	-
Notes and accounts payable	35,339	-	-	-	-
Lease liabilities (current and non-current)	32,607	-	-	-	-
Other payables	35,400	-	-	-	-
Guaranteed deposits	906	-	-	-	-
	432,310				
	$ 432,310				

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

	December 31, 2025				
		Fair Value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 93,241	-	-	-	-
Notes and accounts receivable	72,005	-	-	-	-
Other receivables	442	-	-	-	-
Restricted deposits (recognized as other non-current assets)	8,031	-	-	-	-
Refundable deposits (recognized as other non-current assets)	2,548	-	-	-	-
	176,267				
	$ 176,267				
Financial liabilities measured at amortized cost:					
Short-term borrowing	310,452	-	-	-	-
Notes and accounts payable	29,279				
Lease liabilities (current and non-current)	25,996	-	-	-	-
Other payables	38,804				
Guaranteed deposits	906				
	405,437				
	$ 405,437				

	June 30, 2025				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 101,612	-	-	-	-
Notes and accounts receivable	48,156	-	-	-	-
Other receivables	291	-	-	-	-
Restricted deposits (recognized as other non-current assets)	4,995	-	-	-	-
Refundable deposits (recognized as other non-current assets)	2,626	-	-	-	-
	157,680				
	$ 157,680				

(Continued)

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

	June 30, 2025				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss:					
Derivative financial liabilities	$ 1,834	-	1,834	-	1,834
Financial liabilities measured at amortized cost:					
Short-term borrowing	$ 319,152	-	-	-	-
Notes and accounts payable	66,448	-	-	-	-
Lease liabilities (current and non-current)	29,602	-	-	-	-
Other payables	36,116	-	-	-	-
Guaranteed deposits	906	-	-	-	-
	452,224				
	$ 454,058				

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 six months ended June 30, 2026 and 2025.

(Continued)

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

(v) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(u) of the 2025 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, 2025. 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, 2025. Please refer to note 6(v) of the 2025 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 six months ended June 30, 2026 and 2025 were as follows: The acquisition of right-of-use assets by lease, please refer to note 6(g).

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

			Non-cash changes		
	January 1, 2026	**Cash flows**	**Additions**	**Effect of movements in exchange rates**	**June 30, 2026**
Short-term borrowings	$ 310,452	17,606	-	-	328,058
Deposits received	906	-	-	-	906
Lease liabilities	25,996	(5,634)	12,547	(302)	32,607
Total liabilities from financing activities	**$ 337,354**	**11,972**	**12,547**	**(302)**	**361,571**

			Non-cash changes		
	January 1, 2025	**Cash flows**	**Additions**	**Effect of movements in exchange rates**	**June 30, 2025**
Short-term borrowings	$ 258,811	60,341	-	-	319,152
Deposits received	906	-	-	-	906
Lease liabilities	24,659	(4,277)	9,582	(362)	29,602
Total liabilities from financing activities	**$ 284,376**	**56,064**	**9,582**	**(362)**	**349,660**

(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.

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

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Short-term employee benefits	$ 4,317	4,288	9,756	9,507
Post-employment benefits	225	217	451	415
	$ 4,542	**4,505**	**10,207**	**9,922**

(8) Assets pledged as security:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment -Land and buildings	Guarantee for short-term loans and credit line	$ 112,946	113,241	113,536
Investment property	〃	236,000	235,000	233,000
Restricted deposits (recognized as other non-current assets)	Warranty guarantee, right-of-use asset and tariff	8,064	8,031	4,995
		$ 357,010	**356,272**	**351,531**

(9) Commitments and contingencies:

As of June 30, 2026, December 31 and June 30, 2025, the unused balances of the Group’s letters of credit amounted to $0, $0 and $4,773, respectively.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

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

(12) Other:

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

	For the three months ended June 30,					
By function	2026			2025		
By item	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	172	32,607	32,779	177	28,721	28,898
Labor and health insurance	22	4,181	4,203	21	4,109	4,130
Pension	12	1,770	1,782	10	1,633	1,643
Others	1	793	794	2	795	797
Depreciation	583	3,139	3,722	788	2,659	3,447
Amortization	-	1,890	1,890	484	1,682	2,166

