Stock Code:6693

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024

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Independent Auditors' Review Report

To the Board of Directors of inergy Technology Inc. :

Introduction

We have reviewed the accompanying consolidated balance sheets of inergy Technology Inc. and its subsidiaries as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income, for the three months and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material 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

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.

Conclusion

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 inergy Technology Inc. and its subsidiaries as of June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 2025 and 2024 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.

The engagement partners on the reviews resulting in this independent auditors' review report are Yang, Yun-Chu and Chen, Ya-Ling.

KPMG

Taipei, Taiwan (Republic of China)
August 1, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of 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 auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2025		December 31, 2024		June 30, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**						
1100	Cash and cash equivalents (note 6(a))	$ 588,841	36	759,618	42	713,147	42
1172	Notes and accounts receivable, net (notes 6(c) and (p))	207,509	13	205,892	11	126,454	8
1200	Other receivables	981	-	1,904	-	1,060	-
130x	Inventories (note 6(d))	286,671	17	280,991	16	198,431	12
1476	Other current financial assets (notes 6(h) and 9)	76,654	5	124,208	7	109,681	7
1479	Other current assets (notes 6(h) and 9)	12,184	1	14,291	1	19,920	1
	Total current assets	1,172,840	72	1,386,904	77	1,168,693	70
15xx	**Non-current assets:**						
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	34,830	2	36,405	2	34,740	2
1600	Property, plant and equipment (notes 6(e), 8 and 9)	315,231	19	320,740	18	315,634	19
1755	Right-of-use assets (note 6(f))	7,320	-	6,972	-	3,556	-
1780	Intangible assets (note 6(g))	7,769	1	7,706	-	8,937	1
1840	Deferred tax assets	35,390	2	15,212	1	25,113	1
1920	Guarantee deposits paid (note 9)	26,061	2	12,684	1	106,038	6
1980	Other non-current financial assets (notes 6(h) and 8)	13,860	1	15,424	1	15,269	1
1995	Other non-current assets (note 6(h))	18,209	1	3,907	-	2,300	-
	Total non-current asset	458,670	28	419,050	23	511,587	30
1xxx	**Total assets**	**$ 1,631,510**	**100**	**1,805,954**	**100**	**1,680,280**	**100**

		June 30, 2025		December 31, 2024		June 30, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**						
2100	Short-term borrowings (notes 6(i) and (v))	$ 44,780	3	74,516	4	40,000	2
2130	Contract liabilities-current (note 6(p))	753	-	697	-	1,205	-
2170	Notes and accounts payable	125,472	8	198,354	11	133,063	8
2200	Other payables (notes 6(q) and 9)	80,288	5	46,198	3	32,216	2
2216	Dividends payable (note 6(n))	91,440	5	-	-	45,720	3
2230	Current tax liabilities	-	-	15,188	1	21,427	1
2280	Lease liabilities-current (notes 6(j) and (v))	3,584	-	3,025	-	1,718	-
2320	Long term liabilities, current portion (notes 6(i) and 8)	14,929	1	14,780	1	14,632	1
2399	Other current liabilities (notes 6(i) and 9)	36,229	2	36,298	2	35,907	2
	Total current liabilities	397,475	24	389,056	22	325,888	19
25xx	**Non- current liabilities:**						
2540	Long-term borrowings (notes 6(i) and 8)	158,180	10	165,682	9	173,109	11
2550	Non-current provisions (notes 6(k) and 9)	39,802	3	-	-	-	-
2570	Deferred tax liabilities	3,652	-	3,652	-	-	-
2580	Lease liabilities-non-current (notes 6(j) and (v))	3,936	-	4,134	-	1,896	-
2645	Guarantee deposits received (note 9)	-	-	35,000	2	35,000	2
	Total non-current liabilities	205,570	13	208,468	11	210,005	13
2xxx	**Total liabilities**	603,045	37	597,524	33	535,893	32
31xx	**Equity (notes 6(b) and (n)):**						
3110	Ordinary shares	457,200	28	457,200	25	457,200	27
3200	Capital surplus	570,003	35	570,003	32	570,003	34
3300	Retained earnings	14,190	1	185,320	10	122,859	7
3400	Other equity	(4,501)	-	(4,093)	-	(5,675)	-
3500	Treasury shares	(8,427)	(1)	-	-	-	-
3xxx	**Total equity**	1,028,465	63	1,208,430	67	1,144,387	68
2-3xxx	**Total liabilities and equity**	**$ 1,631,510**	**100**	**1,805,954**	**100**	**1,680,280**	**100**

See accompanying notes to consolidated financial statements.

