

**Weltrend Semiconductor, Inc. and Its
Subsidiaries**

**Consolidated Financial Statements and
Independent Auditor's Report**
For the Three Months Ended March 31, 2025 and 2024

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Independent Auditor's Review Report

To Weltrend Semiconductor, Inc. and Its Subsidiaries,

Introduction

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

Scope of Review

Except for those described in the paragraph of basis of a qualified conclusion, we conducted the review in accordance with the "Review of Financial Statements" of the Auditing Standard No. 2410. A review of 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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of qualified conclusion

As mentioned in Note 12 to the consolidated financial statements, the non-material subsidiaries' financial statements for the same period included in the above consolidated financial statements have not been reviewed by us, and their total assets as at March 31, 2025 and 2024 were NT\$406,242 thousand and NT\$405,864 thousand, respectively, accounting for 7% and 6% of the total consolidated assets, respectively; total liabilities were NT\$5,591 thousand and NT\$6,357 thousand, respectively, representing 0.3% and 0.4% of the total consolidated liabilities, respectively; total consolidated comprehensive income for the three months ended March 31, 2025 and 2024 was NT\$(15,335) thousand and NT\$20,147 thousand respectively, accounting for 78% and 16% of the total consolidated comprehensive income, respectively.

Qualified conclusion

According to our review results, except that the financial statements of non-material subsidiaries described in the Basis of qualified conclusion paragraph may result in adjustment to the consolidated financial statements if reviewed by us, we have determined that the foregoing consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC, with a fair presentation of the Group’s consolidated financial position as of March 31, 2025 and 2024 as well as consolidated financial performance and consolidated cash flows for three months ended March 31, 2025 and 2024.

The engagement partners on the audits resulting in this independent auditors’ report are Cheng-Chih, Lin and Chih-yuan Wen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 2025

Weltrend Semiconductor, Inc. and Its Subsidiaries
Consolidated Balance Sheet
As of March 31, 2025, December 31, 2024, and March 31, 2024

Unit: NT\$ thousand

Code	Assets	March 31, 2025		December 31, 2024		March 31, 2024		Code	Liabilities and equity	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
	Current assets								Current liabilities						
1100	Cash and cash equivalents (Notes 6 and 31)	\$ 635,752	11	\$ 874,562	15	\$ 1,268,866	21	2100	Short-term borrowings (Notes 19, 31 and 33)	\$ 15,000	-	\$ 135,618	2	\$ 139,470	2
1110	Financial assets at fair value through profit or loss - current (Notes 7, 31, and 33)	707,947	12	771,858	13	545,677	9	2120	Financial liabilities at fair value through profit or loss - current (Notes 7, 20, and 31)	2,420	-	2,310	-	2,750	-
1120	Financial assets at fair value through other comprehensive income - current (Notes 8 and 31)	581,317	10	550,956	9	540,345	9	2150	Notes payable (Notes 21 and 31)	1,170	-	579	-	504	-
1136	Financial assets at amortized cost - current (Notes 9 and 31)							2170	Accounts payable (Notes 21 and 31)	356,544	6	329,682	6	229,703	4
		438,628	8	314,285	5	419,928	7	2206	Remuneration payable to employees and directors and supervisors (Note 27)	82,322	1	71,487	1	73,112	1
1150	Notes receivable (Notes 10 and 31)	9,432	-	13,026	-	9,092	-	2209	Other payables (Notes 22 and 31)	38,040	1	176,900	3	26,407	1
1170	Accounts receivable, net (Notes 10, 26 and 31)	1,033,773	18	1,013,048	17	843,028	14	2216	Dividends payable (Note 25)	41,154	1	-	-	29,396	1
1200	Other receivables (Notes 10 and 31)	11,834	-	76,015	1	25,956	1	2230	Current tax liabilities (Note 4)	41,882	1	26,622	1	7,991	-
1220	Current tax assets	14,826	-	14,826	-	11,619	-	2110	Corporate bonds payable due within one year (Notes 20 and 31)	1,067,877	19	1,062,505	18	-	-
130X	Inventory (Note 11)	823,447	15	820,449	14	687,607	12	2250	Liabilities - current (Note 23)	8,523	-	8,634	-	12,331	-
1410	Prepayments (Note 18)	28,843	1	32,602	1	29,437	1	2280	Lease liabilities - current (Notes 15 and 31)	21,331	-	18,570	-	17,312	-
11XX	Total current assets	4,285,799	75	4,481,627	75	4,381,555	74	2300	Other current liabilities (Notes 22 and 26)	7,702	-	6,976	-	5,035	-
								21XX	Total current liabilities	1,683,965	29	1,839,883	31	544,011	9
	Non-current assets								Non-current liabilities						
1510	Financial assets at fair value through profit or loss - non-current (Notes 7 and 31)	74,123	1	82,771	1	87,073	1	2530	Corporate bonds payable (Notes 20 and 31)	-	-	-	-	1,046,316	18
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 31)	69,640	1	70,289	1	68,049	1	2570	Deferred tax liabilities (Note 4)	114,289	2	116,845	2	131,121	2
1535	Financial assets at amortized cost - non-current (Notes 9, 31, and 33)							2580	Lease liabilities - non-current (Notes 15 and 31)	29,606	1	31,321	1	28,402	-
		15,411	-	15,405	-	10,405	-	2640	Net defined benefit liability - non-current (Notes 4 and 24)	28,195	-	30,564	-	39,369	1
1600	Property, plant and equipment (Notes 13 and 33)	197,489	3	198,070	3	209,184	4	2670	Other non-current liabilities (Notes 22 and 31)	440	-	440	-	440	-
1755	Right-of-use assets (Note 15)	50,178	1	49,200	1	45,106	1	25XX	Total non-current liabilities	172,530	3	179,170	3	1,245,648	21
1760	Investment property (Note 14)	46,227	1	47,023	1	49,412	1			1,856,495	32	2,019,053	34	1,789,659	30
1780	Intangible assets (Note 17)	552,079	10	570,765	10	623,144	10	2XXX	Total liabilities						
1805	Goodwill (Note 16)								Equity attributable to owners of the Company (Notes 20 and 25)						
		447,603	8	447,603	8	447,603	8		Common stock	1,780,116	31	1,780,116	30	1,780,116	30
1840	Deferred tax assets (Note 4)	1,599	-	1,534	-	2,132	-	3110	Capital surplus	266,971	5	266,971	4	266,965	4
1915	Prepayments for equipment	1,170	-	1,440	-	1,322	-	3200	Retained earnings						
1920	Guarantee deposits paid (Note 31)	8,133	-	6,585	-	6,570	-		Legal reserve	658,536	12	658,536	11	640,592	11
1990	Other non-current assets	1,560	-	2,012	-	4,267	-	3310	Special reserve	24,855	-	24,855	1	167,949	3
15XX	Total non-current assets	1,465,212	25	1,492,697	25	1,554,267	26	3320	Unappropriated earnings	1,000,661	17	974,154	16	835,595	14
								3350	Total retained earnings	1,684,052	29	1,657,545	28	1,644,136	28
								3300		(159,562)	(3)	(104,997)	(2)	(14,091)	-
								3400	Other equity	(206,993)	(3)	(206,993)	(3)	(83,400)	(1)
								3500	Treasury stock						
								31XX	Total equity attributable to owners of the Parent	3,364,584	59	3,392,642	57	3,593,726	61
										529,932	9	562,629	9	552,437	9
								36XX	Non-controlling interests (Note 25)						
										3,894,516	68	3,955,271	66	4,146,163	70
								3XXX	Total equity						
1XXX	Total assets	\$ 5,751,011	100	\$ 5,974,324	100	\$ 5,935,822	100		Total liabilities and equity	\$ 5,751,011	100	\$ 5,974,324	100	\$ 5,935,822	100