	For the six months ended June 30,					
By function	2026			2025		
By item	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	349	60,629	60,978	360	62,878	63,238
Labor and health insurance	44	8,521	8,565	44	8,378	8,422
Pension	23	3,458	3,481	19	3,224	3,243
Others	5	1,745	1,750	6	1,740	1,746
Depreciation	1,379	6,396	7,775	1,567	5,110	6,677
Amortization	-	3,502	3,502	968	3,419	4,387

(b) Financial and Operational Improvement Plan:

As of June 30, 2026, the Group continued to incur operating losses, with accumulated losses amounting to $128,226. The current ratio was approximately 93%, and the debt ratio was approximately 55%. To improve the Group’s financial structure and operating performance, the following measures have been planned and implemented:

(i) Based on operational needs, utilize the unused portions of bank credit lines, and apply for additional credit lines from financial institutions as necessary to meet working capital requirements.

(ii) Accelerate product launches and marketing efforts to expand sources of operating revenue.

(iii) Continue to expand into new markets and business models, deepen cooperation with regional strategic partners, and obtain long-term supplier qualification from North American customers, thereby entering the stage of detailed negotiations on business cooperation.

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

(iv) Strengthen inventory control and stocking policies to reduce inventory levels and inventory turnover days, thereby enhancing capital utilization efficiency.

(v) In November 2025, the Board of Directors resolved to authorize the Chairperson to assess and implement necessary financial improvement and fundraising measures in accordance with operational needs, in order to maintain the Group’s financial flexibility.

The Group continues to implement the above improvement measures and closely monitor relevant indicators to maintain financial stability.

(c) Seasonality of operations

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

(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 six months ended June 30, 2026:

(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	352,698	150,000	150,000	378	-	42.53 %	352,698	Yes	No	No
0	The Company	AG Neovo USA	100% owned subsidiary	352,698	40,000	40,000	8,058	-	11.34 %	352,698	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) Material securities held as of June 30, 2026 (excluding investment in subsidiaries, associates and joint ventures):None

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

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

(iv) Related-party purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Company name	Related party	Nature of relationship	Purchase /(Sale)	Amount	Percentage of total purchases (sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Remark
The Company	AG Neovo B.V	100% owned subsidiary	(Sale)	(114,398)	(48) %	90 days net from date of invoice	The price is not comparable with that of the general customers.	90 days net from date of invoice; actual payments would depend on the capital demand.	Note 1	-%	Note 2

Note 1：As of June 30, 2026, the amount of receipt in advance was $92,579.
Note 2：The left transactions have been eliminated in the preparation of consolidated financial statements.

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

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

(In Thousands of New Taiwan Dollars)

				2026 Intercompany transactions			
No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Accounts	Amount	Terms	Percentage of the consolidated net revenue or total assets
0	The Company	AG Neovo B.V	1	Operating revenues	114,398	The price is marked up based on the cost; and the payment terms depends on the capital demand.	48.48 %
0	The Company	AG Neovo B.V	1	Receipt in advance	92,579	The price is marked up based on the cost; and the payment terms depends on the capital demand.	11.45 %
0	The Company	AG Neovo USA	1	Operating revenues	6,386	The price is marked up based on the cost; and the payment terms depends on the capital demand.	2.71 %
0	The Company	AG Neovo USA	1	Receipt in advance	26,256	The price is marked up based on the cost; and the payment terms depends on the capital demand.	3.25 %

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.

(Continued)

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

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2026 (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: June 30, 2026 (Note 1)	Original investment amount: December 31, 2025 (Note 1)	Ending Balance as of June 30, 2026: Shares	Ending Balance as of June 30, 2026: Percentage of ownership	Ending Balance as of June 30, 2026: Carrying amount (Note 1)	Net income (loss) of the Investee (Note2)	Investment income (loss) recognized by the investor (Note2)	Remark
The Company	AG Neovo International	British Virgin Islands	Investment	343,957	343,957	0.8	100 %	24,737	(2,269)	(2,269)	Note 3
The Company	AG Neovo B.V	Netherlands	Sales of LCD monitors	187,013	187,013	4.8	100 %	213,053	(2,468)	(2,468)	〃
The Company	AG Neovo Investment	British Virgin Islands	Investment	24,521	24,521	0.8	100 %	6,213	(1,034)	(1,034)	〃
The Company	Taiwan Biophotonic Corporation	Taiwan	Research and development, manufacture and sale of medical equipment and health care products	252,992	223,884	551,714	76.96 %	35,721	(19,879)	(15,173)	〃
AG Neovo International	AG Neovo USA	U.S.A.	Sales of LCD monitors and medical equipment	95,550 (US$3,000)	95,550 (US$3,000)	702	100 %	20,669 (US$649)	(634) (US$(20))	Recognized by AG Neovo International	〃

Note 1: The amounts in New Taiwan Dollars were translated at the exchange rates of USD31.85 at reporting date.
Note 2: The amounts in New Taiwan Dollars were translated at the exchange rates of USD31.6232 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.