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2025 and 2024

(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			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (note 6(p))**	$ 322,597	100	247,608	100	636,018	100	492,246	100
5000	**Operating costs (notes 6(d), (e), (f), (l), (q) and 12)**	238,129	74	156,250	63	471,399	74	333,624	68
5900	**Gross profit from operations**	84,468	26	91,358	37	164,619	26	158,622	32
6000	**Operating expenses (notes 6(e), (f), (j), (k), (l), (q), 7 and 12):**								
6100	Selling expenses	11,682	4	10,526	4	23,397	4	20,288	4
6200	Administrative expenses	17,403	5	17,311	7	87,465	14	34,669	7
6300	Research and development expenses	27,548	8	22,588	9	54,082	8	44,733	9
	Total operating expenses	56,633	17	50,425	20	164,944	26	99,690	20
6900	**Net operating income**	27,835	9	40,933	17	(325)	-	58,932	12
7000	**Non-operating income and expenses (notes 6(b), (j) and (r)):**								
7100	Interest income	2,591	1	5,724	2	4,985	1	10,068	2
7010	Other income	1,026	-	323	-	1,154	-	636	-
7020	Other gains and losses	(115,346)	(36)	11,355	4	(104,381)	(17)	44,780	9
7050	Finance costs	(1,139)	-	(1,211)	-	(2,321)	-	(2,309)	-
	Total non-operating income and expenses	(112,868)	(35)	16,191	6	(100,563)	(16)	53,175	11
7900	**(Loss) income before tax**	(85,033)	(26)	57,124	23	(100,888)	(16)	112,107	23
7950	**Less: Income tax (benefits) expenses (note 6(m))**	(18,027)	(5)	11,155	4	(21,198)	(3)	22,151	5
8000	**Net (loss) income**	(67,006)	(21)	45,969	19	(79,690)	(13)	89,956	18
8300	**Other comprehensive income (notes 6(b) and (n)):**								
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	3,420	1	153	-	(1,575)	-	1,809	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	3,420	1	153	-	(1,575)	-	1,809	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	1,478	1	(121)	-	1,167	-	(468)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	1,478	1	(121)	-	1,167	-	(468)	-
8300	**Other comprehensive income**	4,898	2	32	-	(408)	-	1,341	-
8500	**Total comprehensive income**	**$ (62,108)**	**(19)**	**46,001**	**19**	**(80,098)**	**(13)**	**91,297**	**18**
	(Loss) profit attributable to:								
8610	Owners of parent	**$ (67,006)**	**(21)**	**45,969**	**19**	**(79,690)**	**(13)**	**89,956**	**18**
	Comprehensive income attributable to:								
8710	Owners of parent	**$ (62,108)**	**(19)**	**46,001**	**19**	**(80,098)**	**(13)**	**91,297**	**18**
	Earnings per share (expressed in New Taiwan dollars) (note 6(o))								
9750	**Basic earnings per share**	**$ (1.46)**		**1.01**		**(1.74)**		**1.97**	
9850	**Diluted earnings per share**	**$ (1.46)**		**1.01**		**(1.74)**		**1.97**	

See accompanying notes to consolidated financial statements.

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interests	Treasury shares	Total equity
Balance at January 1, 2024	$ 457,200	594,692	23,867	6,027	24,040	53,934	553	(7,569)	(7,016)	-	1,098,810
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	1,631	-	(1,631)	-	-	-	-	-	-
Special reserve	-	-	-	989	(989)	-	-	-	-	-	-
Cash dividends	-	(24,689)	-	-	(21,031)	(21,031)	-	-	-	-	(45,720)
Net income	-	-	-	-	89,956	89,956	-	-	-	-	89,956
Other comprehensive income	-	-	-	-	-	-	(468)	1,809	1,341	-	1,341
Total comprehensive income	-	-	-	-	89,956	89,956	(468)	1,809	1,341	-	91,297
Balance at June 30, 2024	**$ 457,200**	**570,003**	**25,498**	**7,016**	**90,345**	**122,859**	**85**	**(5,760)**	**(5,675)**	**-**	**1,144,387**
Balance at January 1, 2025	$ 457,200	570,003	25,498	7,016	152,806	185,320	2	(4,095)	(4,093)	-	1,208,430
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	15,241	-	(15,241)	-	-	-	-	-	-
Special reserve	-	-	-	(2,923)	2,923	-	-	-	-	-	-
Cash dividends	-	-	-	-	(91,440)	(91,440)	-	-	-	-	(91,440)
Net loss	-	-	-	-	(79,690)	(79,690)	-	-	-	-	(79,690)
Other comprehensive income	-	-	-	-	-	-	1,167	(1,575)	(408)	-	(408)
Total comprehensive income	-	-	-	-	(79,690)	(79,690)	1,167	(1,575)	(408)	-	(80,098)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(8,427)	(8,427)
Balance at June 30, 2025	**$ 457,200**	**570,003**	**40,739**	**4,093**	**(30,642)**	**14,190**	**1,169**	**(5,670)**	**(4,501)**	**(8,427)**	**1,028,465**

See accompanying notes to consolidated financial statements.

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2025	2024
Cash flows from (used in) operating activities:		
(Loss) income before tax	$ (100,888)	112,107
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	17,466	16,715
Amortization expense	1,168	1,858
Interest expense	2,321	2,309
Interest income	(4,985)	(10,068)
Dividend income	(900)	-
Others	39,522	-
Total adjustments to reconcile profit (loss)	54,592	10,814
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes and accounts receivable	(5,568)	5,594
Decrease in other receivable	761	5
(Increase) decrease in inventories	(6,326)	3,399
Decrease in other current assets	2,677	4,607
Total changes in operating assets	(8,456)	13,605
Changes in operating liabilities:		
Increase in contract liabilities	104	823
(Decrease) increase in notes and accounts payable	(72,883)	44,435
Increase in other payables	27,421	5,691
Increase in other current liabilities	196	281
Total changes in operating liabilities	(45,162)	51,230
Total changes in operating assets and liabilities	(53,618)	64,835
Total adjustments	974	75,649
Cash (outflow) inflow generated from operations	(99,914)	187,756
Income taxes paid	(14,755)	(15,298)
Net cash flows (used in) from operating activities	(114,669)	172,458
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(22,848)	(12,064)
Decrease (increase) in refundable deposits	34,148	(5,778)
Acquisition of intangible assets	(263)	(148)
Decrease (increase) in other financial assets	1,564	(789)
Interest received	6,047	10,050
Net cash flows from (used in) investing activities	18,648	(8,729)
Cash flows from (used in) financing activities:		
Proceeds from short-term borrowings	-	40,000
Repayment of short-term borrowings	(30,000)	-
Repayment of long-term borrowings	(7,353)	(7,243)
Decrease in guarantee deposits received	(35,000)	(25,000)
Payment of lease liabilities	(1,756)	(1,835)
Payments to acquire treasury shares	(4,115)	-
Interest paid	(2,133)	(2,272)
Net cash flows (used in) from financing activities	(80,357)	3,650
Effect of exchange rate changes on cash and cash equivalents	5,601	(973)
Net (decrease) increase in cash and cash equivalents	(170,777)	166,406
Cash and cash equivalents at beginning of period	759,618	546,741
Cash and cash equivalents at ending of period	**$ 588,841**	**713,147**

See accompanying notes to consolidated financial statements.