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

(Please refer to the review report by Deloitte Taiwan dated May 8, 2025)

Weltrend Semiconductor, Inc. and Its Subsidiaries
Consolidated Statements of Comprehensive Income
For the Three Months Ended March 31, 2025 and 2024

Unit: Thousands of NTD; except for earnings per share in NTD

Code		January 1, 2025 to March 31, 2025		January 1, 2024 to March 31, 2024	
		Amount	%	Amount	%
4000	Operating revenue, net (Note 26)	\$ 795,302	100	\$ 665,009	100
5000	Operating costs (Notes 11 and 27)	<u>539,643</u>	<u>68</u>	<u>476,703</u>	<u>72</u>
5900	Operating gross margins	<u>255,659</u>	<u>32</u>	<u>188,306</u>	<u>28</u>
	Operating expenses (Note 27)				
6100	Selling expenses	50,132	6	46,668	7
6200	Administrative expenses	28,742	4	27,537	4
6300	Research and				
	Development expenses	102,976	13	115,335	18
6450	Expected credit impairment losses (gain on reversal) (Note 10)	<u>54</u>	<u>-</u>	<u>(36)</u>	<u>-</u>
6000	Total operating expenses	<u>181,904</u>	<u>23</u>	<u>189,504</u>	<u>29</u>
6900	Net operating profits (losses)	<u>73,755</u>	<u>9</u>	<u>(1,198)</u>	<u>(1)</u>
	Non-operating income and expenses (Note 27)				
7100	Interest income	5,936	1	15,528	2
7010	Other income	1,166	-	2,948	1
7020	Other profits and losses	(29,297)	(3)	99,923	15
7050	Financial costs	<u>(5,706)</u>	<u>(1)</u>	<u>(6,240)</u>	<u>(1)</u>
7000	Total non-operating income and expenses	<u>(27,901)</u>	<u>(3)</u>	<u>112,159</u>	<u>17</u>
7900	Net profit before taxation	45,854	6	110,961	16
7950	Income tax expense (Notes 4 and 28)	<u>(12,970)</u>	<u>(2)</u>	<u>(14,456)</u>	<u>(2)</u>
8200	Net profits for the period	<u>32,884</u>	<u>4</u>	<u>96,505</u>	<u>14</u>

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Code		January 1, 2025 to March 31, 2025		January 1, 2024 to March 31, 2024	
		Amount	%	Amount	%
	Other comprehensive income (Note 25)				
8310	Items not reclassified to profit or loss:				
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	(\$ 52,847)	(6)	\$ 24,623	4
8360	Items that may subsequently be reclassified to profit or loss:				
8361	Exchange differences on the translation of financial statements of foreign operations	<u>362</u>	<u>-</u>	<u>1,052</u>	<u>-</u>
8300	Other comprehensive income for the period	(<u>52,485</u>)	(<u>6</u>)	<u>25,675</u>	<u>4</u>
8500	Total comprehensive income for the period	(\$ <u>19,601</u>)	(<u>2</u>)	\$ <u>122,180</u>	<u>18</u>
	Net income attributable to:				
8610	Owners of the parent	\$ 24,343	3	\$ 87,061	13
8620	Non-controlling interests	<u>8,541</u>	<u>1</u>	<u>9,444</u>	<u>2</u>
8600		<u>\$ 32,884</u>	<u>4</u>	<u>\$ 96,505</u>	<u>15</u>
	Comprehensive income attributable to:				
8710	Owners of the parent	(\$ 28,058)	(3)	\$ 112,504	17
8720	Non-controlling interests	<u>8,457</u>	<u>1</u>	<u>9,676</u>	<u>1</u>
8700		(\$ <u>19,601</u>)	(<u>2</u>)	\$ <u>122,180</u>	<u>18</u>
	Earnings per share (Note 29)				
9750	Basic	<u>\$ 0.14</u>		<u>\$ 0.49</u>	
9850	Diluted	<u>\$ 0.14</u>		<u>\$ 0.47</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report by Deloitte Taiwan dated May 8, 2025)

Weltrend Semiconductor, Inc. and Its Subsidiaries
Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2025 and 2024

Unit: In NT\$ thousand unless otherwise specified

		Equity attributable to owners of the Parent											
		Common stock		Retained earnings				Other equity		Treasury stock	Total	Non-controlling interests	Total equity
Code		Number of Shares (in thousands)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on the translation of financial statements of foreign operations	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income				
A1	Balance at January 1, 2024	178,011	\$1,780,116	\$ 266,965	\$ 640,592	\$ 167,949	\$ 733,853	(\$ 1,982)	(\$ 22,871)	(\$ 83,400)	\$3,481,222	\$ 572,157	\$4,053,379
D1	Net profits from January 1 to March 31, 2024	-	-	-	-	-	87,061	-	-	-	87,061	9,444	96,505
D3	Other comprehensive income from January 1, 2024 to March 31, 2024	-	-	-	-	-	-	1,052	24,391	-	25,443	232	25,675
D5	Total comprehensive income from January 1, 2024 to March 31, 2024	-	-	-	-	-	87,061	1,052	24,391	-	112,504	9,676	122,180
O1	Cash dividends from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(29,396)	(29,396)
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	14,681	-	(14,681)	-	-	-	-
Z1	Balance at March 31, 2024	<u>178,011</u>	<u>\$1,780,116</u>	<u>\$ 266,965</u>	<u>\$ 640,592</u>	<u>\$ 167,949</u>	<u>\$ 835,595</u>	(<u>\$ 930</u>)	(<u>\$ 13,161</u>)	(<u>\$ 83,400</u>)	<u>\$3,593,726</u>	<u>\$ 552,437</u>	<u>\$4,146,163</u>
A1	Balance at January 1, 2025	178,011	\$1,780,116	\$ 266,971	\$ 658,536	\$ 24,855	\$ 974,154	(\$ 629)	(\$ 104,368)	(\$ 206,993)	\$3,392,642	\$ 562,629	\$3,955,271
D1	Net profits from January 1 to March 31, 2025	-	-	-	-	-	24,343	-	-	-	24,343	8,541	32,884
D3	Other comprehensive income from January 1, 2025 to March 31, 2025	-	-	-	-	-	-	362	(52,763)	-	(52,401)	(84)	(52,485)
D5	Total comprehensive income from January 1 to March 31, 2025	-	-	-	-	-	24,343	362	(52,763)	-	(28,058)	8,457	(19,601)
O1	Cash dividends from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(41,154)	(41,154)
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	2,164	-	(2,164)	-	-	-	-
Z1	Balance at March 31, 2025	<u>178,011</u>	<u>\$1,780,116</u>	<u>\$ 266,971</u>	<u>\$ 658,536</u>	<u>\$ 24,855</u>	<u>\$1,000,661</u>	(<u>\$ 267</u>)	(<u>\$ 159,295</u>)	(<u>\$ 206,993</u>)	<u>\$3,364,584</u>	<u>\$ 529,932</u>	<u>\$3,894,516</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report by Deloitte Taiwan dated May 8, 2025)

Weltrend Semiconductor, Inc. and Its Subsidiaries
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2025 and 2024

