

Stock Code : 4807

**REGAL HOLDING CO., LTD. AND  
SUBSIDIARIES**

**Consolidated Financial Statements  
With Independent Auditors' Report**

**For the Second Quarters of 2025 and 2024**

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## **Independent Auditors' Review Report**

To the Board of Directors of  
Regal Holding Co., Ltd.:

### **Opinion**

We have audited the consolidated financial statements of Regal Holding Co., Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of balance sheets as of June 30, 2025 and 2024, and the consolidated statement of comprehensive income, changes in equity and cash flows for the three months ended June 30, 2025 and 2024, and six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months ended June 30, 2025 and 2024, and 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 with the IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. (Taiwan).

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the second quarter of 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon; we do not provide a separate opinion on these matters. The key audit matter determined to be communicated in our auditors' report is as follows:

## **1. Revenue Recognition**

For the accounting policies on revenue recognition, please refer to Note 4(13) “Revenue Recognition” of the 2024 consolidated financial statements; for related disclosures on revenue, please refer to Note 6(15) of the consolidated financial statements.

Description of the Key Audit Matter:

The consolidated company’s sales revenue is the primary indicator used by investors and management to evaluate the company’s financial or business performance and is of significant concern to the investing public. Therefore, the accuracy of the timing and amount of revenue recognition has a material impact on the consolidated financial statements and was thus identified as a key audit matter.

Audit Procedures in Response:

The primary audit procedures performed by the auditor in response to the above key audit matter included: testing the design and operating effectiveness of internal controls over the sales and collection cycle; performing trend analysis on revenues from the top ten customers and comparing relevant changes or variances to assess whether any significant anomalies existed; examining supporting documents for selected sales transactions to evaluate the accuracy of revenue recognition timing; and testing samples of sales transactions occurring around the end of the reporting period to assess the appropriateness of the period to which the revenues were attributed and the accuracy of their recognition.

## **2. Subsequent Measurement of Inventories.**

For the accounting policies on the subsequent measurement of inventories, please refer to Note 4(8) “Inventories” of the 2024 consolidated financial statements. For accounting estimates and uncertainties in assumptions related to inventory valuation, please refer to Note 5 of the 2024 consolidated financial statements. For information on the subsequent measurement of inventories, please refer to Note 6(4) “Inventories” of the consolidated financial statements.

Description of the Key Audit Matter:

The consolidated company’s inventories mainly comprise jewelry, accessories, and related raw materials. As fashion trends change rapidly, existing inventories may become outdated or no longer meet market demand, creating a risk that the cost of inventories could exceed their net realizable value. Since the subsequent measurement of inventories relies on management’s assessment based on various internal and external evidence, this matter was identified as a key audit matter.

Audit Procedures in Response:

The primary audit procedures performed by the auditor included assessing the reasonableness of

the accounting policy for subsequent measurement of inventories; reviewing the inventory aging report and analyzing the reasonableness of changes in inventory aging, followed by sample testing to verify the accuracy of the aging information; obtaining the report used to assess the net realizable value of inventories to understand the reasonableness of the selling prices adopted by management in determining the provision for inventory write-downs at period-end; selecting samples to verify related supporting documents in order to confirm the accuracy of the net realizable value of inventories; and evaluating whether management's disclosures related to the subsequent measurement of inventories were appropriate.

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

Management's responsibilities include preparing consolidated financial statements that present fairly, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, *Interim Financial Reporting*, as endorsed and made effective by the Financial Supervisory Commission, and maintaining necessary internal controls relevant to the preparation of consolidated financial statements to ensure that they are free from material misstatement, whether due to fraud or error.

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

Those charged with governance of the consolidated company (including the Audit Committee) are responsible for overseeing the financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

The objective of the auditor's audit of the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report thereon. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with auditing standards does not guarantee that a material misstatement in the consolidated financial statements will always be detected. Misstatements can arise from fraud or error. They could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements..

When conducting the audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism to perform the following procedures:

1. Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as a basis for our audit opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls, the risk of not detecting a material misstatement due to fraud is higher than that due to error.
2. Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
3. Evaluate the appropriateness of the accounting policies used by management and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, conclude on the appropriateness of management's use of the going concern basis of accounting and whether there is any material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that such events or conditions exist, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements, or if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on audit evidence obtained up to the date of the auditors' report; future events or conditions may, however, cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the components within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit and for forming the audit opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls identified during the audit.

We also provide those charged with governance with a statement that personnel of our firm have complied with the independence requirements of the Code of Professional Ethics for Certified Public

Accountants and communicate all relationships and other matters that may reasonably be thought to bear on our independence, as well as related safeguards.

From these communications, we determine the key audit matters of the consolidated financial statements for the second quarter of 2025. We describe these matters in our auditors' report, unless laws or regulations preclude public disclosure of a matter, or in extremely rare circumstances, we determine that the adverse consequences of communicating a matter would reasonably be expected to outweigh the public interest benefit of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chun-I Chang and Jia-Han Wu.

KPMG

Taipei, Taiwan (Republic of China)

August 26, 2025

REGAL HOLDING CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

		2025.6.30		2024.12.31		2024.6.30				2025.6.30		2024.12.31		2024.6.30	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
11xx	<b>Current assets:</b>							21xx	<b>Current liabilities:</b>						
1100	Cash and cash equivalents (note 6(a))	\$ 160,564	11	64,249	4	123,167	9	2100	Short-term loans (Note 6 (i) and 8)	\$ 582,371	39	558,134	35	390,148	30
1170	Trade receivables, net (note 6(b)and (p))	428,153	28	513,756	32	278,225	21	2150	Notes payables	360	-	39	-	140	-
1200	Other receivables (note 6 (c))	7,686	1	10,104	1	7,874	1	2170	Trade payables	17,613	1	19,100	1	17,251	1
1220	Current tax assets	24,760	2	13,180	1	8,386	1	2200	Other payables	54,564	3	74,843	5	46,202	4
130x	Inventories (note 6 (d))	430,628	28	496,795	31	444,041	34	2230	Current Income Tax Liabilities	2,277	-	-	-	-	-
1470	Other current assets	20,845	1	18,938	1	18,056	1	2280	Current lease liabilities (note 6 (j))	594	-	636	-	624	-
1476	Other Financial Assets – Current (note 8)	13,543	1	14,435	1	-	-	2322	Long-term loans, current portion (note 6 (i))	3,792	-	4,042	-	3,724	-
	<b>Total current assets</b>	<u>1,086,179</u>	<u>72</u>	<u>1,131,457</u>	<u>71</u>	<u>879,749</u>	<u>67</u>	2399	Other current liabilities – others (note 6 (o))	12,268	1	10,808	1	3,566	-
15xx	<b>Non-current assets :</b>								<b>Total current liabilities</b>	<u>673,839</u>	<u>44</u>	<u>667,602</u>	<u>42</u>	<u>461,655</u>	<u>35</u>
1600	Property, plant and equipment (note 6(f) 、 8 and 9)	328,966	22	360,535	23	353,195	27	25xx	<b>Non-current liabilities:</b>						
1755	Right-of-use assets (note 6 (g) and (k))	596	-	920	-	1,245	-	2540	Long-term loans (note 6 (i))	10,338	1	13,039	1	11,947	1
1780	Intangible assets (note 6 (h))	15,088	1	16,948	1	17,774	1	2570	Deferred tax liabilities	28,139	2	28,139	2	27,374	2
1840	Deferred tax assets	68,652	4	73,169	4	55,454	4	2580	Non-current lease liabilities (note 6 (j))	-	-	272	-	594	-
1984	Other financial assets – non-current (note 8)	10,068	1	10,722	1	10,117	1	2640	Net defined benefit liabilities – non-current	41,712	3	41,632	3	32,236	3
	<b>Total non-current assets</b>	<u>423,370</u>	<u>28</u>	<u>462,294</u>	<u>29</u>	<u>437,785</u>	<u>33</u>	2645	Guarantee deposits received	4,493	-	4,741	-	4,309	-
									<b>Total non-current liabilities</b>	<u>84,682</u>	<u>6</u>	<u>87,823</u>	<u>6</u>	<u>76,460</u>	<u>6</u>
								2xxx	<b>Total liabilities</b>	<u>758,521</u>	<u>50</u>	<u>755,425</u>	<u>48</u>	<u>538,115</u>	<u>41</u>
								31xx	<b>Equity attributable to owners of the Company (note 6 (e) and (m)):</b> Share Capita						
								3100	Capital surplus	383,960	25	383,960	24	383,960	29
								3200	Retained earnings:	375,499	25	375,499	24	375,499	29
								33xx	Legal reserve						
								3310	Special reserve	86,840	6	86,840	5	86,840	6
								3320	Capital surplus	121,175	8	121,175	8	121,175	9
								3350	Accumulated deficits	(262,446)	(17)	(219,120)	(14)	(203,728)	(15)
									Total retained earnings	(54,431)	(3)	(11,105)	(1)	4,287	-
									Other equity :						
								3410	Exchange differences on translation of foreign financial statements	(31,979)	(2)	13,163	1	(50,259)	(4)
								3420	Losses from investments in equity instruments measured at fair value through other comprehensive income	(12,200)	(1)	(12,200)	(1)	(12,200)	(1)
									Total other equity	(44,179)	(3)	963	-	(62,459)	(5)
									Total equity attributable to owners of the Company	660,849	44	749,317	47	701,287	53
								36xx	<b>Non-controlling interests (note 6(e) and 6(m))</b>	90,179	6	89,009	5	78,132	6
								3xxx	<b>Total equity</b>	<u>751,028</u>	<u>50</u>	<u>838,326</u>	<u>52</u>	<u>779,419</u>	<u>59</u>
1xxx	<b>Total assets</b>	<u>\$ 1,509,549</u>	<u>100</u>	<u>1,593,751</u>	<u>100</u>	<u>1,317,534</u>	<u>100</u>	2-3xxx	<b>Total liabilities and equity</b>	<u>\$ 1,509,549</u>	<u>100</u>	<u>1,593,751</u>	<u>100</u>	<u>1,317,534</u>	<u>100</u>

See accompanying notes to consolidated interim financial statements.