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Inergy Technology Inc. (the "Company") was incorporated on November 1, 2007 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 8F-3 , No.8 Taiyuan 2nd St., Jhubei City., Hsinchu County, Taiwan. inergy Technology Inc. and its subsidiaries ("the Group") major operating activities are product designing, and wholesale and retail sale of electrical appliance, and wholesale and retail sale of electronic materials, and international trade.

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

The consolidated financial statements were authorized for issuance by the Board of Directors on August 1, 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 amendment, 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 assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- 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"

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INERGY TECHNOLOGY 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 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:

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

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 19 “Subsidiaries without Public Accountability: Disclosures”

(4) Summary of material accounting policies:

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.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and 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 (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**June 30, 2025**	**December 31, 2024**	**June 30, 2024**
The Company	Guanghong Power drive (Shenzhen) electronic technology co., LTD.	Selling of eletronic products	100 %	100 %	100 %

(ii) Subsidiaries excluded the consolidated financial statements: None.

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital suplus is not sufficient to be written down).

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(e) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim 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. However, the Group incurs a pretax loss for interim reporting period and anticipates having a tax expense for the full year when the management estimates its effective annual tax rate. An amount of deferred income tax benefit is recognized by multiplying pretax loss for the interim reporting period with the effective annual tax rate. Deferred income tax assets are adjusted relatively.

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.

The preparation of the consolidated interim 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 to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(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 consolidated financial statements for the year ended December 31, 2024. Please refer to note 6 of the consolidated financial statements.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(a) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	$ 271	242	334
Demand and checking deposits	303,132	487,096	453,213
Time deposits	285,438	108,355	97,350
Cash equivalents (investments in bonds sold under repurchase agreement)	-	163,925	162,250
	$ 588,841	**759,618**	**713,147**

Please refer to note 6(s) for the currency risk and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Non-current financial assets at fair value through other comprehensive income

	June 30, 2025	December 31, 2024	June 30, 2024
Domestic listed companies	**$ 34,830**	**36,405**	**34,740**

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

During the six months ended June 30, 2025 and 2024, the group received dividend income $900 and $0, respectively, of the equity investment designated at fair value though other comprehensive income.

There were no disposals of equity securities as at fair value through other comprehensive income and transfers of any cumulative gain or loss within equity relating to these investments as of June 30, 2025 and 2024.

(i) For credit and market risk, please refer to note 6(s).

(ii) The aforementioned financial assets were not pledged.

(c) Notes and accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	$ 6,342	4,302	4,137
Accounts receivable	201,167	201,590	122,317
Less: loss allowance	-	-	-
	$ 207,509	**205,892**	**126,454**

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivable. To measure the expected credit losses, notes and 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 provision was determined as follows:

	June 30, 2025		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 180,065	-	-
Overdue within 90 days	27,444	-	-
	$ 207,509		**-**

	December 31, 2024		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 186,087	-	-
Overdue within 90 days	19,805	-	-
	$ 205,892		**-**

	June 30, 2024		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 124,856	-	-
Overdue within 90 days	1,598	-	-
	$ 126,454		**-**

There were no provisions or reversals of expected credit losses for the six months ended June 30, 2025 and 2024.

The Group's notes and accounts receivable were not discounted and pledged. For further credit risk information, please refer to note 6(s).

(d) Inventories

	June 30, 2025	**December 31, 2024**	**June 30, 2024**
Raw materials	$ 27,993	8,499	7,790
Work in process	190,460	218,968	141,715
Merchandise and finished goods	68,218	53,524	48,926
	$ 286,671	**280,991**	**198,431**

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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Except for cost of goods sold and inventories recognized as expenses, the remaining gains or losses which were recognized as operating cost or deduction of operating cost were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	**2024**	**2025**	**2024**
Losses (gains) on valuation of inventories	$ (3,345)	(25,990)	3,089	(27,807)

(i) The aforementioned gains on valuation of inventories were due to inventories, which had been recognized loss on valuation, had been sold or used.

(ii) The Group's inventories were not pledged.

(e) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the six months ended June 30, 2025 and June 30, 2024, were as follows :