Unit: NT\$ thousand

Code		January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
	Cash flows from operating activities		
A10000	Net profits before tax for the period	\$ 45,854	\$ 110,961
A20010	Income and expense items that do not affect cash flow:		
A20100	Depreciation expenses	16,938	17,330
A20200	Amortization expenses	23,537	27,297
A20300	Expected credit impairment losses (gains on reversal)	54	(36)
A20400	Loss (gain) on financial assets at fair value through profit or loss	44,082	(19,299)
A20900	Financial costs	5,706	6,240
A21200	Interest income	(5,936)	(15,528)
A21300	Dividend income	(309)	(1,770)
A22500	Gain on disposal of property, plant and equipment	-	(99)
A23700	Losses on inventory valuation loss and obsolescence (gains on inventory value recovery)	(3,805)	7,838
A24100	Net foreign exchange gain	(13,508)	(63,306)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	3,600	4,482
A31150	Accounts receivable	(8,116)	115,407
A31180	Other receivables	5,403	(4,914)
A31200	Inventory	807	94,215
A31230	Prepayments	4,211	5,291
A32130	Notes payable	591	(126)
A32150	Accounts payable	23,070	(10,585)
A32990	Remuneration payable to employees and directors and supervisors	10,835	22,026
A32180	Other payables	(49,418)	(40,477)
A32200	Provisions	(111)	124
A32230	Other current liabilities	726	(1,862)
A32240	Net defined benefit liability	(2,369)	(12,915)
A33000	Net cash inflow from operations	101,842	240,294
A33100	Interest received	4,198	14,011
A33300	Interests paid	(763)	(824)
A33500	Income tax paid	(331)	(1,067)
AAAA	Net cash inflow from operating activities	<u>104,946</u>	<u>252,414</u>

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Code		January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(\$ 113,997)	(\$ 287,354)
B00020	Sale of financial assets at fair value through other comprehensive income	61,190	219,456
B00100	Acquisition of financial assets at fair value through profit or loss	(110,045)	(116,989)
B00200	Sale of financial assets at fair value through profit or loss	80,434	96,274
B00040	Acquisition of financial assets at amortized cost	(160,698)	(255,829)
B00050	Disposal of financial assets at amortized cost	36,349	113,030
B02700	Purchase of property, plant, and equipment	(9,663)	(8,656)
B02800	Proceeds from disposal of property, plant and equipment	-	838
B03700	Increase in refundable deposits	(1,548)	(5)
B04500	Acquisition of intangible assets	(4,850)	(8,964)
B07600	Dividend received	<u>276</u>	<u>1,755</u>
BBBB	Cash outflow from investing activities	(<u>222,552</u>)	(<u>246,444</u>)
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	(120,280)	(9,837)
C04020	Principal repayment of lease liabilities	(<u>5,566</u>)	(<u>5,161</u>)
CCCC	Net cash outflow from financing activities	(<u>125,846</u>)	(<u>14,998</u>)
DDDD	Impact of changes in exchange rate on cash and cash equivalents	<u>4,642</u>	<u>35,819</u>
EEEE	Net (decrease) increase in cash and cash equivalents for this period	(238,810)	26,791
E00100	Balance of cash and cash equivalents at the beginning of period	<u>874,562</u>	<u>1,242,075</u>
E00200	Balance of cash and cash equivalents at the end of period	<u>\$ 635,752</u>	<u>\$ 1,268,866</u>

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

(Please refer to the review report by Deloitte Taiwan dated May 8, 2025)

Weltrend Semiconductor, Inc. and Its Subsidiaries
Notes to Consolidated Financial Statements
For the Three Months Ended March 31, 2025 and 2024
(In thousand NTD, unless otherwise specified)

1. Company History

Weltrend Semiconductor, Inc. (the “Company”) was incorporated in Hsinchu Science Park in July 1989 and entered operations in September of the same year, mainly engaging in research, development, production, testing, and sales of digital and analog hybrid special application integrated circuits, as well as digital and analog integrated circuits.

The Company’s stock has been listed on the Taiwan Stock Exchange Corporation (TWSE) since September 2000.

The consolidated financial statements are presented in the Company’s functional currency – New Taiwan dollar.

2. Date and Procedures for Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors on May 8, 2025.

3. Application of New, Amended and Revised Standards and Interpretations

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

1. Amendments to IAS 21 “Lack of Exchangeability”

The application of the amended to IAS 21 “Lack of Exchangeability” does not have material impact on the accounting policies of the Company and subsidiaries of the Company (hereinafter collectively referred to as the “Group”).

(2) Application of IFRSs endorsed by FSC in 2026

The new/amended/revised standards and interpretation	Effective date of IASB publication
Amendments to IFRS 9 and IFRS 7 “Amendments to Financial Instruments: Classification and Measurement” regarding the revised application guidance on the classification of financial assets.	January 1, 2026 (Note 1)

Note 1: It is applicable to the annual reporting periods beginning on or after January 1, 2026. Enterprises may also choose to apply the same earlier, on January 1, 2025.

When the amendments are first applied, the effects of the amendments shall be recognized on the date of initial application, but it is not necessary to re-compile the comparison period. However, if the enterprise does not adopt a forward-looking mindset, it may choose to re-compile the financial statements.

As of the date the consolidated financial statements were authorized for issue, the consolidated company continues to evaluate the impact that the amendments have on its financial position and performance.

- (3) The IFRSs Accounting Standards in issue by the IASB but not yet endorsed and issued into effect by the FSC

The new/amended/revised standards and interpretation	Effective date of IASB publication
"Annual Improvements to IFRS Accounting Standards — Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to Financial Instruments: Classification and Measurement" regarding the revised application guidance on the derecognition of financial debts.	January 1, 2026
Amendment to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendment to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture."	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without public Accountability: Disclosures"	January 1, 2027

Note 1: Unless otherwise specified, the aforementioned new/amended/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective effective dates.

1. IFRS 18 "Presentation and Disclosures of Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements" and the main changes include:

- The income and loss items shall be divided into business, investment, financing, income tax, and discontinued operations.
- The income statement shall present operating profit or loss, profit or loss before financing and income tax, as well as subtotal and total profit and loss.
- Provide guidance to strengthen the requirements of aggregation and segmentation: The Group must identify assets, liabilities, equity, revenues, expenses, and cash flows arising from individual transactions or other

events and classify and aggregate them on the basis of common characteristics so that each line item presented in the primary financial statements has at least one similar characteristic. Items with non-similarity characteristics in the main financial statements and notes should be divided. The Group only marks such items as “others” when no more informative mark can be found.

- Increasing the disclosure of the performance measurement defined by management: When the Group has opened communication outside the financial statements, and when management’s view of the Group’s overall financial performance on a certain aspect is communicated with the users of the financial statements, it shall be disclosed in a separate note to the financial statements on performance measurements defined by management, including descriptions of the measurements, how to calculate them, reconciliations between them and any subtotals or totals specified in IFRS, and the impact of relevant adjustments on income tax and non-controlling interests, etc.
2. Amendments to IFRS 9 and IFRS 7 “Amendments to Financial Instruments: Classification and Measurement” regarding the revised application guidance on the derecognition of financial debts.

The amendments mainly describe the circumstances under which an enterprise may choose to derecognize financial liabilities before the settlement date if the following conditions are met when using the electronic payment system to settle financial liabilities in cash:

- The enterprise does not have the actual ability to return, stop or cancel the payment instruction;
- The enterprise has no actual ability to withdraw the cash that is paid for settlement;
- The settlement risk related to the electronic payment system is not significant.