CHAIRMAN: PHACHARAPON PHAIBOONSUNTORN

CEO: LIN, JU-YING

CAO: NARISSARRANEE KEATBHOONYARRITH

REGAL HOLDING CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

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

(Expressed in Thousands of New Taiwan Dollars, Except for EPS)

	April to June				January to June			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	<b>Operating revenues (note 6 (o))</b>							
	\$ 456,769	100	352,741	100	982,485	100	643,701	100
5000	<b>Operating costs (note 6(d),(f),(g),(h),</b>							
5900	<b>(j),(k) and(l)</b>							
	415,732	91	310,526	88	870,689	89	566,335	88
6000	<b>Gross profit</b>							
6100	<b>Operating expenses (note 6 (b), (f), (g), (h)</b>							
6200	<b>(j), (k), 7 and 12):</b>							
	23,237	6	17,979	5	44,988	4	38,967	6
6300	Selling expenses							
	17,545	4	15,145	4	35,403	4	30,462	5
6450	Administrative expenses							
	(33)	-	(343)	-	(1,506)	-	(126)	-
	Research and development expenses							
	71,695	16	71,523	20	142,064	14	146,677	23
6900	Impairment loss							
	(30,658)	(7)	(29,308)	(8)	(30,268)	(3)	(69,311)	(11)
7000	<b>Total operating expenses</b>							
7100	<b>Operating losses</b>							
	242	-	495	-	307	-	528	-
7010	<b>Non-operating income and expenses (note 6 (j)</b>							
	1,940	-	2,868	1	4,217	-	4,193	1
	<b>and (q)):</b>							
7020	Interest income							
	(5,103)	(1)	1,354	-	(3,808)	-	8,524	1
7050	Other income							
	(4,752)	-	(2,584)	(1)	(9,840)	(1)	(4,692)	(1)
	Other gains and losses							
	(7,673)	(1)	2,133	-	(9,124)	(1)	8,553	1
7900	Finance costs							
	(38,331)	(8)	(27,175)	(8)	(39,392)	(4)	(60,758)	(10)
7950	<b>Total non-operating income and expenses</b>							
	(5,270)	(1)	(2,282)	(1)	(3,079)	-	(5,378)	(1)
8200	<b>Losses before income tax</b>							
	(33,061)	(7)	(24,893)	(7)	(36,313)	(4)	(55,380)	(9)
8300	<b>Less: income tax expenses (note 6 (l))</b>							
8360	<b>Losses for the period</b>							
8361	<b>Other comprehensive income:</b>							
	(70,391)	(16)	2,493	1	(50,985)	(5)	(14,510)	(2)
8399	<b>Items that may be reclassified</b>							
	<b>subsequently to profit</b>							
8300	Exchange differences on translation of foreignoperation							
	(70,391)	(16)	2,493	1	(50,985)	(5)	(14,510)	(2)
8500	Less: income tax related to items that may be reclassified subsequently to profit or loss							
	<b>\$ (103,452)</b>	<b>(23)</b>	<b>(22,400)</b>	<b>(6)</b>	<b>(87,298)</b>	<b>(9)</b>	<b>(69,890)</b>	<b>(11)</b>
8600	<b>Other comprehensive income</b>							
8610	<b>Total comprehensive income</b>							
	\$ (33,672)	(7)	(25,374)	(7)	(43,326)	(5)	(53,098)	(9)
8620	<b>Profit (losses) attributable to (note 6 (m)):</b>							
	611	-	481	-	7,013	1	(2,282)	-
	<b>\$ (33,061)</b>	<b>(7)</b>	<b>(24,893)</b>	<b>(7)</b>	<b>(36,313)</b>	<b>(4)</b>	<b>(55,380)</b>	<b>(9)</b>
8700	Total comprehensive income attributable to (Note 6(m)) :							
8710	Owners of the parent							
	\$ (96,117)	(21)	(23,117)	(6)	(88,468)	(9)	(66,248)	(10)
8720	Non-controlling interests							
	(7,335)	(2)	717	-	1,170	-	(3,642)	(1)
	<b>\$ (103,452)</b>	<b>(23)</b>	<b>(22,400)</b>	<b>(6)</b>	<b>(87,298)</b>	<b>(9)</b>	<b>(69,890)</b>	<b>(11)</b>
	Loss per share (NT\$) (Note 6(n)):							
9750	Basic loss per share							
	\$ (0.88)		(0.66)		(1.13)		(1.38)	
9850	Diluted loss per share							
	\$ (0.88)		(0.66)		(1.13)		(1.38)	

See accompanying notes to consolidated interim financial statements.

CHAIRMAN: PHACHARAPON  
PHAIBOONSUNTORN

CEO: LIN, JU-YING

CAO: NARISSARRANEE  
KEATBHOONYARRITH

**Regal Holding Co., Ltd. and Subsidiaries**  
Consolidated Statements of Changes in Equity  
**For the Periods from January 1 to June 30, 2025 and 2024**  
(Expressed in Thousands of New Taiwan Dollars)

	<u>Equity attributable to owners of the Company</u>						<u>Other equities</u>					
	<u>Retain Earning</u>					Total Retained Earning	<u>Unrealized losses</u>			Total equity attributable to owners of the Company	Non controlling interests	Total equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings (Accumulated Deficit)		Exchange Differences on Translation of Foreign Financial Statements	on financial assets measured at fair value through other comprehensive income				
<b>Balance as of January 1, 2024</b>	\$ 383,960	375,499	86,840	121,175	(150,630)	57,385	(37,109)	(12,200)	(49,309)	767,535	81,774	849,309
Net Profit or Loss	-	-	-	-	(53,098)	(53,098)	-	-	-	(53,098)	(2,282)	(55,380)
Other Comprehensive Income	-	-	-	-	-	-	(13,150)	-	(13,150)	(13,150)	(1,360)	(14,510)
Total Comprehensive Income	-	-	-	-	(53,098)	(53,098)	(13,150)	-	(13,150)	(66,248)	(3,642)	(69,890)
<b>Balance as of June 30, 2024</b>	<b>\$ 383,960</b>	<b>375,499</b>	<b>86,840</b>	<b>121,175</b>	<b>(203,728)</b>	<b>4,287</b>	<b>(50,259)</b>	<b>(12,200)</b>	<b>(62,459)</b>	<b>701,287</b>	<b>78,132</b>	<b>779,419</b>
<b>Balance as of January 1, 2025</b>	\$ 383,960	375,499	86,840	121,175	(219,120)	(11,105)	13,163	(12,200)	963	749,317	89,009	838,326
Net Profit or Loss	-	-	-	-	(43,326)	(43,326)	-	-	-	(43,326)	7,013	(36,313)
Other Comprehensive Income	-	-	-	-	-	-	(45,142)	-	(45,142)	(45,142)	(5,843)	(50,985)
Total Comprehensive Income	-	-	-	-	(43,326)	(43,326)	(45,142)	-	(45,142)	(88,468)	1,170	(87,298)
<b>Balance as of June 30, 2025</b>	<b>\$ 383,960</b>	<b>375,499</b>	<b>86,840</b>	<b>121,175</b>	<b>(262,446)</b>	<b>(54,431)</b>	<b>(31,979)</b>	<b>(12,200)</b>	<b>(44,179)</b>	<b>660,849</b>	<b>90,179</b>	<b>751,028</b>

See accompanying notes to consolidated interim financial statements.

CHAIRMAN: PHACHARAPON PHAIBOONSUNTORN

CEO: LIN, JU-YING

CAO: NARISSARRANEE KEATBHOONYARRITH

**Regal Holding Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
For the Six Months Ended at June 30, 2025 and 2024  
(Expressed in Thousands of New Taiwan Dollars)