(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, 2026 (Note 2)	Investment: Outflow	Investment: Inflow	Accumulated outflow of investment from Taiwan as of June 30, 2026 (Note 2)	Net income (loss) of the investee company (Note 3)	Percentage of ownership	Investment income (loss) recognized (Notes 3)	Carrying amount as of June 30, 2026 (Note 2)	Accumulated remittance of earnings as of June 30, 2026
AG Neovo (Shanghai)	Sales of LCD monitors	25,480 (US$800)	Note 1	25,480 (US$800)	-	-	25,480 (US$800)	(1,034) (US$(33))	100%	(1,034) (US$(33))	6,213 (US$195)	-

(ii) Upper limit on investment in Mainland China:

(In Thousands of New Taiwan Dollars and foreign currencies)

Accumulated investment in Mainland China as of June 30, 2026 (Notes 3 and 5)	Investment amounts authorized by Investment Commission, MOEA (Notes 3 and 5)	Upper limit on investment
138,102 (US$4,336)	138,102 (US$4,336)	211,619

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 USD31.85 at reporting date.
Note 4 : The amounts in New Taiwan Dollars were translated at the exchange rates of USD31.6232 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.

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

(14) Segment information:

The Group's operating segment information were as follows:

	For the three months ended June 30, 2026					
	Europe	**America**	**Taiwan**	**Others**	**Adjustment & Elimination**	**Total**
Revenue						
Revenue from external customers	$ 101,891	12,619	8,021	317	-	122,848
Revenue from segments	214	-	62,281	-	(62,495)	-
Total revenue	**$ 102,105**	**12,619**	**70,302**	**317**	**(62,495)**	**122,848**
Reportable segment profit (loss)	**$ (708)**	**(1,376)**	**(21,021)**	**(2,821)**	**11,073**	**(14,853)**
Reportable segment assets						**$ 808,860**
Reportable segment liabilities						**$ 445,468**

	For the three months ended June 30, 2025					
	Europe	**America**	**Taiwan**	**Others**	**Adjustment & Elimination**	**Total**
Revenue						
Revenue from external customers	$ 99,460	17,629	8,842	291	-	126,222
Revenue from segments	903	(1)	61,271	-	(62,173)	-
Total revenue	**$ 100,363**	**17,628**	**70,113**	**291**	**(62,173)**	**126,222**
Reportable segment profit (loss)	**$ (1,897)**	**(802)**	**(28,524)**	**(1,973)**	**10,894**	**(22,302)**
Reportable segment assets						**$ 864,156**
Reportable segment liabilities						**$ 469,638**

	For the six months ended June 30, 2026					
	Europe	**America**	**Taiwan**	**Others**	**Adjustment & Elimination**	**Total**
Revenue						
Revenue from external customers	$ 194,607	22,181	18,677	491	-	235,956
Revenue from segments	410	-	120,784	-	(121,194)	-
Total revenue	**$ 195,017**	**22,181**	**139,461**	**491**	**(121,194)**	**235,956**
Reportable segment profit (loss)	**$ (1,465)**	**(2,243)**	**(40,044)**	**(3,971)**	**20,944**	**(26,779)**
Reportable segment assets						**$ 808,860**
Reportable segment liabilities						**$ 445,468**

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

	For the six months ended June 30, 2025					
	Europe	**America**	**Taiwan**	**Others**	**Adjustment & Elimination**	**Total**
Revenue						
Revenue from external customers	$ 188,461	38,465	14,594	725	-	242,245
Revenue from segments	957	2	134,369	-	(135,328)	-
Total revenue	**$ 189,418**	**38,467**	**148,963**	**725**	**(135,328)**	**242,245**
Reportable segment profit (loss)	**$ (7,220)**	**(3,346)**	**(56,588)**	**(13,088)**	**28,006**	**(52,236)**
Reportable segment assets						**$ 864,156**
Reportable segment liabilities						**$ 469,638**