The consolidated company shall apply the amendments retrospectively but is not required to recompile the comparative periods. The effects of the initial application shall be recognized on the date of initial application.

In addition to the above effects, as of the date of approving the consolidated financial statements for release, the Group had continued to evaluate other effects of the amendments to various standards and interpretations on its financial position and financial performance, and the relevant effects will be disclosed when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission. The consolidated financial statements do not include all IFRSs disclosures required for the complete set of annual financial statements.

(2) Basis of preparation

The consolidated financial statements were prepared on the historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligation less the fair value of plan assets.

The assessment of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of the related input value:

1. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the assessment (before adjustment).
2. Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.
3. Level 3 input value: the unobservable input value of asset or liability.

(3) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The subsidiaries' financial statements have been properly adjusted to make the accounting policies consistent with the accounting policies of the Group. In preparing the consolidated financial statements, all inter-company transactions, account balances, gains and losses have been eliminated. The total comprehensive income of the subsidiaries is attributable to owners of the parent and non-controlling interests, even if the non-controlling interests become a loss balance as a result.

See Note 12 and Tables 3 and 4 for more information on subsidiaries' statements, shareholding ratios, and main business.

(4) Other significant accounting policies

In addition to the information below, please refer to the summary of significant accounting policies in the 2024 consolidated financial statements.

1. Criteria for classification of current and non-current assets and liabilities

Current assets include:

- (1) Assets held primarily for the purpose of trading;
- (2) Assets expected to be realized within 12 months after the balance sheet date; and
- (3) Cash and cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

- (1) Liabilities held primarily for the purpose of trading;
- (2) Liabilities due to be settled within 12 months after the balance sheet date; and
- (3) At the balance sheet date, the Company has no substantive right to defer settlement of liabilities for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current. For the terms of a liability that may be settled by the transfer of the Group's equity instruments at the option of the counterparty, if the Group classifies the option as an equity instrument, the terms and conditions do not affect the liability classification as current or non-current.

2. Defined benefit retirement benefit

The pension cost for the interim period is calculated using the actuarially determined pension cost rate as of the end of the previous fiscal year and is based on the beginning of the year to the end of the current period, adjusted for significant market fluctuations and significant plan amendments, settlements or other significant one-time events during the period.

3. Income tax expense

Income tax expense is the sum of the current income tax and deferred income tax. Income tax for the interim period is assessed on an annual basis, and is calculated using the tax rate applicable to the expected total profits for the whole year on the interim pre-tax profits.

5. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

When adopting accounting policies, the Group is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from the estimates.

The Group, when developing significant accounting estimates, has included inflation, market interest rate fluctuations and U.S. Reciprocal Tariff Measures in cash flows estimation, growth rates, discount rates, and profitability. The management team will continue to review such estimates and underlying assumptions.

The key sources of uncertainty in the principal accounting judgments, estimates, and assumptions adopted in these consolidated financial statements are the same as those in the 2024 consolidated financial statements.

6. Cash and Cash Equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and working capital	\$ 358	\$ 347	\$ 356
Bank checking accounts and demand deposits	388,722	531,562	421,232
Cash equivalent			
Bank time deposits	221,672	213,176	808,586
Commercial paper	<u>25,000</u>	<u>129,477</u>	<u>38,692</u>
	<u>\$ 635,752</u>	<u>\$ 874,562</u>	<u>\$ 1,268,866</u>

The market interest rate ranges of cash in banks and cash equivalents at the balance sheet date are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Cash in banks	0.001%~1.055%	0.001%~1.450%	0.005%~1.450%
Time deposits	1.30%~4.20%	1.225%~5.650%	1.575%~5.490%
Commercial paper	1.390%	1.340%~4.850%	5.400%

7. Financial Instruments Measured at Fair Value Through Profit or Loss

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets – current</u>			
Mandatorily at fair value through profit			
Non-derivative financial assets			
- Domestic listed stocks	\$ 707,947	\$ 771,858	\$ 338,054
- Fund beneficiary certificates	-	-	207,623
	<u>\$ 707,947</u>	<u>\$ 771,858</u>	<u>\$ 545,677</u>

Financial assets – non-current

Mandatorily at fair value through profit

Non-derivative financial assets

- Privately offered funds	\$ 71,547	\$ 79,352	\$ 86,568
- Domestic non-listed stocks	2,576	3,419	505
	<u>\$ 74,123</u>	<u>\$ 82,771</u>	<u>\$ 87,073</u>

Financial liabilities-current

Held for trading

Derivatives (not designated as hedging)

- Value of right to redeem convertible corporate bonds (Note 20)	<u>\$ 2,420</u>	<u>\$ 2,310</u>	<u>\$ 2,750</u>
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Please refer to Note 33 for information on investments in financial instruments at fair value through profit or loss pledged.

8. Financial assets measured at fair value through other comprehensive income

Equity investment

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Domestic Investment			
Listed stocks	\$ 581,317	\$ 550,956	\$ 540,345
<u>Non-current</u>			
Domestic Investment			
Non-listed stocks	\$ 37,321	\$ 38,379	\$ 36,898
Foreign investment			
Non-listed stocks	32,319	31,910	31,151
	<u>\$ 69,640</u>	<u>\$ 70,289</u>	<u>\$ 68,049</u>

The Group invests in domestic companies' ordinary shares for medium- and long-term strategic purposes and expects to make profits in the long-term. The management of the Group holds that the short-term fluctuation in the fair value of these investments shall be recognized as income or loss and is not congruent with the aforementioned long-term investment plan; therefore, they chose to designate these investments as financial assets measured at fair value through other comprehensive income.

9. Financial assets at amortized cost

Equity investment

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Time deposits with the initial duration of more than 3 months	\$ 146,100	\$ 111,850	\$ 261,060
Commercial paper	292,528	202,435	158,868
	<u>\$ 438,628</u>	<u>\$ 314,285</u>	<u>\$ 419,928</u>

Non-current

Domestic Investment			
Certificates of deposit pledged	\$ 15,411	\$ 15,405	\$ 10,405

- (1) As of March 31, 2025, December 31, 2024, and March 31, 2024, the interest rate ranges of time deposits with the initial duration of more than three months, commercial paper, and certificate of deposit pledged are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits with the initial duration of more than 3 months	1.700%~4.960%	1.700%~4.906%	1.155%~5.500%
Commercial paper	1.360%~4.750%	1.360%~4.900%	5.15%~5.45%
Certificates of deposit pledged	1.575%~1.700%	1.450%~1.700%	1.575%~1.650%

- (2) Please refer to Note 31 for information on credit risk management and impairment assessment related to financial assets measured at amortized cost.
- (3) Please refer to Note 33 for information on financial assets measured at amortized cost pledged.