	January to June	
	2025	2024
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit (losses) before tax</b>	(39,392)	(60,758)
<b>Adjustments:</b>		
Income and Expense Items		
Depreciation expenses	29,017	30,235
Amortization expenses	2,258	1,863
Reversed benefits from expected credit impairment	(1,506)	(126)
Interest expenses	9,840	4,692
Interest income	(307)	(528)
Gains (losses) from disposal and retirement of property, plant and equipment	(148)	114
Restatement to expenses of property, plant and equipment	-	134
Losses on disposal of intangible assets		
Unrealized foreign exchange losses (gains)	258	(2,768)
Gain on Lease Modification	-	(25)
<b>Total Income and Expense Items</b>	<u>39,412</u>	<u>33,591</u>
<b>Changes in Assets and Liabilities Related to Operating Activities:</b>		
Accounts Receivable	83,736	(50,381)
Other Receivables	3,151	(507)
Inventories	36,734	(51,659)
Other Current Assets	(3,230)	9,369
<b>Total Net Changes in Assets Related to Operating Activities</b>	<u>120,391</u>	<u>(93,178)</u>
Notes Payable	300	53
Accounts Payable	(2,623)	2,299
Other Payables	(21,397)	(22,460)
Other Current Liabilities	684	1,511
Net Defined Benefit Liabilities	2,789	2,202
<b>Total Net Changes in Liabilities Related to Operating Activities</b>	<u>(20,247)</u>	<u>(16,395)</u>
<b>Total Net Changes in Assets and Liabilities Related to Operating Activities</b>	<u>100,144</u>	<u>(109,573)</u>
<b>Total Adjustments</b>	<u>139,556</u>	<u>(75,982)</u>
<b>Net Cash Inflows (Outflows) from Operating Activities</b>	100,164	(136,740)
Interest Received	307	528
Interest Paid	(8,745)	(4,644)
Income Tax (Paid) Refunded	(7,281)	4,301
<b>Net Cash Inflows (Outflows) from Operating Activities</b>	<u>84,445</u>	<u>(136,555)</u>
<b>Cash Flows from Investing Activities :</b>		
Acquisition of Property, Plant, and Equipment		
Disposal of Property, Plant, and Equipment	(19,241)	(19,551)
Acquisition of Intangible Assets	503	32
Acquisition of Right-of-Use Assets	(1,401)	(3,351)
Other Financial Assets – Non-Current (Increase) Decreases	-	(26)
<b>Net Cash Outflows from Investing Activities</b>	<u>(1)</u>	<u>91</u>
<b>Cash Flows from Financing Activities:</b>	<u>(20,140)</u>	<u>(22,805)</u>
Increase in Short-Term Borrowings		
Proceeds from Long-Term Borrowings	61,763	150,756
Repayment of Long-Term Borrowings	-	6,155
Decrease in Deposits for Guarantees	(1,995)	(1,862)
Repayment of Lease Principals	(248)	(128)
<b>Net Cash Inflows from Financing Activities</b>	<u>(314)</u>	<u>(126)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	59,206	154,795
<b>Net Increase (Decrease) in Cash and Cash Equivalents for the Period</b>	(27,196)	(11,686)
Cash and Cash Equivalents at Beginning of Period	96,315	(16,251)
Cash and Cash Equivalents at End of Period	64,249	139,418
<b>Total Net Changes in Assets Related to Operating Activities</b>	<u><b>\$ 160,564</b></u>	<u><b>123,167</b></u>

See accompanying notes to consolidated interim financial statements.

**CHAIRMAN: PHACHARAPON  
PHAIBOONSUNTORN**

**CEO: LIN, JU-YING**

**CAO: NARISSARRANEE  
KEATBHOONYARRITH**

# REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

## Notes to the Consolidated Interim Financial Statements

### For the Second Quarters of 2025 and 2024

(Unless otherwise stated, all amounts are expressed in thousands of New Taiwan Dollars)

#### 1. Company history

Regal Holding Co., Ltd. (the "Company") was established in the Cayman Islands in October 2014. The main purpose of the establishment was to restructure its group entities for application to list on Taiwan Stock Exchange ("TWSE") in the Republic of China. The Company become the holding company of Regal Jewelry Manufacture Co., Ltd. ("R.JM") by using share swaps with previous shareholders of RJM to restructure the group. The Company's shares have been listed and traded on the TWSE since June 26, 2017. The main business of the Company and subsidiaries are designing, manufacturing, electroplating and selling jewelry gems. Please refer to note 6(p).

#### 2. Approval date and procedures of the consolidated interim financial statements:

The consolidated financial statements were approved by the Board of Directors on August 26, 2025.

#### 3. New standards, amendments and interpretations adopted:

- (1) The impact of adopting the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission (FSC), R.O.C.

The Group has applied the following newly amended International Financial Reporting Standards (IFRS) effective January 1, 2025, which did not have a material impact on the consolidated financial statements:

- Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability
- Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments", relating to the application guidance in Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

#### (2) Impact of IFRS Not Yet Adopted by the FSC

The Group has assessed that the application of the following newly issued or amended International Financial Reporting Standards (IFRS) effective January 1, 2026 will not have a material impact on the consolidated financial statements.

- IFRS 17 "Insurance Contracts" and its amendments
- Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments", relating to the application guidance in Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7

## REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

### Notes to the Consolidated Interim Financial Statements

- Annual improvements to IFRS
- Amendments to IFRS 9 and IFRS 7 “Contracts in the Scope of Reliance on Natural Electricity”

#### (3) The impact of IFRS issued by IASB but not yet endorsed by FSC

The standards and interpretations that have been issued and amended by IASB but not yet been endorsed by FSC, and may be relevant to the Company are as follows:

Newly issued or revised standards	Key amendments	Effective date as issued by the board
International Financial Reporting Standard 18 (IFRS 18) "Presentation and Disclosure of Financial Statements"	<p>The new standard introduces three categories of income and expenses, two subtotals on the statement of profit or loss, and a single note on management performance measures (MPMs). These three amendments enhance guidance on how information is disaggregated in financial statements, providing users with better and more consistent information, and will affect all companies.</p> <ul style="list-style-type: none"><li>• More structured statement of profit or loss: Under current standards, companies use different formats to present their operating results, making it difficult for investors to compare financial performance across companies. The new standard adopts a more structured statement of profit or loss, introduces a newly defined “operating profit” subtotal, and requires all income and expenses to be classified into three new categories based on the company’s main operating activities.</li><li>• Management performance measures (MPMs): The new standard introduces a definition of MPMs and requires companies to explain in a single note for each measure why it provides useful information, how it is calculated, and how it reconciles to amounts recognized under IFRS.</li><li>• More detailed information: The new standard provides guidance on how companies should enhance disaggregation of information in financial statements, including whether information should be presented in the primary financial statements or further detailed in the notes.</li></ul>	January 1, 2027

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

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

- IFRS 10 and IAS 28”Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- IFRS 19 “Disclosure of Subsidiaries That Are Not Publicly Accountable”

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**  
**Notes to the Consolidated Interim Financial Statements**

**4. Summary of significant accounting policies**

Except as described below, the significant accounting policies used in this consolidated financial statements are the same as those used in the 2024 consolidated financial statements.

For related information, please refer to Note 4 of it

**(1) Statement of compliance**

The consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (Regulations) and International Accounting Standard 34, "Interim Financial Reporting", as endorsed by FSC and in effect. These consolidated financial reports do not include all information that is required to be disclosed in annual consolidated financial report prepared in accordance with International Financial Reporting Standards, International Accounting Standards, Interpretations and Explanatory Notes as endorsed and issued by FSC.

**(2) Basis of consolidation**

The principles of preparation of the consolidated financial statements are consistent with those of the consolidated financial statements for fiscal year 2024. For related information, please refer to Note 4(c) of the 2024 consolidated financial statements.

**1. List of subsidiaries in the consolidated financial statement**

Name of investor	Name of subsidiary	Main Business	Percentage of ownership (%)		
			2025.06.30	2024.12.31	2024.06.30
The Company	Regal Jewelry Manufacture Co., Ltd. (RJM)	Designing, manufacturing and selling jewelry and gem	99.99%	99.99%	99.99%
The Company	Regal Management Solution Co., Ltd. (RMS)	Technical services and resources consulting	- % (Note1)	- % (Note1)	99.99% (Note1)
The Company	Reunite Inspiring Creation Co., Ltd. (RIC)	Selling jewelry and gems	- % (Note2)	- % (Note2)	100.00% (Note2)
RJM	Regal Plating Co., Ltd. (RGP)	Plating jewelry and gems	51.00%	51.00%	51.00%
RJM	Regal Precious Metal Innovation Co., Ltd. (RPM)	Metal recycling	99.90%	99.90%	99.90%
RJM	Linden Integrated Co., Ltd. (LIC)	Selling jewelry and gems	- % (Note3)	- % (Note3)	49.00% (Note3)

**Note 1:** The Group, by resolution of the Board of Directors on November 12, 2023, decided to cease the operations of the subsidiary. In 2024, a disposal loss of NT\$128 thousand was recognized under "Other Gains and Losses" due to the disposal of the subsidiary. The liquidation was completed on January 30, 2025, upon obtaining the relevant certification.

**Note 2:** The Group, by resolution of the Board of Directors on November 12, 2023, decided to cease the operations of the subsidiary. In 2024, a disposal loss totaling NT\$543 thousand was recognized under "Other Gains and Losses" due to the disposal of the subsidiary. The liquidation was completed on November 21, 2024.

**Note 3:** The governance, key management, business activities, premises, and products of Linden were appointed or provided by the Group or RJM, giving the Group substantive control. The Group, by resolution of the Board of Directors on November 12, 2023, decided to cease Linden's operations, and the liquidation was completed on January 30, 2025.

All subsidiaries of the Company are included in the consolidated financial statement

# REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

## Notes to the Consolidated Interim Financial Statements

### (3) Employee benefits

Defined benefit pensions plan for the interim period are calculated using actuarially determined pension cost rates as of the end of the prior fiscal year, based on the beginning of the year through the end of the current period, adjusted for significant market fluctuations and significant curtailments, liquidations or other significant one-time events after that end date.

### (4) Income taxes

Income tax expense is measured by multiplying net income before income taxes for the period under review by management's best estimate of the estimated effective tax rate for the full year and is recognized as income tax expense in current period.

Income tax expense recognized directly in equity or other comprehensive income is measured at the tax rates that are expected to apply when the related assets and liabilities are realized or settled, based on temporary differences between their carrying amounts for financial reporting purposes and their tax bases ◦

## 5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting," as endorsed by the FSC, requires managements to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The significant judgments made by managements in the adoption of the Group's accounting policies and the key sources of estimation uncertainty in the preparation of the consolidated financial statements are consistent with Note 5 in 2024 consolidated financial statements ◦

## 6. Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. please refer to Note 6 of the 2024 annual consolidated financial statements.