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Office equipment	Lease improvement	Total
Cost:								
Balance at January 1, 2025	$ 73,697	195,627	116,607	1,297	1,234	10,848	802	400,112
Additions	-	1,336	6,067	-	41	879	-	8,323
Disposals	-	-	(11,624)	-	(31)	(4,321)	-	(15,976)
Reclassification (Note)	-	660	1,313	-	-	-	-	1,973
Effect of exchange rate changes	-	-	(53)	(116)	-	(13)	(19)	(201)
Balance at June 30, 2025	$ 73,697	197,623	112,310	1,181	1,244	7,393	783	394,231
Balance at January 1, 2024	$ 73,697	195,360	102,965	1,211	1,125	9,467	593	384,418
Additions	-	-	3,641	1,320	71	671	-	5,703
Disposals	-	-	(4,097)	-	-	(460)	-	(4,557)
Reclassification (Note)	-	-	6,037	-	-	-	-	6,037
Effect of exchange rate changes	-	-	16	14	-	6	-	36
Balance at June 30, 2024	$ 73,697	195,360	108,562	2,545	1,196	9,684	593	391,637
Accumulated depreciation:								
Balance at January 1, 2025	$ -	21,945	49,599	162	602	6,779	285	79,372
Depreciation	-	3,051	11,118	106	104	1,208	86	15,673
Disposals	-	-	(11,624)	-	(31)	(4,321)	-	(15,976)
Effect of exchange rate changes	-	-	(35)	(22)	-	(8)	(4)	(69)
Balance at June 30, 2025	$ -	24,996	49,058	246	675	3,658	367	79,000
Balance at January 1, 2024	$ -	15,863	43,019	1,211	402	5,007	173	65,675
Depreciation	-	3,039	10,448	55	98	1,180	49	14,869
Disposals	-	-	(4,097)	-	-	(460)	-	(4,557)
Effect of exchange rate changes	-	-	10	1	-	5	-	16
Balance at June 30, 2024	$ -	18,902	49,380	1,267	500	5,732	222	76,003
Carrying value:								
Balance at January 1, 2025	$ 73,697	173,682	67,008	1,135	632	4,069	517	320,740
Balance at June 30, 2025	$ 73,697	172,627	63,252	935	569	3,735	416	315,231
Balance at January 1, 2024	$ 73,697	179,497	59,946	-	723	4,460	420	318,743
Balance at June 30, 2024	$ 73,697	176,458	59,182	1,278	696	3,952	371	315,634

(Note): Reclassifications are mainly the prepayments for business facilities being reclassified to property,plant and equipment.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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As of June 30, 2025, December 31 and June 30, 2024, the property, plant, and equipment were subject to a registered debenture to secured bank loans and credit lines, the collateral for these long-term borrowings were disclosed in note 8.

(f) Right-of-use assets

The Group leases buildings and structures and equipment. The movements in right-of-use assets were as follows:

	Buildings and structures	Equipment	Total
Cost:			
Balance at January 1, 2025	$ 11,337	636	11,973
Additions	-	2,859	2,859
Decreases	-	(1,271)	(1,271)
Effect of exchange rate changes	(472)	-	(472)
Balance at June 30, 2025	**$ 10,865**	**2,224**	**13,089**
Balance at January 1, 2024	$ 10,825	1,883	12,708
Additions	-	636	636
Decreases	-	(1,883)	(1,883)
Effect of exchange rate changes	141	-	141
Balance at June 30, 2024	**$ 10,966**	**636**	**11,602**
Accumulated depreciation:			
Balance at January 1, 2025	$ 4,365	636	5,001
Depreciation	1,466	327	1,793
Decreases	-	(901)	(901)
Effect of exchange rate changes	(124)	-	(124)
Balance at June 30, 2025	**$ 5,707**	**62**	**5,769**
Balance at January 1, 2024	$ 6,084	1,883	7,967
Depreciation	1,529	317	1,846
Decreases	-	(1,883)	(1,883)
Effect of exchange rate changes	116	-	116
Balance at June 30, 2024	**$ 7,729**	**317**	**8,046**
Carrying value:			
Balance at January 1, 2025	**$ 6,972**	**-**	**6,972**
Balance at June 30, 2025	**$ 5,158**	**2,162**	**7,320**
Balance at January 1, 2024	**$ 4,741**	**-**	**4,741**
Balance at June 30, 2024	**$ 3,237**	**319**	**3,556**

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Intangible assets

		Computer Software
Carrying value:		
Balance at January 1, 2025	$	7,706
Balance at June 30, 2025	$	7,769
Balance at January 1, 2024	$	10,646
Balance at June 30, 2024	$	8,937

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2025 and 2024. Information on amortization for the period is discussed in note 12. Please refer to note 6(g) to the 2024 annual consolidated financial statements for other related information.

As of June 30, 2025 and 2024, the intangible assets were not pledged.

(h) Other financial assets, other current assets and other non-current assets

The details of the Group's other current financial assets were as follows:

		June 30, 2025	December 31, 2024	June 30, 2024
Guarantee deposits paid	$	76,654	124,208	109,681

The details of the Group's other current assets were as follows:

		June 30, 2025	December 31, 2024	June 30, 2024
Prepayments to suppliers	$	1,239	1,443	10,978
Tax refund		3,609	6,396	4,208
Others		7,336	6,452	4,734
	$	12,184	14,291	19,920

The details of the Group's other non-current financial assets were as follows:

		June 30, 2025	December 31, 2024	June 30, 2024
Restricted deposits	$	13,860	15,424	15,269

The details of the Group's other non-current assets were as follows:

		June 30, 2025	December 31, 2024	June 30, 2024
Prepayments for equipment	$	18,209	3,907	2,300

As of June 30, 2025, December 31 and June 30, 2024, the restricted deposits of the Group had been pledged as collateral, please refer to note 8.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(i) Short-term and long-term borrowings

The details of the Group for short-term borrowings were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank borrowings (in NTD)	$ 44,780	74,516	40,000
Annual interest rate	0.5%~2.025%	0.5%~2.12%	2.025%~2.06%

The details of the Group for long-term borrowings were as follows:

	June 30, 2025			
	Currency	Interest rate	Expiration	Amount
Secured long-term borrowings	NTD	1.975%～2.12%	2035/12/04～2036/01/21	$ 173,109
Less: Current portion				14,929
Total				$ 158,180
Unused bank credit lines for short-term and long-term borrowings				$ 220,000

	December 31, 2024			
	Currency	Interest rate	Expiration	Amount
Secured long-term borrowings	NTD	1.975%～2.12%	2035/12/04～2036/01/21	$ 180,462
Less: Current portion				14,780
Total				$ 165,682
Unused bank credit lines for short-term and long-term borrowings				$ 250,000

	June 30, 2024			
	Currency	Interest rate	Expiration	Amount
Secured long-term borrowings	TWD	1.975%～2.12%	2035/12/04～2036/01/21	$ 187,741
Less: Current portion				14,632
Total				$ 173,109
Unused bank credit lines for short-term and long-term borrowings				$ 270,000

(i) For collateral for long-term borrowings, please refer to note 8.