10. Notes receivable, accounts receivable and other receivables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Notes receivable</u>			
Notes receivable - from operations	\$ 9,434	\$ 13,034	\$ 9,098
Less: Allowance for losses	(<u>2</u>)	(<u>8</u>)	(<u>6</u>)
	<u>\$ 9,432</u>	<u>\$ 13,026</u>	<u>\$ 9,092</u>
<u>Accounts receivable</u>			
Measured at amortized cost			
Total book value	\$ 1,034,341	\$ 1,013,556	\$ 843,447
Less: Allowance for losses	(<u>568</u>)	(<u>508</u>)	(<u>419</u>)
	<u>\$ 1,033,773</u>	<u>\$ 1,013,048</u>	<u>\$ 843,028</u>
<u>Other receivables</u>			
Tax refund receivable	\$ 8,538	\$ 13,714	\$ 8,303
Stock dividends receivable	293	260	105
Receivable from disposal of investments	-	60,575	12,665
Others	<u>3,003</u>	<u>1,466</u>	<u>4,883</u>
	<u>\$ 11,834</u>	<u>\$ 76,015</u>	<u>\$ 25,956</u>

The Group's average credit period for commodity sales is net 15 to 150 days after the end of each month, without interest accrued on accounts receivable. To reduce the credit risk, the Group, before working with each new client, fills out a credit application form through a business unit, and the responsible reviews the form and has the form countersigned by relevant units, while evaluating the potential client's credit quality to set its credit limit. The client's credit limit and rating are reviewed or updated from time to time every year with reference to its operating performance, transaction amount, time, and other factors. In addition, the Group will review the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment loss has been appropriated for the uncollectible receivables. Accordingly, the Group's management believes that the Group's credit risk is significantly reduced.

The Group recognizes an allowance for losses on accounts receivable based on expected credit loss over the duration of the receivables. Lifetime expected credit losses are calculated using a provision matrix based on each client's past default record, current financial position, economic situation in the industry, and industry outlook. Since the Group's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, therefore, instead of further differentiating the customer groups, the provision matrix only sets the expected credit loss rate based on the number of days overdue on accounts receivable.

If there is evidence that the counterparty is in serious financial difficulty and the Group cannot reasonably expect to recover the amount, the Group shall directly write off the related accounts receivable but shall engage in recourse activities and recognize the amount recovered in profit or loss as a result of the recourse.

The allowance for losses on notes and accounts receivable measured by the Group as per the provision matrix is as follows:

March 31, 2025

	Not overdue	Past due by 1–30 days	Past due by 31–60 days	Past due by 61–90 days	Past due by 91–120 days	Past due by 121 days or more	Total
Total book value	\$1,026,660	\$ 2,759	\$ 14,312	\$ 44	\$ -	\$ -	\$1,043,775
Allowance for loss (expected credit loss of the given duration)	(541)	(13)	(16)	-	-	-	(570)
Measured at amortized cost	<u>\$1,026,119</u>	<u>\$ 2,746</u>	<u>\$ 14,296</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,043,205</u>

December 31, 2024

	Not overdue	Past due by 1–30 days	Past due by 31–60 days	Past due by 61–90 days	Past due by 91–120 days	Past due by 121 days or more	Total
Total book value	\$1,003,705	\$ 11,291	\$ 11,575	\$ 6	\$ 13	\$ -	\$1,026,590
Allowance for loss (expected credit loss of the given duration)	(479)	(33)	(4)	-	-	-	(516)
Measured at amortized cost	<u>\$1,003,226</u>	<u>\$ 11,258</u>	<u>\$ 11,571</u>	<u>\$ 6</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$1,026,074</u>

March 31, 2024

	Not overdue	Past due by 1–30 days	Past due by 31–60 days	Past due by 61–90 days	Past due by 91–120 days	Past due by 121 days or more	Total
Total book value	\$ 836,226	\$ 3,460	\$ 12,859	\$ -	\$ -	\$ -	\$ 852,545
Allowance for loss (expected credit loss of the given duration)	(399)	(9)	(17)	-	-	-	(425)
Measured at amortized cost	<u>\$ 835,827</u>	<u>\$ 3,451</u>	<u>\$ 12,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852,120</u>

The information on the movement in the allowances for losses on notes and accounts receivable is as follows:

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Balance, beginning of year	\$ 516	\$ 461
Add: Impairment loss recognized (reversed) during this period	54	(36)
Balance, end of period	<u>\$ 570</u>	<u>\$ 425</u>

11. Inventory

	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise	\$ 195,791	\$ 172,632	\$ 166,337
Finished goods	308,033	296,704	226,260
Work in process	276,833	310,159	244,599
Raw materials	<u>42,790</u>	<u>40,954</u>	<u>50,411</u>
	<u>\$ 823,447</u>	<u>\$ 820,449</u>	<u>\$ 687,607</u>

The components of operating costs related to inventories are as follows:

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Operating costs	<u>\$539,643</u>	<u>\$476,703</u>
Losses on inventory valuation loss (gains on inventory value recovery)	<u>(\$ 3,805)</u>	<u>\$ 7,838</u>

The gain on reversal of inventory write-down was due to the increase in the selling price of some of the inventories in the market.

12. Subsidiary

(1) Subsidiaries included in the consolidated financial statements

Entities covered by the consolidated financial statements are as follows:

Investor name	Subsidiary name	Business nature	Shareholding			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Weltrend International Co., (BVI) Ltd.	Investment	100%	100%	100%	Note 1, 2 and 5
	Yingquan Investment Co., Ltd.	Investment	98%	98%	98%	Note 1 and 2
	Sentelic Corporation	Integrated circuit development and design, analog circuit design, digital signal processing, application software development, and import and export of electronic components.	51%	51%	51%	Note 1, 3 and 4
Weltrend International Co., (BVI) Ltd.	Dongguan Prosil Electronics Co., Ltd.	Import and export of electronic components and general import and export	100%	100%	100%	Note 1 and 2
Sentelic Corporation	Sentelic Holding Co., Ltd.	Investment	100%	100%	100%	Note 1 and 2

Note 1: Except for the Q1 of 2025 and 2024 financial statements of Weltrend International Co., (BVI) Ltd., Sentelic Corporation, and Sentelic Holding Co., Ltd., subsidiaries' Q3 financial statements have not been reviewed by a CPA.

Note 2: It is a non-material subsidiary.

Note 3: The Company acquired 51% equity of Sentelic Corporation in August 2022 and therefore gained control over it.

Note 4: The Company's Board of Directors approved the merger with the subsidiary Sentelic Corporation through a share swap arrangement on March 7, 2025. The Company will issue new shares in exchange for 1.60 common shares of the Company for 1 common share of Sentelic Corporation, and acquire all the outstanding shares of the Company. After the completion of the share transfer, Sentelic Corporation will become a 100% owned subsidiary of the Company. The aforementioned share conversion is expected to be submitted for approval at the shareholders' meeting of Sentelic Corporation on May 26, 2025, and the record date for the share conversion will be set after obtaining approval from the relevant competent authorities.

Note 5: On March 7, 2025, the Board of Directors of the subsidiary, Weltrend International Co., Ltd. (BVI), passed a resolution to reduce its capital by US\$6,164 thousand in cash. As of May 8, 2025, the capital reduction and cash refund process is still in progress.

(2) Information on subsidiaries with material non-controlling interests

Subsidiary name	Shareholding and percentage of voting rights held by non-controlling interests		
	December 31,		
	March 31, 2025	2024	March 31, 2024
Sentelic Corporation	49%	49%	49%

Please refer to Table 3 for the information on the principal places of business and countries of incorporation.