### (a) Cash and cash equivalents

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Cash	\$ 461	544	569
Demand deposits	148,935	63,401	109,043
Checking deposits	29	31	50
Fixed deposits	11,139	273	13,505
Cash and cash equivalents stated in the consolidated statements of cash flows	<u>\$ 160,564</u>	<u>64,249</u>	<u>123,167</u>

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

For the interest rate risk and sensitivity analysis of the Company's consolidated financial assets and liabilities, please refer to Note 6(r)

(b) Account receivable

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Account receivable	\$ 428,154	514,004	278,313
Less: allowance for loss	(1)	(248)	(88)
	<u><b>\$ 428,153</b></u>	<u><b>513,756</b></u>	<u><b>278,225</b></u>

The Group applies the simplified approach to assess its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The Group's analysis on the expected credit loss of its trade receivables in the region of Thailand were as follows :

	<u>2025.6.30</u>		
	<u>Book value of trade receivables</u>	<u>Credit loss rate (%)</u>	<u>Allowance for lifetime expected credit losses</u>
Not yet due	\$ 326,784	-	-
Past due 1~30 days	13,589	-	-
Past due 31~60 days	19	-	-
Past due 91~180 days	8	-	-
	<u><b>\$ 340,400</b></u>		<u><b>-</b></u>
	<u>2024.12.31</u>		
	<u>Book value of trade receivables</u>	<u>Credit loss rate (%)</u>	<u>Allowance for lifetime expected credit losses</u>
Not yet due	\$ 321,159	-	-
Less than 30 days past due	35,236	-	-
	<u><b>\$ 356,395</b></u>		<u><b>-</b></u>
	<u>2024.6.30</u>		
	<u>Book value of trade receivables</u>	<u>Credit loss rate (%)</u>	<u>Allowance for lifetime expected credit losses</u>
Not yet due	\$ 178,703	-	-
Less than 30 days past due	22,146	-	-
31~60 days past due	35	-	-
	<u><b>\$ 200,884</b></u>		<u><b>-</b></u>



**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

The movements in the allowance for doubtful accounts of the consolidated entities are as follows:

	<b>January to June 2025</b>	<b>January to June 2024</b>
Beginning balance	\$ 248	218
Reversal of impairment recognized	(244)	(126)
Effect of exchange rate changes	(3)	(4)
Ending balance	<b>\$ 1</b>	<b>88</b>

(c) Other account receivable

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Other receivables	\$ 27,003	31,971	24,131
Less: Allowance for losses	(19,317)	(21,867)	(16,257)
	<b>\$ 7,686</b>	<b>10,104</b>	<b>7,874</b>

The movements in the allowance for losses on other receivables of the consolidated entities are as follows :

	<b>January to June 2025</b>	<b>January to June 2024</b>
Beginning balance	\$ 21,867	16,532
Reversal of impairment losses recognized	(1,262)	-
Effect of exchange rate changes	(1,288)	(275)
Ending balance	<b>\$ 19,317</b>	<b>16,257</b>

As of June 30, 2025, December 31, 2024, and June 30, 2024, the other receivables of the consolidated entities were all not past due.

For other credit risk information, please refer to Note 6(r).

(d) Inventory

	<b>2025.6.30</b>		
<b>Cost</b>	<b>Allowance for impairment</b>	<b>Net realizable value</b>	
Raw materials	\$ 315,943	54,503	261,440
Work in progress	132,487	6,837	125,650
Finished goods	41,799	3,311	38,488
Supplies	8,802	3,752	5,050
	<b>\$ 499,031</b>	<b>68,403</b>	<b>430,628</b>

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

	<b>2024.12.31</b>		
	<u>Cost</u>	<u>Allowance for impairment</u>	<u>Net realizable value</u>
Raw materials	\$ 355,049	63,991	291,058
Work in progress	163,585	8,666	154,919
Finished goods	54,834	8,597	46,237
Supplies	8,888	4,307	4,581
	<b><u>\$ 582,356</u></b>	<b><u>85,561</u></b>	<b><u>496,795</u></b>

  

	<b>2024.6.30</b>		
	<u>Cost</u>	<u>Allowance for impairment</u>	<u>Net realizable value</u>
Raw materials	\$ 369,464	69,009	300,455
Work in progress	123,616	17,199	106,417
Finished goods	37,852	5,456	32,396
Supplies	9,078	4,305	4,773
	<b><u>\$ 540,010</u></b>	<b><u>95,969</u></b>	<b><u>444,041</u></b>

The movements in the allowance for inventory write-downs of the consolidated entities are as follows:

	<b>2025</b>	<b>2024</b>
	<u>January to Junne</u>	<u>January to June</u>
Beginning balance	\$ 85,561	81,025
Provision (reversal) for the period	(12,498)	16,278
Effect of exchange rate changes	(4,660)	(1,334)
Ending balance	<b><u>\$ 68,403</u></b>	<b><u>95,969</u></b>

The total amount of other expenses directly recognized as operating costs by the consolidated entities, aside from inventory transferred to cost of goods sold from normal sales, is as follows :

	<b>April to Jun 2025</b>	<b>April to Jun 2024</b>	<b>January to Jun 2025</b>	<b>January to Jun 2024</b>
Allowance for inventory write-downs (reversal)	\$ 2,289	15,771	(12,498)	16,278
Proceeds from the sale of scrap and waste materials	(29,103)	(17,201)	(58,640)	(25,572)
Unallocated expenses	32,569	14,983	69,411	28,262
	<b><u>\$ 5,755</u></b>	<b><u>13,553</u></b>	<b><u>(1,727)</u></b>	<b><u>18,968</u></b>

As of June 30, 2025, December 31, 2024, and June 30, 2024, the inventories of the consolidated entities were not pledged as collateral.

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

(e) Subsidiaries with significant non-controlling interests

The subsidiaries whose non-controlling interests are significant to the consolidated entities are as follows:

<u>Name of subsidiary</u>	<u>Principal place of business</u>	<b>Ownership and voting interest of non-controlling interests</b>		
		<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Regal Plating Co., Ltd.	Thailand	49.00%	49.00%	49.00%

The summarized financial information of the above subsidiaries is as follows. This financial information has been prepared in accordance with the International Financial Reporting Standards approved by the Financial Supervisory Commission, and the amounts shown are before the elimination of intercompany transactions among the consolidated entities:

Summarized financial information of Regal Plating Co., Ltd.:

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Current assets	\$ 196,633	181,539	153,538
Non-current assets	4,935	6,841	10,382
Current liabilities	(15,572)	(4,802)	(4,470)
Non-current liabilities	(2,135)	(2,104)	(1,626)
Net assets	<u>\$ 183,861</u>	<u>181,474</u>	<u>157,824</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 90,092</u>	<u>88,922</u>	<u>77,334</u>

	<u>April to Jun 2025</u>	<u>April to Jun 2024</u>	<u>January to Jun 2025</u>	<u>January to Jun 2024</u>
Sales revenue	<u>\$ 112,037</u>	<u>45,971</u>	<u>251,224</u>	<u>84,054</u>
Net income or (loss)	\$ 1,235	986	14,301	(4,645)
Other comprehensive income	(16,202)	476	(11,911)	(2,748)
	<u>\$ (14,967)</u>	<u>1,462</u>	<u>2,390</u>	<u>(7,393)</u>
Profit (loss) attributable to non-controlling interests	<u>\$ 605</u>	<u>483</u>	<u>7,007</u>	<u>(2,276)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (7,334)</u>	<u>716</u>	<u>1,171</u>	<u>(3,623)</u>
Net cash flows from operating activities			\$ (1,862)	977
Net cash flows from investing activities			(133)	(196)
Net increase (decrease) in cash and equivalents			<u>\$ (1,995)</u>	<u>781</u>

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

(f) Property, plant and equipment

The details of changes in cost, depreciation, and impairment losses of property, plant and equipment of the consolidated entities for the periods from January 1 to June 30, 2025 and 2024 are as follows:

	Land	Building	Equipment	Transporta tion Equipment	Office Equipment	Land improvm ents	Unfinished equipment	Total
Cost or deemed cost:								
Balance as of January 1, 2025	\$ 168,122	295,305	366,125	25,216	175,940	12,652	25,227	1,068,587
Additions	-	11	6,316	-	6,502	184	6,228	19,241
Disposals	-	(5)	(7,769)	-	(1,395)	(7)	-	(9,176)
Reclassifications	-	-	11	-	-	-	(11)	-
Foreign currency translation effects	(10,378)	(18,229)	(22,528)	(1,557)	(11,095)	(786)	(1,867)	(66,440)
Balance as of June 30, 2025	<u>\$ 157,744</u>	<u>277,082</u>	<u>342,155</u>	<u>23,659</u>	<u>169,952</u>	<u>12,043</u>	<u>29,577</u>	<u>1,012,212</u>
Balance as of January 1, 2024	\$ 157,534	273,533	347,745	23,518	157,087	11,914	19,440	990,771
Additions	-	255	3,104	14	4,115	72	11,991	19,551
Disposals	-	(11)	(5,675)	(4)	(1,415)	(12)	-	(7,117)
Reclassifications	-	5,043	-	-	3,645	-	(8,688)	-
Foreign currency translation effects	(2,620)	(4,550)	(5,784)	(392)	(2,604)	(193)	(324)	(16,467)
Balance as of June 30, 2024	<u>\$ 154,914</u>	<u>274,270</u>	<u>339,390</u>	<u>23,136</u>	<u>160,828</u>	<u>11,781</u>	<u>22,419</u>	<u>986,738</u>
Depreciation and impairment losses :								
Balance as of January 1, 2025	\$ -	230,451	300,069	20,918	145,714	10,900	-	708,052
Depreciation for the period	-	6,753	13,313	976	7,397	254	-	28,693
Disposals	-	(2)	(7,470)	-	(1,346)	(3)	-	(8,821)
Foreign currency translation effects	-	(14,561)	(18,813)	(1,340)	(9,281)	(683)	-	(44,678)
Balance as of June 30, 2025	<u>\$ -</u>	<u>222,641</u>	<u>287,099</u>	<u>20,554</u>	<u>142,484</u>	<u>10,468</u>	<u>-</u>	<u>683,246</u>
Balance as of January 1, 2024	\$ -	204,182	265,300	17,515	123,789	9,935	-	620,721
Depreciation for the period	-	6,263	14,229	1,336	8,024	259	-	30,111
Disposals	-	(11)	(5,620)	(4)	(1,333)	(3)	-	(6,971)
Foreign currency translation effects	-	(3,397)	(4,414)	(293)	(2,053)	(161)	-	(10,318)
Balance as of June 30, 2024	<u>\$ -</u>	<u>207,037</u>	<u>269,495</u>	<u>18,554</u>	<u>128,427</u>	<u>10,030</u>	<u>-</u>	<u>633,543</u>
Book value :								
Balance as of January 1, 2025	<u>\$ 168,122</u>	<u>64,854</u>	<u>66,056</u>	<u>4,298</u>	<u>30,226</u>	<u>1,752</u>	<u>25,227</u>	<u>360,535</u>
Balance as of June 30, 2025	<u>\$ 157,744</u>	<u>54,441</u>	<u>55,056</u>	<u>3,105</u>	<u>27,468</u>	<u>1,575</u>	<u>29,577</u>	<u>328,966</u>
Balance as of June 30, 2024	<u>\$ 154,914</u>	<u>67,233</u>	<u>69,895</u>	<u>4,582</u>	<u>32,401</u>	<u>1,751</u>	<u>22,419</u>	<u>353,195</u>

For information on assets pledged as collateral for bank loans by the consolidated entities, please refer to Note 8.

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

(g) Right-of-use assets

The details of changes in the cost and depreciation of the leased houses and buildings of the consolidated companies are as follows:

	<b>Buildings</b>
Cost of right-of-use assets :	
Balance as of June 30, 2025 (i.e., balance as of January 1, 2025)	<b><u>\$ 1,299</u></b>
Balance as of January 1, 2024	\$ 536
Additions	1,299
Decreases (early termination)	(528)
Foreign currency translation effects	<u>(8)</u>
Balance as of June 30, 2024	<b><u>\$ 1,299</u></b>
Depreciation of right-of-use assets :	
Balance as of January 1, 2025	\$ 379
Depreciation for the period	<u>324</u>
Balance as of June 30, 2025	<b><u>\$ 703</u></b>
Balance as of January 1, 2024	\$ 164
Depreciation for the period	124
Decreases (early termination)	(232)
Foreign currency translation effects	<u>(2)</u>
Balance as of June 30, 2024	<b><u>\$ 54</u></b>
Carrying amount :	
Balance as of January 1, 2025	<b><u>\$ 920</u></b>
Balance as of June 30, 2025	<b><u>\$ 596</u></b>
Balance as of June 30, 2024	<b><u>\$ 1,245</u></b>

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

(h) Intangible assets

The details of cost, amortization, and impairment losses of intangible assets of the consolidated companies for the six-month periods ended June 30, 2025 and 2024 are as follows:

	<u>Software</u>	<u>Copy rights</u>	<u>Total</u>
<b>Cost :</b>			
Balance as of January 1, 2025	\$ 77,187	852	78,039
Additions during the period	1,397	4	1,401
Foreign currency translation effects	(4,833)	(53)	(4,886)
Balance as of June 30, 2025	<u>\$ 73,751</u>	<u>803</u>	<u>74,554</u>
Balance as of January 1, 2024	\$ 70,899	785	71,684
Additions during the period	3,349	2	3,351
Disposals	(1,466)	-	(1,466)
Reclassification	(12)	12	-
Foreign currency translation effects	(1,147)	(14)	(1,161)
Balance as of June 30, 2024	<u>\$ 71,623</u>	<u>785</u>	<u>72,408</u>
<b>Amortization and impairment losses :</b>			
Balance as of January 1, 2025	\$ 60,703	388	61,091
Amortization for the period	2,211	47	2,258
Effect of exchange rate changes	(3,856)	(27)	(3,883)
Balance as of June 30, 2025	<u>\$ 59,058</u>	<u>408</u>	<u>59,466</u>
Balance as of January 1, 2024	\$ 54,704	285	54,989
Amortization for the period	1,824	39	1,863
Disposals	(1,332)	-	(1,332)
Foreign currency translation effects	(881)	(5)	(886)
Balance as of June 30, 2024	<u>\$ 54,315</u>	<u>319</u>	<u>54,634</u>
<b>Carrying amount: :</b>			
Balance as of January 1, 2025	<u>\$ 16,484</u>	<u>464</u>	<u>16,948</u>
Balance as of June 30, 2025	<u>\$ 14,693</u>	<u>395</u>	<u>15,088</u>
Balance as of June 30, 2024	<u>\$ 17,308</u>	<u>466</u>	<u>17,774</u>

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**  
**Notes to the Consolidated Interim Financial Statements**

(i) Long-term and short-term loans

1. short-term loan

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Trust loans	\$ 45,145	-	-
Guaranteed bank loans	537,226	558,134	390,148
Total	<b>\$ 582,371</b>	<b>558,134</b>	<b>390,148</b>
Unused credit lines	<b>\$ 460,480</b>	<b>529,266</b>	<b>536,454</b>
Interest rate (%)	<b>3.15~3.75</b>	<b>3.10~3.65</b>	<b>3.08~3.80</b>

For information on assets pledged as collateral for bank borrowings by the consolidated entities, please refer to Note 8.

2. Long-term loan

	<b>2025.6.30</b>		
	<b>Interest rate range</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured bank loans	2.00~4.50	117	\$ 14,130
Less: Portion due within one year			(3,792)
Total			<b>\$ 10,338</b>
Unused credit			<b>\$ -</b>
	<b>2024.12.31</b>		
	<b>Interest rate range</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured bank loans	2.00~4.50	117	\$ 17,081
Less: Portion due within one year			(4,042)
Total			<b>\$ 13,039</b>
Unused credit			<b>\$ -</b>
	<b>2024.6.30</b>		
	<b>Interest rate range</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured bank loans	2.00~4.50	117	\$ 15,671
Less: Portion due within one year			(3,724)
Total			<b>\$ 11,947</b>
Unused credit			<b>\$ 1,930</b>

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**  
**Notes to the Consolidated Interim Financial Statements**

(j) Lease liabilities

The lease liabilities of The Company are as follows:

		<b>2025.6.30</b>		
		Future minimum lease payment	Interest	Present value of minimum lease Payment
	Current	\$ 605	11	594
		<b>2024.12.31</b>		
		Future minimum lease payment	Interest	Present value of minimum lease Payment
	Current	\$ 660	24	636
	Non-current	\$ 275	3	272
		<b>2024.6.30</b>		
		Future minimum lease payment	Interest	Present value of minimum lease Payment
	Current	\$ 660	36	624
	Non-current	\$ 605	11	594

The amounts recognized in profit or loss are as follows:

		April to Jun 2025	April to Jun 2024	January to Jun 2025	January to Jun 2024
	Interest on lease liabilities	\$ 7	4	15	10
	Expenses for short-term leases	\$ 137	272	277	619
	Expenses for low-value lease assets (excluding low-value short-term leases)	\$ 79	97	162	205

The amounts recognized in the statement of cash flows are as follows:

		January to Jun 2025	January to Jun 2024
	Total cash outflows for leases	\$ 768	960

1. Leases of houses and buildings

The consolidated companies lease houses and buildings as office premises, typically for a period of two to three years, with some leases including options to extend at the end of the lease term.

2. Other leasing

The consolidated companies lease office equipment such as copiers for a period of one to five years. These leases are classified as short-term or low-value leases, and the consolidated companies have elected to apply the exemption, not recognizing the related right-of-use assets and lease liabilities.

## REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

### Notes to the Consolidated Interim Financial Statements

#### (k) Employee benefits

##### 1. Defined benefit plan

As no significant market fluctuations, major reductions, settlements, or other one-off events occurred after the end of the previous financial year, the consolidated companies used the pension costs determined as of December 31, 2024 and 2023 for actuarial valuation to measure and disclose pension costs for the interim periods.

The Company reported the following details as costs and expenses :

	April to Jun 2025	April to Jun 2024	January to Jun 2025	January to Jun 2024
Cost of sales	\$ 1,003	793	2,055	1,516
Operating expenses	444	344	907	686
	<b>\$ 1,447</b>	<b>1,137</b>	<b>2,962</b>	<b>2,202</b>

##### 2. Defined contribution plans

The defined contribution plans of the Taiwan branch and Regal International Co., Ltd. of the consolidated companies are in accordance with the Labor Pension Act. Contributions are made at a rate of 6% of each employee's monthly salary to individual pension accounts with the Bureau of Labor Insurance. Under this plan, after the consolidated companies make fixed contributions to the Bureau of Labor Insurance, they have no further legal or constructive obligation to pay additional amounts.

Pension expenses under the defined contribution plans for the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, amounted to NT\$42 thousand, NT\$30 thousand, NT\$85 thousand, and NT\$67 thousand, respectively, all of which have been contributed to the Bureau of Labor Insurance.