(ii) Government credit guarantee low-interest loans

On December 2, 2024, an additional unsecured bank loan of NTD35,000 was obtained, with an annual interest rate of 0.5%, maturing on December 2, 2025. This loan was secured under the "Guidelines for the Ministry of Economic Affairs' Project Loans to Assist SMEs in Low-Carbon and Smart Transformation Development and Optimization of Infrastructure for Regulated and Specific Factories," and was obtained as a low-interest project loan from E.SUN Bank, fully guaranteed by the domestic government. The loan disbursement is recognized and measured at market interest rates, with the difference between the actual preferential interest rate and the market rate, in accordance with government grants, recognized as deferred income under other current liabilities.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	$ 3,584	3,025	1,718
Non-current	$ 3,936	4,134	1,896

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest expenses on lease liabilities	$ 44	17	97	39
Expenses relating to short-term leases	$ 23	21	78	69
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 30	30	62	66

The amounts recognized in the statement of cash flows by the Group were as follows:

	For the six months ended June 30	
	2025	2024
Total cash outflow for leases	$ 1,993	2,009

The Group leases buildings and structures for plants and office space. The leases of them typically run for a period of 1 to 5 years. The Group leases transportation equipment, with lease terms of 1 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Group also leases office and office equipment with contract terms of 1 to 2 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(k) Provisions

	June 30, 2024	December 31, 2024	June 30, 2024
Litigation provisions	$ 39,802	-	-

Litigation provisions are recognized by the Group as liabilities for pending lawsuits base on the assessment of potential future cash outflows. Please refer to note 9 for other related information.

(l) Employee benefits

(i) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

(ii) The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $1,141, $943, $2,267 and $1,843 for the three months and six months ended June 30, 2025 and 2024, respectively.

(iii) The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

The Group recognized the pension costs in accordance with the pension regulations were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Operating expense	$ 246	252	522	469

(m) Income taxes

(i) Income tax (benefits) expenses

The components of income tax (benefits) expenses were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Current tax (benefits) expenses	$ (1,020)	11,155	(1,020)	22,151
Deferred tax benefits	(17,007)	-	(20,178)	-
Income tax (benefits) and expenses	$ (18,027)	11,155	(21,198)	22,151

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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The Group did not recognized any amount of income tax expense in equity and other comprehensive income for the three months and six months ended June 30, 2025 and 2024.

(ii) Assessment

The Company's income tax returns for all years through 2023 were assessed by the tax authorities.

(n) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to June 30, 2025 and 2024. For the related information, please refer to note 6(m) to the consolidated financial statements for the year ended December 31, 2024.

(i) Ordinary shares

As of June 30, 2025, December 31 and June 30, 2024, the Company's authorized ordinary shares consisted of 60,000, 50,000 and 50,000 thousand shares, respectively, with a par value of $10 per share, amounting to $600,000, $500,000 and $500,000 of which 45,720 thousand shares were issued and outstanding.

(ii) Capital surplus

The balances of capital surplus were as follows:

	June 30, 2025	December 31, 2024	June 30, 2025
Cash subscription in excess of par value of shares	$ 569,928	569,928	569,928
Employee stock options	75	75	75
	$ 570,003	**570,003**	**570,003**

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 ordinary shares outstanding.

On June 14, 2024, the shareholders resolved to distribute the cash dividends from the Company's capital surplus for an amount of $24,689 with a face value of NTD0.54 per share. The related information can be found on websites such as the Market Observation Post System.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Retained earnings

The Company's article of incorporation stipulate that the Company's net earnings should first be used to offset any prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the Company's total paid-in capital. The remainder, if any, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted during the shareholders' meeting for approval.

As the Company is a technology intensive enterprise and is in its growth phase, it has adopted a more prudent approach in the appropriation of its remaining earnings as its dividend policy, in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth. Cash dividends and share dividends are appropriated in consideration of the Company's budget for capital expenditures, financial condition, and future operating cash flows. The amount of dividends to shareholders shall not be less than 10% of the profit from the current year. However, when the accumulated distributable surplus is less than 10% of the paid-in capital, it may not be distributed. No dividends can be distributed if the Company has no unappropriated earnings. Earnings can be distributed in cash or in shares. For cash dividends, the amount should not be lower than 10% of the total shareholders' dividends.

(iv) Earnings distribution

On June 6, 2025, the shareholders resolved to distribute the 2024 earnings; while on June 14, 2024, the shareholders resolved to distribute the 2023 earnings. The relevant dividend distributions to shareholders were as follows:

	2024		2023	
	Amount per share (in dollars)	**Total amount**	**Amount per share (in dollars)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 2.00	91,440	0.46	21,031

The related information mentioned above can be found on websites such as the Market Observation Post System.

(v) Treasury shares

In order to transfer shares to its employees, the Company decided to repurchase 1,500 thousand shares, at a price ranging from NT45 to NT88.07 per share, between June 4 and August 3, 2025, based on a resolution approved during its board meeting held on June 3, 2025. As of June 30, 2025, the Group has repurchased a total of 150 thousand shares for $8,427 thousand.