Subsidiary name	Non-controlling interests		
	December 31,		
	March 31, 2025	2024	March 31, 2024
Sentelic Corporation	<u>\$ 524,025</u>	<u>\$ 556,454</u>	<u>\$ 546,357</u>

Subsidiary name	Profit or loss allocated to non-controlling interests	
	January 1, 2025 to	January 1, 2024 to
	March 31, 2025	March 30, 2024
Sentelic Corporation	<u>\$ 8,725</u>	<u>\$ 9,322</u>

The summarized financial information of the subsidiaries below is prepared based on the transactions between companies before the elimination of the information and is adjusted according to the impacts arising from the acquisition method when the Company made acquisitions:

Sentelic Corporation

	December 31,		
	March 31, 2025	2024	March 31, 2024
Current assets	\$ 808,422	\$ 804,097	\$ 740,609
Non-current assets	1,020,460	1,038,340	1,084,433
Current liabilities	(195,452)	(138,646)	(140,289)
Non-current liabilities	(120,318)	(124,447)	(126,057)
Equity	<u>\$ 1,513,112</u>	<u>\$ 1,579,344</u>	<u>\$ 1,558,696</u>
Equity attributable to:			
Owners of the parent	\$ 989,087	\$ 1,022,890	\$ 1,012,339
Non-controlling interests of Sentelic Corporation	<u>524,025</u>	<u>556,454</u>	<u>546,357</u>
	<u>\$ 1,513,112</u>	<u>\$ 1,579,344</u>	<u>\$ 1,558,696</u>
	January 1, 2025 to	January 1, 2024 to	
	March 31, 2025	March 31, 2024	
Operating revenues	<u>\$151,914</u>	<u>\$102,904</u>	
Net profits for the period	\$ 17,830	\$ 19,049	
Other comprehensive income	-	1	
Total comprehensive income	<u>\$ 17,830</u>	<u>\$ 19,050</u>	

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	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Net income attributable to:		
Owners of the parent	\$ 9,105	\$ 9,727
Non-controlling interests of Sentelic Corporation	<u>8,725</u>	<u>9,322</u>
	<u>\$ 17,830</u>	<u>\$ 19,049</u>
Comprehensive income attributable to:		
Owners of the parent	\$ 9,105	\$ 9,728
Non-controlling interests of Sentelic Corporation	<u>8,725</u>	<u>9,322</u>
	<u>\$ 17,830</u>	<u>\$ 19,050</u>
Cash flows		
Operating activities	\$ 35,704	\$ 28,359
Investing activities	(128,928)	(135,114)
Financing activities	(21,267)	<u>18,701</u>
Net cash outflow	<u>(\$114,491)</u>	<u>(\$ 88,054)</u>

13. Property, plant, and equipment

	Self-owned land	Buildings	Machinery equipment	Transportation equipment	Leasehold improvements	Miscellaneous equipment	Total
<u>Costs</u>							
Balance at January 1, 2025	\$ 94,720	\$ 94,714	\$ 292,550	\$ 26,937	\$ 58,262	\$ 28,492	\$ 595,675
Addition	-	-	5,285	-	2,300	2,348	9,933
Disposal	-	-	(5,489)	-	-	-	(5,489)
Net exchange differences	-	-	-	-	-	14	14
Balance at March 31, 2025	<u>\$ 94,720</u>	<u>\$ 94,714</u>	<u>\$ 292,346</u>	<u>\$ 26,937</u>	<u>\$ 60,562</u>	<u>\$ 30,854</u>	<u>\$ 600,133</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2025	\$ -	\$ 49,771	\$ 257,412	\$ 18,045	\$ 51,162	\$ 21,215	\$ 397,605
Depreciation expenses	-	571	7,224	846	1,136	741	10,518
Disposal	-	-	(5,489)	-	-	-	(5,489)
Net exchange differences	-	-	-	-	-	10	10
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 50,342</u>	<u>\$ 259,147</u>	<u>\$ 18,891</u>	<u>\$ 52,298</u>	<u>\$ 21,966</u>	<u>\$ 402,644</u>
Net as of March 31, 2025	<u>\$ 94,720</u>	<u>\$ 44,372</u>	<u>\$ 33,199</u>	<u>\$ 8,046</u>	<u>\$ 8,264</u>	<u>\$ 8,888</u>	<u>\$ 197,489</u>
Net amount as at December 31, 2024 and January 1, 2025	<u>\$ 94,720</u>	<u>\$ 44,943</u>	<u>\$ 35,138</u>	<u>\$ 8,892</u>	<u>\$ 7,100</u>	<u>\$ 7,277</u>	<u>\$ 198,070</u>
<u>Costs</u>							
Balance at January 1, 2024	\$ 94,720	\$ 94,714	\$ 284,649	\$ 30,925	\$ 62,073	\$ 24,943	\$ 592,024
Addition	-	-	2,559	3,997	-	778	7,334
Disposal	-	-	(5,781)	(3,364)	-	-	(9,145)
Net exchange differences	-	-	-	-	-	40	40
Balance at March 31, 2024	<u>\$ 94,720</u>	<u>\$ 94,714</u>	<u>\$ 281,427</u>	<u>\$ 31,558</u>	<u>\$ 62,073</u>	<u>\$ 25,761</u>	<u>\$ 590,253</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2024	\$ -	\$ 47,489	\$ 239,910	\$ 20,284	\$ 50,175	\$ 20,260	\$ 378,118
Depreciation expenses	-	571	7,902	1,093	1,226	534	11,326
Disposal	-	-	(5,781)	(2,625)	-	-	(8,406)
Net exchange differences	-	-	-	-	-	31	31
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 48,060</u>	<u>\$ 242,031</u>	<u>\$ 18,752</u>	<u>\$ 51,401</u>	<u>\$ 20,825</u>	<u>\$ 381,069</u>
Net as of March 31, 2024	<u>\$ 94,720</u>	<u>\$ 46,654</u>	<u>\$ 39,396</u>	<u>\$ 12,806</u>	<u>\$ 10,672</u>	<u>\$ 4,936</u>	<u>\$ 209,184</u>

As there was no sign of impairment during the three months ended March 31, 2025 and 2024, the Group did not conduct an impairment assessment.

Depreciation expenses are calculated and recognized on a straight-line basis as per the useful lives below:

Buildings	
Plant main building	35 to 50 years
Interior design and network engineering	5 years
Machinery equipment	2 to 6 years
Transportation equipment	5 to 6 years
Leasehold improvements	5 to 10 years
Miscellaneous equipment	3 to 6 years

14. Investment property

	<u>Buildings</u>
<u>Costs</u>	
Balance at January 1 and March 31, 2025	<u>\$ 60,120</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2025	\$ 13,097
Depreciation expenses	<u>796</u>
Balance at March 31, 2025	<u>\$ 13,893</u>
Net as of March 31, 2025	<u>\$ 46,227</u>
Net amount as at December 31, 2024 and January 1, 2025	<u>\$ 47,023</u>
<u>Costs</u>	
Balance at January 1 and March 31, 2024	<u>\$ 60,120</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2024	\$ 9,912
Depreciation expenses	<u>796</u>
Balance at March 31, 2024	<u>\$ 10,708</u>
Net as of March 31, 2024	<u>\$ 49,412</u>

The lease term for investment property is three years. The lessee does not have the preferential right to purchase the investment property at the end of the lease term.