#### (l) Income tax

1. The Company is incorporated in the Cayman Islands and is not subject to corporate income tax under local laws. Among the consolidated companies, RJM, RGP, Linden, RPM, and Regal International are subject to a local corporate income tax rate of 20%.
2. The details of income tax expenses (benefits) of the consolidated companies are as follows :

	April to Jun 2025	April to Jun 2024	January to Jun 2025	January to Jun 2024
Current income tax benefit	\$ (5,138)	(2,292)	(3,079)	(5,593)
Adjustment of current income tax for prior periods	(132)	10	-	215
Income tax benefit	<b>\$ (5,270)</b>	<b>(2,282)</b>	<b>(3,079)</b>	<b>(5,378)</b>

## REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

### Notes to the Consolidated Interim Financial Statements

#### 3. Assessment and determination of income tax

The Company is exempt from income tax in accordance with the laws of the country of incorporation.

For the consolidated companies, income tax filings in Thailand, where RJM, RGP, and RPM are located, do not require approval by the tax authorities; however, income tax returns for the year ended 2024 have been issued with payment certificates by the tax authorities. The Taiwan branch of the Company has had its corporate income tax returns approved by the tax authorities through 2023. Linden, RMS, and Regal International have completed the liquidation process. Please refer to Note 4(2).

#### (m) Capital and other equity

Except as described below, there were no significant changes in the capital and other equity of the consolidated companies during the periods from January 1 to June 30, 2025 and 2024. For related information, please refer to Note 6(14) of the 2024 consolidated financial statements.

1. As of June 30, 2025, December 31, 2024, and June 30, 2024, the consolidated companies' authorized capital was NT\$600,000 thousand, with a par value of NT\$10 per share. The paid-in capital was NT\$383,960 thousand.

#### 2. Earnings distribution

The Company resolved at the shareholders' meetings on May 27, 2025, and May 30, 2024, not to distribute the earnings for 2024 and 2023, respectively.

Information regarding the Company's earnings distribution is available on the Market Observation Post System (MOPS) . .

#### 3. Other equity (net of tax)

	Exchange differences arising from translation of foreign operations' financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2025	\$ 13,163	(12,200)	963
Exchange differences arising from the translation of net assets of foreign operations	(45,142)	-	(45,142)
<b>Balance as of June 30, 2025</b>	<b><u>\$ (31,979)</u></b>	<b><u>(12,200)</u></b>	<b><u>(44,179)</u></b>
Balance as of January 1, 2024	\$ (37,109)	(12,200)	(49,309)
Exchange differences arising from the translation of net assets of foreign operations	(13,150)	-	(13,150)
<b>Balance as of June 30, 2024</b>	<b><u>\$ (50,259)</u></b>	<b><u>(12,200)</u></b>	<b><u>(62,459)</u></b>

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

4. Non-controlling interests (net of tax)

	January to Jun 2025	January to Jun 2024
<b>Beginning balance</b>	\$ 89,009	81,774
<b>Share attributable to non-controlling interests:</b>		
<b>Net income (loss) for the period</b>	7,013	(2,282)
<b>Exchange differences arising from translation of foreign operations' financial statements</b>	(5,843)	(1,360)
	<b>\$ 90,179</b>	<b>78,132</b>

(n) Loss per share

The calculation of basic and diluted loss per share of the consolidated company is as follows:

	April to June 2025	April to June 2024	Number of shares: in thousands	
	April to June 2025	April to June 2024	January to June 2025	January to June 2024
<b>Basic loss per share (equal to diluted loss per share) :</b>				
<b>Net loss attributable to ordinary shareholders of the Company</b>	<b>\$ (33,672)</b>	<b>(25,374)</b>	<b>(43,326)</b>	<b>(53,098)</b>
<b>Weighted-average number of ordinary shares outstanding</b>	<b>38,396</b>	<b>38,396</b>	<b>38,396</b>	<b>38,396</b>
<b>Basic loss per share (equal to diluted loss per share) (NT\$)</b>	<b>\$ (0.88)</b>	<b>(0.66)</b>	<b>(1.13)</b>	<b>(1.38)</b>

(o) Revenue from customer contracts

1. Revenue breakdown

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
<b>Major regional markets :</b>				
<b>Thailand</b>	\$ 284,780	178,761	591,525	295,545
<b>United States</b>	45,313	52,089	117,795	91,562
<b>France</b>	22,947	32,041	50,563	73,057
<b>United Kingdom</b>	40,701	26,934	74,513	61,256
<b>Canada</b>	11,336	19,848	30,589	39,084
<b>Australia</b>	38,301	32,982	82,674	46,320
<b>Others</b>	13,391	10,086	34,826	36,877
	<b>\$ 456,769</b>	<b>352,741</b>	<b>982,485</b>	<b>643,701</b>

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

**Major product/service lines :**

<b>Jewelry design, manufacturing, and sales</b>	\$	385,882	324,890	837,935	599,035
<b>Electroplating processing</b>		70,887	27,851	144,550	44,666
	<b>\$</b>	<b>456,769</b>	<b>352,741</b>	<b>982,485</b>	<b>643,701</b>

2. Contract balances

		<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
<b>Accounts receivable</b>	\$	428,154	514,004	278,313
<b>Less: allowance for doubtful accounts</b>		(1)	(248)	(88)
<b>Total</b>	<b>\$</b>	<b>428,153</b>	<b>513,756</b>	<b>278,225</b>
<b>Contract liabilities (recorded under other current liabilities)</b>	<b>\$</b>	<b>7,362</b>	<b>9,241</b>	<b>2,708</b>

For disclosures of accounts receivable and their impairment, please refer to Note 6(b)

The opening balances of contract liabilities as of January 1, 2025 and 2024 were recognized as revenue of NT\$9,125 thousand and NT\$626 thousand, respectively, for the periods from January 1 to June 30, 2025 and 2024.

The changes in contract liabilities mainly arise from the timing differences between the transfer of goods or services to customers to satisfy performance obligations and the receipt of payments from customers.

(p) Employee and director remuneration

According to the Company's Articles of Incorporation approved at the shareholders' meeting on May 20, 2016, if the Company reports a profit in a given year, no less than 1% shall be allocated as employee remuneration and no more than 3% as director remuneration. However, if the Company has accumulated losses, an amount sufficient to cover such losses shall be reserved first. Employee remuneration may be paid in cash or shares, and the recipients include employees of subsidiaries who meet certain criteria.

For the periods from January 1 to June 30, 2025 and 2024, the Company reported pre-tax net losses; therefore, no employee or director remuneration was estimated. Any differences between actual distributions in subsequent years and the estimated amounts will be treated as changes in accounting estimates and recognized in the profit or loss of the following year. If the Board of Directors decides to issue stock as employee remuneration, the number of shares will be calculated based on the closing price on the day prior to the Board resolution.

For the fiscal years 2024 and 2023, the Company also had accumulated losses; thus, no employee or director remuneration was estimated. Relevant information can be accessed on the Market Observation Post System °

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**  
**Notes to the Consolidated Interim Financial Statements**

(q) Non-operating income and expense

1. Interest income

Details of interest income of the consolidated company are as follows:

	<u>April to June 2025</u>	<u>April to June 2024</u>	<u>January to June 2025</u>	<u>January to June 2024</u>
Interest on bank deposits	\$ 242	495	307	528

2. Other income

Details of interest income of the consolidated company are as follows:

	<u>April to June 2025</u>	<u>April to June 2024</u>	<u>January to June 2025</u>	<u>January to June 2024</u>
Others	\$ 1,940	2,868	4,217	4,193

3. Other gains and losses

Details of other gains and losses of the consolidated company are as follows:

	<u>April to June 2025</u>	<u>April to June 2024</u>	<u>January to June 2025</u>	<u>January to June 2024</u>
Gain (loss) on disposal of property, plant and equipment	\$ 153	(80)	148	(114)
Loss on disposal of intangible assets	-	-	-	(134)
Gain on lease modification	-	25	-	25
Net foreign exchange gain (loss)	(5,256)	1,409	(3,956)	8,747
Net other gains and losses	<u>\$ (5,103)</u>	<u>1,354</u>	<u>(3,808)</u>	<u>8,524</u>

4. Finance costs

Details of finance costs of the consolidated company are as follows:

	<u>April to June 2025</u>	<u>April to June 2024</u>	<u>January to June 2025</u>	<u>January to June 2024</u>
Bank loans	\$ 4,745	2,580	9,825	4,682
Lease liabilities	7	4	15	10
	<u>\$ 4,752</u>	<u>2,584</u>	<u>9,840</u>	<u>4,692</u>

(r) Financial instruments

Except as described below, there were no significant changes in the fair value of the consolidated company's financial instruments or in the exposure to credit risk, liquidity risk, and market risk arising from financial instruments. For related information, please refer to Note 6(19) of the consolidated financial statements for the year 2024.

# REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

## Notes to the Consolidated Interim Financial Statements

### 1. Credit Risk

#### (1) Credit risk exposure

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

#### (2) Concentration of credit risk

The consolidated company's credit risk exposure is primarily influenced by the individual circumstances of each customer. However, management also considers statistical information about the company's customer base, including the default risks associated with the customers' industries and countries, as these factors may affect credit risk. As of June 30, 2025, December 31, 2024, and June 30, 2024, the consolidated company's credit risk was significantly concentrated in the three largest customers, with year-end accounts receivable balances of NT\$351,283 thousand, NT\$387,360 thousand, and NT\$220,821 thousand, respectively, representing approximately 82%, 75%, and 79% of the year-end net accounts receivable balances.