In accordance with the Securities and Exchange Act, treasury shares held by the Group may not be pledged, nor are they entitled to dividends or voting rights.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(vi) Other equity interests (net of taxes)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	$ 2	(4,095)	(4,093)
Exchange differences on translation of foreign financial statements	1,167	-	1,167
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	-	(1,575)	(1,575)
Balance at June 30, 2025	$ 1,169	(5,670)	(4,501)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	$ 553	(7,569)	(7,016)
Exchange differences on translation of foreign financial statements	(468)	-	(468)
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	-	1,809	1,809
Balance at June 30, 2024	$ 85	(5,760)	(5,675)

(o) Earnings per share

The Group's basic and diluted earnings per share were calculated as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Basic earnings per share:				
(Loss) profit attributable to ordinary shareholders of the Company	$ (67,006)	45,969	(79,690)	89,956
Weighted average number of ordinary shares outstanding (in thousands)	45,712	45,720	45,716	45,720
Basic earnings per share (in dollars)	$ (1.46)	1.01	(1.74)	1.97
Diluted earnings per share:				
(Loss) profit attributable to ordinary shareholders of the Company	$ (67,006)	45,969	(79,690)	89,956
Weighted average number of ordinary shares outstanding (in thousands)	45,712	45,720	45,716	45,720
Employee remuneration (thousands shares)	-	46	-	52
Weighted average ordinary shares outstanding (diluted) (thousands shares)	45,712	45,766	45,716	45,772
Diluted earnings per share (in dollars)	$ (1.46)	1.01	(1.74)	1.97

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For the three months and six months ended June 30, 2025, the employee compensation had anti-duluted effects and hence the employee compensation was not included in the calculation of effect on potentially duluted common stock.

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30		For the six months ended June 30	
	2025	**2024**	**2025**	**2024**
Primary geographical markets:				
Taiwan	$ 109,000	73,694	210,246	152,802
China	213,597	170,507	422,673	334,225
Vietman	-	3,398	3,099	5,205
Others	-	9	-	14
	$ **322,597**	**247,608**	**636,018**	**492,246**
Major products:				
Power semiconductor devices	$ 199,192	181,166	410,208	371,929
Brushless DC Motors	82,991	41,963	153,967	70,795
Cooling Fan Driver	40,307	23,810	71,685	48,077
Others	107	669	158	1,445
	$ **322,597**	**247,608**	**636,018**	**492,246**

(ii) Contract balance

	June 30, 2025	**December 31, 2024**	**June 30, 2024**
Notes receivable	$ 6,342	4,302	4,137
Accounts receivable	201,167	201,590	122,317
Less: loss allowance	-	-	-
Total	$ **207,509**	**205,892**	**126,454**
Contract liabilities-current	**$ 753**	**697**	**1,205**

For details on notes and accounts receivables and loss allowance, please refer to note 6(c).

The amount of revenue recognized for the six month ended June 30, 2025 and 2024 that were included in the contract liabilities balances at the beginning of the period were $624 and $320, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the integrated circuit sales contracts, for which revenue is recognized when products are delivered to customers.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(q) Remuneration to employees and directors

On June 6, 2025, the Company resolved at the shareholders’ meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 1%~15% shall be allocated as employee remuneration (including a minimum of 20% to those base-level employees) and a maximum of 5% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 1%~15% should be allocated as employee remuneration and no more than 5% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

The Company estimated its employees' and directors' remuneration were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	**2024**	**2025**	**2024**
Employees' remuneration	$ -	658	-	3,492
Directors' remuneration	-	832	-	1,413
	$ -	**1,490**	**-**	**4,905**

The abovementioned remuneration were calculated by using the Company's pretax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

For the years ended December 31, 2024 and 2023, the employees’ compensation amounted to $7,230 and $1,137, respectively, and directors’ compensation amounting to $2,300 and $116, respectively. There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the Company's financial statements of the years ended December 31, 2024 and 2023. The related information can be found on Market Observation Post System website.

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(r) Non-operating income and expenses

(i) Interest income

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest income from bank deposits	$ 2,590	5,722	4,983	10,065
Other interest income	1	2	2	3
	$ 2,591	5,724	4,985	10,068

(ii) Other income

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Rent income	$ 126	323	254	636
Dividend income	900	-	900	-
	$ 1,026	323	1,154	636

(iii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Foreign exchange gains (losses), net	$ (74,712)	11,295	(64,034)	44,525
Litigation loss	(40,624)	-	(40,624)	-
Others	(10)	60	277	255
	$ (115,346)	11,355	(104,381)	44,780

(iv) Finance costs

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest expense	$ 1,139	1,211	2,321	2,309

(s) Financial instruments

Except for the contention mentioned below, there was no significant change 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 instrument. For related information, please refer to note 6(r) to the consolidated financial statements for the year ended December 31, 2024.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of June 30, 2025, December 31 and June 30, 2024, the Group's notes and accounts receivable were concentrated on 5, 5 and 4 customers, whose accounts represented 69%, 70% and 60% of the total notes and accounts receivable, respectively. In order to reduce the credit risk on these notes and accounts receivable, the Group evaluates the financial status of these customers and possible loss of accounts receivable periodically.

3) Receivable and debt securities

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

Other financial assets at amortized cost includes other receivables, other financial assets and guarantee deposits paid, all of these financial assets are considered to have low credit risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g) to the consolidated financial statements for the year ended December 31, 2024.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-5 years	Over 5 years
June 30, 2025						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	$ 217,889	246,948	73,383	18,270	54,810	100,485
Notes and accounts payable	125,472	125,472	125,472	-	-	-
Other payables	80,288	80,288	80,288	-	-	-
Dividends payable	91,440	91,440	91,440	-	-	-
Lease liabilities	7,520	7,743	3,738	3,099	906	-
Guarantee deposits received	35,000	35,000	35,000	-	-	-
	$ 557,609	**586,891**	**409,321**	**21,369**	**55,716**	**100,485**
December 31, 2024						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	$ 254,978	276,610	93,550	18,270	54,810	109,980
Notes and accounts payable	198,354	198,354	198,354	-	-	-
Other payables	46,198	46,198	46,198	-	-	-
Lease liabilities	7,159	7,419	3,193	3,140	1,086	-
Guarantee deposits received	70,000	70,000	35,000	35,000	-	-
	$ 576,689	**598,581**	**376,295**	**56,410**	**55,896**	**109,980**