The total lease payments to be received in the future from leasing out investment property under an operating lease are as follows:

	March 31, 2025	March 31, 2024
The 1st year	\$ -	\$ 1,980
The 2nd year	1,980	2,640
The 3rd year	<u>1,760</u>	<u>1,760</u>
	<u>\$ 3,740</u>	<u>\$ 6,380</u>

Investment property are calculated and recognized on a straight-line basis as per the useful lives below:

Buildings	
Plant main building	35 to 50 years
Interior design and network engineering	5 years

The fair value of investment property is not valued by an independent valuator and only measured by the Company's management using Level 3 inputs with a valuation model commonly used by market participants. Regarding the valuation, a cash flow approach is adopted, and the important unobservable inputs used include the discount rates; the fair value from the valuation is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value	<u>\$ 82,063</u>	<u>\$ 82,352</u>	<u>\$ 83,214</u>

15. Lease agreements

(1) Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of right-of-use assets			
Buildings	<u>\$ 50,178</u>	<u>\$ 49,200</u>	<u>\$ 45,106</u>

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Addition of right-of-use assets	<u>\$ 6,576</u>	<u>\$ 1,917</u>
Depreciation expenses of right-of-use assets		
Buildings	<u>\$ 5,624</u>	<u>\$ 5,208</u>

Except for the additions and depreciation expenses recognized listed above, the Group did not have any significant sublease or impairment of the right-of-use assets during the three months ended March 31, 2025 and 2024.

(2) Lease liability

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of lease liability			
Current	\$ 21,331	\$ 18,570	\$ 17,312
Non-current	\$ 29,606	\$ 31,321	\$ 28,402

The discount rate range for lease liabilities is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	1.7576%~2.25%	1.7576%~2.25%	1.7576%~2.25%

(3) Major lease activities and terms

The Company leased buildings from the Hsinchu Science Park of the Ministry of Science and Technology as plants, and the lease period is from 2022 to 2026. As per the lease agreement of the plants located in the science park, the lessee may have the amount of the rent adjusted at any time at the announced land price of the site where the plants are located or the adjusted rent rate of state-owned land approved by the Executive Yuan. The Company has no bargain purchase option for the leased buildings at the end of the lease term.

(4) Other lease information

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Short-term lease expenses	\$ 125	\$ 81
Total cash (outflow) from lease	(\$ 5,955)	(\$ 5,481)

The Group has elected to apply the recognition exemptions to the leases of buildings that qualify as short-term leases and does not recognize the relevant right-of-use assets and lease liabilities for such leases.

16. Goodwill

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Opening and ending balances	\$447,603	\$447,603

The Group acquired Sentelic Corporation in August 2022 with 51% of its equity acquired, leading to goodwill of NT\$447,603 thousand, mainly due to the benefits brought about by the expected growth of operating income from the product. There was no significant impairment measured based on fair value.

17. Intangible assets

	Computer software	Technology licensing	Patents	Customer relations	Total
<u>Costs</u>					
Balance at January 1, 2025	\$ 265,655	\$ 86,686	\$ 588,467	\$ 137,783	\$ 1,078,591
Acquired separately	4,850	-	-	-	4,850
Disposal	(4,576)	-	-	-	(4,576)
Net exchange differences	3	-	-	-	3
Balance at March 31, 2025	<u>\$ 265,932</u>	<u>\$ 86,686</u>	<u>\$ 588,467</u>	<u>\$ 137,783</u>	<u>\$ 1,078,868</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2025	\$ 242,990	\$ 84,100	\$ 147,736	\$ 33,000	\$ 507,826
Amortization expenses	4,275	1,354	14,372	3,536	23,537
Disposal	(4,576)	-	-	-	(4,576)
Net exchange differences	2	-	-	-	2
Balance at March 31, 2025	<u>\$ 242,691</u>	<u>\$ 85,454</u>	<u>\$ 162,108</u>	<u>\$ 36,536</u>	<u>\$ 526,789</u>
Net amount as of March 31, 2025	<u>\$ 23,241</u>	<u>\$ 1,232</u>	<u>\$ 426,359</u>	<u>\$ 101,247</u>	<u>\$ 552,079</u>
Net amounts as at December 31, 2024 and January 1, 2025	<u>\$ 22,665</u>	<u>\$ 2,586</u>	<u>\$ 440,731</u>	<u>\$ 104,783</u>	<u>\$ 570,765</u>
<u>Costs</u>					
Balance at January 1, 2024	\$ 257,600	\$ 79,316	\$ 588,467	\$ 137,783	\$ 1,063,166
Acquired separately	6,068	2,896	-	-	8,964
Disposal	(11,423)	-	-	-	(11,423)
Net exchange differences	5	-	-	-	5
Balance at March 31, 2024	<u>\$ 252,250</u>	<u>\$ 82,212</u>	<u>\$ 588,467</u>	<u>\$ 137,783</u>	<u>\$ 1,060,712</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2024	\$ 235,865	\$ 78,176	\$ 88,792	\$ 18,857	\$ 421,690
Amortization expenses	8,036	868	14,857	3,536	27,297
Disposal	(11,423)	-	-	-	(11,423)
Net exchange differences	4	-	-	-	4
Balance at March 31, 2024	<u>\$ 232,482</u>	<u>\$ 79,044</u>	<u>\$ 103,649</u>	<u>\$ 22,393</u>	<u>\$ 437,568</u>
Net as of March 31, 2024	<u>\$ 19,768</u>	<u>\$ 3,168</u>	<u>\$ 484,818</u>	<u>\$ 115,390</u>	<u>\$ 623,144</u>

Except for the additions, disposals, and amortization expenses recognized, the Group did not have any significant impairment of the intangible assets during the three months ended March 31, 2025 and 2024. The patents and customer relations acquired through the business combination are recognized in amortization expenses based on the useful lives identified in the valuation report. Amortization expense is provided for based on a straight-line method over the following useful lives:

Computer software	1 to 5 years
Technology licensing	1 year
Patents	7 to 10 years
Customer relations	5 to 10 years

18. Prepayments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Prepayments for reticles	\$ 11,313	\$ 21,004	\$ 23,672
Prepayments to suppliers	4,605	605	126
Tax overpaid retained for offsetting the future tax payable	4,026	6,435	1,685
Prepayments for salary and wages	1,220	1,250	1,340
Others	7,679	3,308	2,614
	<u>\$ 28,843</u>	<u>\$ 32,602</u>	<u>\$ 29,437</u>

19. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings</u>			
Bank loans	\$ -	\$ -	\$ 39,470
<u>Unsecured borrowings</u>			
Credit facility borrowings	15,000	135,618	100,000
	<u>\$ 15,000</u>	<u>\$ 135,618</u>	<u>\$ 139,470</u>

The interest rates on bank loans were 0.5%, 0.5%–3.2%, and 0.50%–4.05% as at March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

Please refer to Note 33 for the Group's collateral for short-term borrowings.

20. Corporate bonds payable

	March 31, 2025	December 31, 2024	March 31, 2024
Domestic unsecured convertible corporate bonds	\$ 1,099,900	\$ 1,099,900	\$ 1,099,900
Less: Discount of corporate bonds payable	(32,023)	(37,395)	(53,584)
Less: portion due within one year	(<u>1,067,877</u>)	(<u>1,062,505</u>)	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,046,316</u>
Value of redemption right	\$ 2,420	\$ 2,310	\$ 2,750
Value of conversion right	193,676	193,676	193,693

The Company issued 11,000 NTD-denominated unsecured convertible corporate bonds with a coupon rate of 0% on September 11, 2023, with the total principal amounting to NT\$1,100,000 thousand. From the day following the end of three months after the date such bonds were issued (December 12, 2023) to the maturity date (September 11, 2026), the bondholders may request the Company to convert the convertible corporate bonds into ordinary shares of the Company at a price of NT\$61.2 per share; or request the Company

to redeem the convertible corporate bonds held by them in cash at the face value of the bonds, plus interest compensation [100.500625% of the face value (real return: 0.25%)] at least 40 days before two full years after issuance (September 11, 2025). The Company may redeem all bonds early at the face value of the bonds when the closing price of the Company's common stock exceeds the current conversion price by 30% or above for 30 consecutive business days from the day following the end of three full months after the convertible corporate bonds were issued (December 12, 2023) through 40 days before the end of the issuance period (August 2, 2026). As of March 31, 2025, the conversion price was adjusted to NT\$60.1 per share.