#### (3) Credit risk of receivables

For information on credit risk exposure of accounts receivable, please refer to Note 6(b). For details of other receivables, please refer to Note 6. (c).

### 2. Liquidity risk

The table below presents the contractual maturities of financial liabilities, excluding the effects of estimated interest.

	Carrying amount	Contractual cash flow	Within in one year	1-2 year	Over 2 years
<b>June 30, 2025</b>					
Non-derivative financial liabilities					
Short-term loans	\$ 582,371	582,371	582,371	-	-
Payables	72,537	72,537	72,537	-	-
Lease liabilities	594	594	594	-	-
Long-term loans	14,130	14,130	3,792	3,792	6,546
Guarantee deposits received	4,493	4,493	-	-	4,493
	<b>\$ 674,125</b>	<b>674,125</b>	<b>659,294</b>	<b>3,792</b>	<b>11,039</b>
<b>December, 31, 2024</b>					
Non-derivative financial liabilities					
Short-term loans	\$ 558,134	558,134	558,134	-	-
Payables	93,982	93,982	93,982	-	-
Lease liabilities	908	908	636	272	-
Long-term loans	17,081	17,081	4,042	4,042	8,997
Guarantee deposits received	4,741	4,741	-	-	4,741
	<b>\$ 674,846</b>	<b>674,846</b>	<b>656,794</b>	<b>4,314</b>	<b>13,738</b>
<b>June 30, 2024</b>					
Non-derivative financial liabilities					
Short-term loans	\$ 390,148	390,148	390,148	-	-
Payables	63,593	63,593	63,593	-	-
Lease liabilities	1,218	1,218	624	594	-
Corporate bonds payable	15,671	15,671	3,724	3,724	8,223
Guarantee deposits received	4,309	4,309	-	-	4,309
	<b>\$ 474,939</b>	<b>474,939</b>	<b>458,089</b>	<b>4,318</b>	<b>12,532</b>

## REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

### Notes to the Consolidated Interim Financial Statements

The consolidated company does not expect the timing of the cash flows based on the maturity analysis to occur significantly earlier, nor the actual amounts to differ materially.

#### 3. Foreign exchange risk

##### (1) Exposure to foreign exchange risk

The consolidated company's financial assets and liabilities exposed to significant foreign currency exchange rate risk are as follows:

	2025.6.30			2024.12.31			2024.6.30		
	Foreign currency	Exchange rate	Foreign currency	Exchange rate	NTD	Foreign currency	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
US Dollar	\$ 2,809	29.31	82,331	4,877	32.79	159,881	2,232	32.45	72,413
Financial liabilities									
Monetary items									
US Dollar	263	29.31	7,700	334	32.79	10,939	188	32.45	6,113

##### (2) Sensitivity analysis

The Group's foreign exchange risk primarily arises from bank deposits, accounts receivable, accounts payable, and accrued expenses denominated in foreign currencies, which generate foreign exchange gains or losses upon translation. As of June 30, 2025 and 2024, if the New Taiwan Dollar and Thai Baht had depreciated or appreciated by 1% against the US Dollar, with all other factors remaining unchanged, the pre-tax net loss for the periods from January 1 to June 30, 2025 and 2024 would have decreased or increased by approximately NT\$746 thousand and NT\$663 thousand, respectively. The analyses for both periods were based on the same assumptions.

##### (3) Exchange gains or losses of monetary items

The foreign exchange gains and losses on the Company's monetary items (including both realized and unrealized) translated into the functional currency, as well as the exchange rate information used to translate into the parent company's functional currency, the New Taiwan Dollar (i.e., the Company's presentation currency), are as follows:

	January to June 2025		January to June 2024	
	Foreign exchange gain (loss)	Average exchange rate	Foreign exchange gain (loss)	Average exchange rate
THD	\$ (879)	1.0000	209	1.0000
Thai Baht	THB (3,238)	0.9502	THB 9,628	0.8868

#### 4. Interest rate analysis

The Group's interest rate risk on financial assets and financial liabilities is described in the liquidity risk management section of this note. If interest rates were to increase or decrease



## REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

### Notes to the Consolidated Interim Financial Statements

		2024.12.31			
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial Liabilities Measured at Amortized Cost					
Short-term loan	\$ 558,134	-	-	-	-
Notes and Accounts Payable	19,139	-	-	-	-
Other Payables	74,843	-	-	-	-
Lease Liabilities	908	-	-	-	-
Long-term loans (including current portion)	17,081	-	-	-	-
Guarantee deposits	4,741	-	-	-	-
<b>Total</b>	<b>\$ 674,846</b>	-	-	-	-
		2024.06.30			
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Amortized Cost					
Cash and Cash Equivalents	\$ 123,167	-	-	-	-
Accounts Receivable	278,225	-	-	-	-
Other Receivables	7,874	-	-	-	-
Other Financial Assets - Non-current	10,117	-	-	-	-
<b>Total</b>	<b>\$ 419,383</b>	-	-	-	-
Financial Liabilities Measured at Amortized Cost					
Short-term loan	\$ 390,148	-	-	-	-
Notes and Accounts Payable	17,391	-	-	-	-
Other Payables	46,202	-	-	-	-
Lease Liabilities	1,218	-	-	-	-
Long-term loans (including current portion)	15,671	-	-	-	-
Guarantee deposits	4,309	-	-	-	-
<b>Total</b>	<b>\$ 474,939</b>	-	-	-	-

(2) The Group measures its assets and liabilities using observable market inputs whenever possible. The fair value hierarchy is classified based on the inputs used in the valuation techniques as follows :

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs for the asset or liability other than quoted prices included in Level 1 that are directly (i.e., prices) or indirectly (i.e., derived from prices) observable.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(3) Fair value measurement techniques for financial instruments measured at fair value  
Non-derivative financial instruments

For equity instruments held by the consolidated company without publicly quoted prices, a valuation method based on the Company Act for comparable listed companies is used, and a liquidity discount model is applied to adjust the equity valuation. °

## REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

### Notes to the Consolidated Interim Financial Statements

- (4) Quantitative information on fair value measurements with significant unobservable inputs (Level 3)

The quantitative information on significant unobservable inputs is summarized as follows:

Item	Evaluation Technique	Significant Unobservable Inputs	Relationship between Significant Unobservable Inputs and Fair Value
Equity instrument investments without an active market measured at fair value through other comprehensive income	Comparable to the Company Act applicable to listed and over-the-counter (OTC) companies	Discount for lack of marketability	The higher the discount for lack of marketability, the lower the fair value.

- (5) Sensitivity is of Fair Value Measurement for Level 3 Inputs

The fair value measurements of financial instruments by the consolidated company are considered reasonable; however, the use of different valuation models or parameters may result in different valuation outcomes. For financial instruments classified as Level 3, the significant unobservable input used in estimating fair value is the discount for lack of marketability. Nevertheless, since potential variations in this discount are not expected to have a material financial impact, a sensitivity analysis is not disclosed.

- (s) Risk Management

The objectives and policies of the consolidated company's financial risk management have not undergone any significant changes from those disclosed in Note 6(t) of the consolidated financial statements for the year 2024.

- (t) Capital Management

The objectives, policies, and procedures of the consolidated company's capital management are consistent with those disclosed in the consolidated financial statements for the year 2024. In addition, the summarized quantitative information regarding items included in capital management has not undergone any significant changes from those disclosed in the 2024 consolidated financial statements. For related information, please refer to Note 6(u) of the 2024 consolidated financial statements.

- (u) Non-cash investing and financing activities

The reconciliation of liabilities arising from financing activities of the consolidated company for the periods from January 1 to June 30, 2025 and 2024 is as follows:

	2025.1.1	Cash flow	Non-cash changes	2025.6.30
			Exchange rate changes	
Short-term loan	\$ 558,134	61,763	(37,526)	582,371
Long-term loan	17,081	(1,995)	(956)	14,130
Lease liabilities	908	(314)	-	594
Total liabilities from financing activities	<u>\$ 576,123</u>	<u>59,454</u>	<u>(38,482)</u>	<u>597,095</u>

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

	2024.1.1	Cash flow	Non-cash changes			2024.6.30
			New leases	Terminated leases	Exchange rate changes	
Short-term loan	\$ 243,459	150,756	-	-	(4,067)	390,148
Long-term loan	11,570	4,293	-	-	(192)	15,671
Lease liabilities	399	(126)	1,273	(321)	(7)	1,218
Total liabilities from financing activities	<b>\$ 255,428</b>	<b>154,923</b>	<b>1,273</b>	<b>(321)</b>	<b>(4,266)</b>	<b>407,037</b>

**7. Related party transactions**

Key management personnel compensation includes : :

	April to June 2025	April to June 2024	January to June 2025	January to June 2024
Short-term employee benefits	\$ 4,111	4,213	9,167	9,063
Post-employment benefits	73	63	149	122
	<b>\$ 4,184</b>	<b>4,276</b>	<b>9,316</b>	<b>9,185</b>

**8. Pledged assets**

Asset type	Pledged collateral	2025.6.30	2024.12.31	2024.6.30
Property, plant, and equipment:				
Land	Shot-term loan	\$ 128,957	137,441	126,644
Buildings and structures	Shot-term loan	2,784	5,009	6,529
Other financial assets - current:				
Restricted bank deposits	Shot-term loan	13,543	14,435	-
Other financial assets -non-current:				
		4,385	4,664	4,260
		<b>\$ 149,669</b>	<b>161,549</b>	<b>137,433</b>

**9. Significant contingent liabilities and unrecognized contractual commitments**

(1) Guarantee facilities provided to the company by banks:

	2025.6.30	2024.12.31	2024.6.30
Electricity guarantee limit	\$ 4,136	4,397	4,017

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

(2) The consolidated company has entered into contracts with vendors for the purchase of property, plant, and equipment for equipment renewal projects. As of June 30, 2025, December 31, 2024, and June 30, 2024, the total contract amounts were NT\$44,467 thousand, NT\$24,739 thousand, and NT\$22,796 thousand, respectively, with cumulative payments made up to each respective date amounting to NT\$27,384 thousand, NT\$24,317 thousand, and NT\$20,394 thousand, recorded under property, plant, and equipment.