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-5 years	Over 5 years
June 30, 2024							
Non-derivative financial liabilities							
Long-term and short-term borrowings (including current portion)	$	227,741	250,497	58,302	18,270	54,810	119,115
Notes and accounts payable		133,063	133,063	133,063	-	-	-
Other payables		32,216	32,216	32,216	-	-	-
Dividends payable		45,720	45,720	45,720	-	-	-
Lease liabilities		3,614	3,674	1,757	1,278	639	-
Guarantee deposits received		70,000	70,000	35,000	35,000	-	-
	$	512,354	535,170	306,058	54,548	55,449	119,115

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

(iii) Currency risk

1) Exposure to credit risk

The Group's significant exposure to foreign currency risk were as follows:

		June 30, 2025			December 31, 2024			June 30, 2024		
		Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets										
Monetary items										
USD	$	14,422	29.300	422,570	27,342	32.785	896,400	28,795	32.450	934,402
CNY		66	4.0876	270	329	4.4889	1,477	231	4.4637	1,030
Financial liabilities										
Monetary items										
USD	$	9,220	29.300	270,154	8,054	32.785	264,049	6,193	32.450	200,970
CNY		200	4.0876	818	200	4.4889	898	202	4.4637	900
Non-monetary item										
CNY	$	2,632	4.0876	10,758	3,711	4.4889	16,659	3,562	4.4637	15,900

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets, guarantee deposits paid, notes and accounts payable, other payables, provisions that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and CNY as of June 30, 2025 and 2024, would have increased (decreased) the income (loss) before tax by $7,593 and $36,678, respectively. The analysis is performed on the same basis for the six months ended June 30, 2025 and 2024.

3) Foreign exchange gains and losses on monetary items

For the three months and six months ended June 30, 2025 and 2024, foreign exchange gains (losses) (including realized and unrealized portions) amounted to $(74,712), $11,295, $(64,034) and $44,525, respectively.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial liabilities.

The following sensitivity analysis is based on the exposure to interest rate risk of the non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was oustanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1%, the Group's net income (loss) would have increased / decreased by $915 and $1,139 for the six months ended June 30, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at floating variable rates.

(v) Other market price risk

For the six months ended June 30, 2025 and 2024, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the six months ended June 30			
	2025		2024	
Price of the securities at the reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 5%	$ 1,742	-	1,737	-
Decreasing 5%	$ (1,742)	-	(1,737)	-

(vi) Fair value

1) Categories and fair value of financial instruments

Except for the followings, carrying amount of the Group’s financial assets and liabilities are valuated approximately to their fair value, and are not based on observable market data and the value measurements which are not reliable. No additional fair value disclosure is required in accordance with the regulations.

	June 30, 2025				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic listed companies	$ 34,830	34,830	-	-	34,830

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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	December 31, 2024				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic listed companies	$ 36,405	36,405	-	-	36,405

	June 30, 2024				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic listed companies	$ 34,740	34,740	-	-	34,740

2) Valuation techniques of financial instruments valued at fair value

The fair value of non-derivative financial instruments traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with open bid.

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm' s length basis. Otherwise, the market is deemed to be inactive.

Normally, a market is considered to be inactive when:

- The bid-ask spread is increasing; or
- The bid-ask spread varies significantly; or
- There has been a significant decline in trading volume.

The fair value is based on the valuation techniques or the quotation from the counter-party. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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When the financial instrument of the Group is not traded in an active market, its fair value is listed by category and attribute as follows:

- Unquoted equity instruments: The fair value, which is discounted for its lack of liquidity in the market, is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share.

3) Level transfers of financial instruments

In March 2024, Micro Silicon Electronics Corp., which the Group holds an investment in equity shares of, listed its equity shares on a stock exchange and it is currently actively traded in the market. Because the equity shares now have published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy since the first quarter of 2024.

4) Movement of level 3

	Fair value through other comprehensive income	
	Unquoted equity instruments	
January 1, 2024	$	32,931
Total gains or losses:		
Recognized in other comprehensive income		1,656
Transfer out of level 3		(34,587)
June 30, 2024	$	-

(t) Management of financial risk

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(s) to the consolidated financial statements for the year ended December 31, 2024.

(u) 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 for the year ended December 31, 2024. Please refer to note 6(t) to the consolidated financial statements for the year ended December 31, 2024 for further details.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow were acquisitions of right-of-used assets under leases.

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Others	June 30, 2025
Short-term borrowings	$ 74,516	(30,000)	-	264	44,780
Lease liabilities	7,159	(1,756)	(353)	2,470	7,520
Total liabilities from financing activities	**$ 81,675**	**(31,756)**	**(353)**	**2,734**	**52,300**

	January 1, 2024	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Others	June 30, 2024
Lease liabilities	$ 4,791	(1,835)	22	636	3,614

(7) Related-party transactions

(a) Key management personnel remuneration

Key management personnel remuneration comprised:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	$ 4,263	5,120	8,156	9,209
Post-employment benefits	78	76	157	153
	$ 4,341	**5,196**	**8,313**	**9,362**

(b) Others related-party transactions: None.

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant, and equipment:				
Land and buildings and structures	Long-term borrowings	$ 246,324	247,379	250,155
Other non-current financial assets:	Payment guarantee and			
Restricted time deposits	tariff guarantee	13,860	15,424	15,269
		$ 260,184	**262,803**	**265,424**

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies:

(a) The Group's unrecognized material contractual commitments were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Acquisition of property, plant, and equipment	$ 18,483	-	3,695

(b) In order to control the supply of raw materials and the productivity of foundry, the Group sign several supply guarantee agreements with different suppliers, wherein the Group makes advance payment, which has a fixed amount and foundry production capacity, as well as pays guarantee deposits, to its supplier. The contracts have term periods ranging from 1 to 3 years. As of June 30, 2025, December 31 and June 30, 2024, the Group evaluated that all guarantee deposits are refunded. The details of prepayment to suppliers (recognized as other current assets) and guarantee deposits paid arising from the aforementioned contracts were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments to suppliers (recognized as other current assets)	$ -	-	8,413
Guarantee depostis paid	91,304	107,816	186,820
	$ 91,304	107,816	195,233

In addition, the Group entered into several supply agreements with a sales customer. The contracts have term periods ranging from 1 to 4 years. As of June 30, 2025, December 31 and June 30, 2024, the security deposits paid by the sales customer amounted to $35,000, $70,000 and $70,000, respectively, recognized as other current liabilities and guarantee deposits received. Also the guarantee notes issued by the Group for the aforementioned transactions were $35,000, $70,000 and $70,000, respectively.

(c) The Company’s end-customer has been accused of patent infringement in the United States District Court-Eastern District of Texas due to the use of MOSFET products, wherein the plaintiff is seeking to allocate the litigation costs and losses among several MOSFET product suppliers. Nonetheless, the Company is actively responding to, and defending against, the patent infringement lawsuit, in which the outcome of the litigation remains uncertain, and the substantive content of the case is still under evaluation.

As of June 30, 2025, the Company has assessed the reasonableness of the estimated expenses or losses during each financial reporting period based on the nature of the lawsuit, the potential significance of the related costs or losses, and the progress of the litigation. Necessary adjustments have been made in a manner the Company deems appropriate. However, the final amount will not be determined until the conclusion of the litigation.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(12) Other:

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

	For the three months ended June 30					
	2025			2024		
By function / By item	Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	104	28,698	28,802	104	24,228	24,332
Labor and health insurance	12	2,185	2,197	12	1,817	1,829
Pension	6	1,381	1,387	6	1,189	1,195
Remuneration of directors	-	519	519	-	1,147	1,147
Others	7	1,071	1,078	7	821	828
Depreciation	2,157	6,485	8,642	1,617	6,815	8,432
Amortization	-	593	593	-	900	900

	For the six months ended June 30					
	2025			2024		
By function / By item	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	208	56,442	56,650	208	49,038	49,246
Labor and health insurance	24	4,682	4,706	24	3,784	3,808
Pension	11	2,778	2,789	11	2,301	2,312
Remuneration of directors	-	856	856	-	1,998	1,998
Others	14	1,989	2,003	14	1,504	1,518
Depreciation	3,950	13,516	17,466	3,155	13,560	16,715
Amortization	-	1,168	1,168	-	1,858	1,858

(b) Seasonality of operations

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

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2025:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Significant marketable securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with Company	Account title	Ending balance				Notes
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Micro Silicon Electronics Corp.	-	Financial assets at fair value through other comprehensive income - non-current	900,000	34,830	1.31 %	34,830	-

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of paid-in-capital:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Guanghong Power Drive (Shenzhen) Elec.	The company's subsidiary	Sales	193,627	30.53 %	OA90	-	-	118,738	42.36%	(Note)

(Note): The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of paid-in-capital:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
The company	Guanghong Power Drive (Shenzhen) Elec.	The company's subsidiary	118,738	352.77 %	-		7,030	-	(None)

(Note): The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

(vi) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions				
				Account name (Note 3)	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 4)	Note
0	The company	Guanghong Power Drive (Shenzhen) Elec.	1	Accounts receivable	118,738	OA90	7.28%	(Note)
"	"	"	1	Operating revenue	193,627	OA90	30.44%	(Note)

Note: The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

Note 1: Company numbering is as follows:

Parent company－0

Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties is as follows:

Parent company to subsidiary－1

Subsidiary to parent company－2

Subsidiary to subsidiary－3

Note 3: The section only discloses the information of sales and accounts receivable of inter-company transactions. The purchase and accounts payable of counter-party is not disclosed due to duplicate.

Note 4: Calculated by using the transaction amount, divided by the consolidated operating revenues and total assets.

(b) Information on investees (excluding information on investees in mainland China): None

(c) Information on investment in mainland China:

The following are the information on investment in mainland China for the six months ended June 30, 2025:

(i) The names of investees in mainland China, the main businesses and products, and other information:

Name of invested	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan at the beginning of this period	Investment flows		Accumulated outflow of investment from Taiwan at the end of this period	Net income (losses) of the investee (Note2)	Direct/Indirect percentage of ownership by the Company	Investment income (loss) recognized (Note2)	Carrying amount at the end of this period	Accumulated remittance of earnings in current period	Notes
					Outflow	Inflow							
Guanghong Power Drive (Shenzhen) Elec.	Electronic sales	9,675 (USD 300)	(Note 1)	9,675 (USD 300)	-	-	9,675 (USD 300)	4,735	100.00%	4,735	(11,795)	-	(Note)

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Limitation on investment in mainland China:

Accumulated Investment in mainland China as of June 30, 2025 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment (Note 4)
9,675 (USD 300)	9,675 (USD 300)	617,079

Note : The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

Note 1: The Company invested in mainland China directly.

Note 2: The amount of net income (losses) was recognized based on the financial statements of the investee company reviewed by the same auditor of the parent company.

Note 3: The investment was recorded at the exchange rate prevailing at transaction date.

Note 4: Amount of upper limit on investment was sixty percentage of total equity.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(14) Segment information:

The Group has one reportable segment. This segment is mainly involved in manufacturing and selling of integrated circuit. The segment information is the same as those described in the consolidated financial reports. Please refer to the consolidated balance sheets and the consolidated income statement.