**10. Significant disaster losses: None**

**11. Significant subsequent events: None**

**12. Others**

(1) The summary of employee benefits, depreciation, depletion, and amortization expenses by function is as follows :

By function By nature	April to June 2025			April to June 2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expenses						
Salaries and wages	106,198	48,088	154,286	76,919	43,492	120,411
Labor and health insurance expenses	-	107	107	-	78	78
Pension expense	1,003	486	1,489	793	374	1,167
Other employee benefits	5,822	3,404	9,226	6,642	3,180	9,822
Depreciation expenses	11,107	2,848	13,955	11,032	4,129	15,161
Amortization expenses	34	1,103	1,137	31	905	936

By function By nature	January to June 2025			January to June 2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expenses						
Salaries and wages	212,051	100,487	312,538	153,404	87,479	240,883
Labor and health insurance expenses	-	213	213	-	155	155
Pension expense	2,055	992	3,047	1,516	753	2,269
Other employee benefits	12,097	6,652	18,749	12,552	6,753	19,305
Depreciation expenses	23,212	5,805	29,017	21,963	8,272	30,235
Amortization expenses	69	2,189	2,258	61	1,802	1,863

(2) Seasonality of operations

The consolidated company's operations are not affected by seasonal or cyclical factors

# REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

## Notes to the Consolidated Interim Financial Statements

### 13. Notes to the financial statements

#### (1) Information on significant transactions

For the period from January 1 to June 30, 2025, the consolidated company, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, discloses the following information on significant transactions that should be further disclosed :

1. Lending of funds to others: None
2. Endorsements and guarantees provided for others:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser Company Name	Endorsed Parties		Endorsement Limit for Single Enterprise (Note 3)	Maximum Endorsement Balance for the Period (Note 4)	Endorsement Balance in End of Period (Note 5)	Actual Expenditure for Current Period	Endorsement Amount Guaranteed by Property	Cumulative Endorsement Amount as Percentage of Net Value of the Most Recent Financial Statements	Maximum Endorsement Amount (Note 3)	Endorsements by Parent Company to Subsidiary	Endorsements by Subsidiary to Parent Company	Endorsement for Mainland China
		Company name	Relationship (Note 2)										
1	RJM	RPM	4	66,085	27,207 (THB30,000)	27,207 (THB30,000)	-	-	4.01	66,085	Y	N	N
1	RJM	RPM	4	66,085	18,138 (THB20,000)	18,138 (THB20,000)	-	-	2.67	66,085	Y	N	N

Note 1: The number is filled out as follows:

1. The Company is numbered as 0.
2. The investee companies are numbered according to their order, starting with the number 1.

Note 2: The relationship between the endorser and the endorsed party can be divided into the following seven categories:

1. Companies with businesses.
2. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
3. Companies that directly or indirectly holds more than 50% of the voting shares.
4. Between companies that the Company directly and indirectly holds more than 90% of the voting shares.
5. Companies that guarantee each other in accordance with the contract between peers or joint builders based on the need to contract projects.
6. Companies that are endorsed and guaranteed by all of the shareholders in accordance with their shareholding ratios due to a joint investment relationship.
7. Inter-companies guarantees for pre-sale contracts in accordance with the Consumer Protection Act.

Note 3: Inter-company endorsement and guarantee is allowed for companies in which the Company directly and indirectly holds 90% or more of the voting shares, and the amount of endorsement and guarantee shall not exceed 10% of the Company's net worth; however, intercompany endorsement and guarantee is not limited to this rule for companies in which the Company directly and indirectly owns 100% of the voting shares.

Note 4: The maximum balance of endorsement and guarantees for others until the current year of the reporting month

#### 3. Information about securities held at the reporting date (excluding subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account	Ending balance				Note
				Number of shares (thousands)	Carrying amount	Ownership percentage (%)	Fair value	
Regal Holding Co., Ltd.	SELF TOKEN INC.	-	Financial assets at fair value through OCI	2,400	-	14.58	-	
Regal Holding Co., Ltd.	SELF PICK INC.	-	Financial assets at fair value through OCI	500	-	6.25	-	

4. Transactions of purchases or sales with related parties amounting to NT\$100 million or 20% or more of paid-in capital: None.

5. Receivables from related parties amounting to NT\$100 million or 20% or more of paid-in capital: None.

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

6. Business relationships and significant transactions between parent and subsidiary companies :

(In Thousands of New Taiwan Dollars)

No.(Note 1)	Name of company	Name of counterparty	Relationship (Note 2)	Transactions			Percentage of the consolidated revenue or total assets
				Account	Amount	Trading terms	
1	RGP	RJM	1	Operating revenues	106,674	The price is based on mutually agreed prices. 45days~60days	10.86%
1	RGP	RJM	1	Trade receivables	38,644		2.56%

Note 1: The number is filled out as follows: No.1 represents RGP

Note 2: The type of relationship with the counterparty is indicated as follows: No.1 represents a subsidiary to the parent company

Note 3: Disclosure is made for accounts that are balance sheet accounts and account for more than 1% of total consolidated assets and profit or loss accounts that account for more than 1% of total consolidated revenue

(2) Information on investee companies:

The information on investee companies for the period from January 1 to June 30, 2025, is as follows:

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main business and products	Original investment amount		Balance as of June 30, 2024					
				June 30, 2025 (Note 2)	December 31, 2024	Shares	Percentage of ownership	Carrying amount (Note 1)			
The company	RJM	Thailand	Jewelry design, manufacturing, and sales	300,000	300,000	4,549,998	99.99%	678,542	(39,342)	(39,342)	Eliminated in the consolidate financial statement
RJM	RGP	Thailand	Jewelry plating processing	11,512 (THB 12,750)	12,269 (THB 12,750)	127,500	51.00%	93,696 (THB 103,772)	14,301 (THB 15,050)	7,238 (THB 7,617)	"
RJM	RPM	Thailand	Metal recycling industry	90,200 (THB 99,900)	96,134 (THB 99,900)	999,000	99.90%	86,541 (THB 95,847)	5,628 (THB 5,923)	5,843 (THB6,149)	"

Note 1: Investment gains (losses) were based on the investee's financial statements audited by the Company's certified public accountants.

Note 2: The above amounts of paid-in capital of subsidiaries invested by the Company were calculated based on historical exchange rates; the amount of paid-in capital of subsidiaries invested by RJM were calculated based on the exchange rate as of June 30, 2025 (the closing rate of THB: NTD=10.9029), and the remaining amounts were calculated based on the average rate (THB: NTD=1:0. 0.9502).

(3) Information on investments in China: None

14. Segment information

**April to June 2025**

	<b>Jewelry Manufacturing and Sales Division</b>	<b>Plating Division</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue :				
Revenue from external customers	\$ 385,882	70,887	-	456,769
Inter-segment revenue	-	41,150	(41,150)	-
Total revenue	<u>\$ 385,882</u>	<u>112,037</u>	<u>(41,150)</u>	<u>456,769</u>
Reportable segment profit or loss	<u>\$ (39,902)</u>	<u>1,571</u>	-	<u>(38,331)</u>

**REGAL HOLDING CO., LTD. AND ITS SUBSIDIARIES**

**Notes to the Consolidated Interim Financial Statements**

**April to June 2024**

	<b>Jewelry Manufacturing and Sales Division</b>	<b>Plating Division</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue :				
Revenue from external customers	\$ 324,890	27,851	-	352,741
Inter-segment revenue	-	18,121	(18,121)	-
<b>Total revenue</b>	<b>\$ 324,890</b>	<b>45,972</b>	<b>(18,121)</b>	<b>352,741</b>
<b>Reportable segment profit or loss</b>	<b>\$ (28,150)</b>	<b>975</b>	<b>-</b>	<b>(27,175)</b>

**January to June 2025**

	<b>Jewelry Manufacturing and Sales Division</b>	<b>Plating Division</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue :				
Revenue from external customers	\$ 837,935	144,550	-	982,485
Inter-segment revenue	-	106,674	(106,674)	-
<b>Total revenue</b>	<b>\$ 837,935</b>	<b>251,224</b>	<b>(106,674)</b>	<b>982,485</b>
<b>Reportable segment profit or loss</b>	<b>\$ (56,089)</b>	<b>16,697</b>	<b>-</b>	<b>(39,392)</b>

**January to June 2024**

	<b>Jewelry Manufacturing and Sales Division</b>	<b>Plating Division</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue :				
Revenue from external customers	\$ 599,035	44,666	-	643,701
Inter-segment revenue	-	39,388	(39,388)	-
<b>Total revenue</b>	<b>\$ 599,035</b>	<b>84,054</b>	<b>(39,388)</b>	<b>643,701</b>
<b>Reportable segment profit or loss</b>	<b>\$ (55,898)</b>	<b>(4,860)</b>	<b>-</b>	<b>(60,758)</b>

For the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, the total reportable segment revenue, after eliminating inter-segment revenue, amounted to NT\$41,150 thousand, NT\$18,121 thousand, NT\$106,674 thousand, and NT\$39,388 thousand, respectively.