The convertible corporate bonds include components of liabilities and equity. The components of equity are recognized in capital surplus- stock options under equity. The effective interest rate for the components of liabilities initially recognized was 2.06322%.

Issuance price (less transaction cost of NT\$5,000 thousand)	\$ 1,228,652
Value of redemption right (less transaction cost of NT\$1 thousand)	(329)
Components of equity (less transaction cost of NT\$788 thousand)	(193,693)
Components of liabilities on the issuance date (less transaction cost of NT\$4,211 thousand)	1,034,630
Interest calculated at the effective interest rate of 2.06322%	33,341
Conversion of corporate bonds payable into common shares	(94)
Components of liabilities on March 31, 2025	<u>\$ 1,067,877</u>

21. Notes payable and accounts payable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes payable- from operations	<u>\$ 1,170</u>	<u>\$ 579</u>	<u>\$ 504</u>
Accounts payable- from operations	<u>\$ 356,544</u>	<u>\$ 329,682</u>	<u>\$ 229,703</u>

The Group has a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit period.

22. Other liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Other payables			
Salary and wages and bonuses payable	\$ 19,075	\$ 66,423	\$ 6,953
Pension payable under new scheme	5,039	5,044	4,861
Health insurance premiums payable	2,817	2,822	2,713
Labor insurance premiums payable	2,810	2,705	2,662
Service fee payable	1,691	1,860	2,034
Investment payables	1,562	90,582	2,231
Others	<u>5,046</u>	<u>7,464</u>	<u>4,953</u>
	<u>\$ 38,040</u>	<u>\$ 176,900</u>	<u>\$ 26,407</u>

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	March 31, 2025	December 31, 2024	March 31, 2024
Other liabilities			
Contract liabilities	\$ 4,025	\$ 2,814	\$ 984
Collection on behalf of others	<u>3,677</u>	<u>4,162</u>	<u>4,051</u>
	<u>\$ 7,702</u>	<u>\$ 6,976</u>	<u>\$ 5,035</u>
<u>Non-current</u> Other liabilities			
Guarantee deposits received	<u>\$ 440</u>	<u>\$ 440</u>	<u>\$ 440</u>

23. Provisions

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Employee benefits	<u>\$ 8,523</u>	<u>\$ 8,634</u>	<u>\$ 12,331</u>

Provision for employee benefit liabilities is an estimate of employees' leave entitlements.

24. Retirement benefit plans

The pension expenses related to defined benefit plans recognized for the three months ended March 31, 2025 and 2024 are calculated at the pension cost rate actuarially determined on December 31, 2024 and 2023, respectively, and the amounts were NT\$449 thousand and NT\$495 thousand, respectively.

25. Equity

(1) Common stock

	March 31, 2025	December 31, 2024	March 31, 2024
Authorized number of shares (in thousands)	<u>330,000</u>	<u>330,000</u>	<u>330,000</u>
Authorized capital stock	<u>\$ 3,300,000</u>	<u>\$ 3,300,000</u>	<u>\$ 3,300,000</u>
Number of shares issued and fully paid (in thousands)	<u>178,011</u>	<u>178,011</u>	<u>178,011</u>
Capital stock issued	<u>\$ 1,780,116</u>	<u>\$ 1,780,116</u>	<u>\$ 1,780,116</u>

(2) Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
<u>For loss make-up, payment in cash or capitalization as equity (1)</u>			
Stock issuance premium	\$ 1,886	\$ 1,886	\$ 1,886
Corporate bond conversion premium	95	95	95

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	March 31, 2025	December 31, 2024	March 31, 2024
Donated assets received	\$ 81	\$ 81	\$ 81
Share premium (restricted stock awards vested)	15,026	15,026	15,026
Treasury stock transaction	56,133	56,133	56,127
<u>Only for loss make-up</u>			
Recognition of changes in ownership interest in subsidiaries (2)	74	74	74
<u>May not be used for any purpose</u>			
Convertible corporate bond options (Note 20)	193,676	193,676	193,676
	<u>\$ 266,971</u>	<u>\$ 266,971</u>	<u>\$ 266,965</u>

1. Such capital surplus may be used to make up for losses or, when the Company has no losses, to distribute cash or to capitalize equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.
2. This type of capital surplus represents the effect of equity transactions recognized for changes in the Company's equity when the Company has not actually acquired or disposed of shares in a subsidiary, or adjustments to the capital surplus for the Company's subsidiaries accounted for using the equity method.

(3) Retained Earnings and Dividend Policy

Under the earnings distribution policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first used for paying taxes, offsetting the cumulative deficit (including the adjusted amount of undistributed earnings), setting aside 10% of the remaining profit as a legal reserve as per law unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations. Then, any remaining profit, together with any undistributed retained earnings at the beginning of the period (including the adjusted amount of undistributed earnings), shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders' meeting for a resolution before distribution of dividends to shareholders. Please refer to Note 27(7) for the policy on the remuneration to employees and directors stipulated the Articles of Incorporation.

In addition, according to the Company's Articles of Incorporation, the Company shall consider the soundness and stability of the financial structure for the distribution of stock dividends and set the ratio of cash dividends to stock dividends for the year as per the Company's growth needs. The ratio of cash dividends shall not be less than 10% of the total dividends.

Unless the legal reserve is appropriated until the balance reaches the paid-in capital of the Company. Legal reserve could be allocated for covering loss carried

forward. If there is no loss, the amount of legal reserve in excess of the paid-in capital by 25% could be allocated as capital stock and paid out as cash dividend.

The Company held a Board meeting on March 7, 2025 and the general shareholders' meeting on May 29, 2024 to propose and resolve to approve the 2024 and 2023 earnings distribution proposals, respectively. The details are as follows:

	2024	2023
Legal reserve	<u>\$ 32,768</u>	<u>\$ 17,994</u>
Special reserve	<u>\$ 80,142</u>	<u>(\$143,094)</u>
Cash dividends	<u>\$262,469</u>	<u>\$212,528</u>
Cash dividends per share (\$NT)	<u>\$ 1.5</u>	<u>\$ 1.2</u>

The 2024 earnings distribution proposal is pending a resolution by the shareholders' meeting expected to be held on May 29, 2025.

(4) Special reserve

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Opening and ending balances	<u>\$ 24,855</u>	<u>\$167,949</u>

(5) Treasury stock

	Number of Shares (in thousands)	Number of Shares (in thousands)
	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Opening and ending balances	<u>3,032</u>	<u>905</u>

On April 16, 2024, the Board of Directors resolved to transfer 1,000 thousand shares of the repurchased treasury shares to employees in order to motivate them and enhance their cohesiveness. From April 18 to April 25, 2024, the Company had bought back 1,000 thousand of its shares which had been executed. The shares shall be transferred to employees at once or in installments within five years from the date of repurchase, and the average price actually bought back at NT\$ 60.68 shall be the transfer price.

On August 7, 2024, the Board of Directors resolved to transfer 1,200 thousand shares of the repurchased treasury shares to employees in order to motivate them and enhance their cohesiveness. From August 9 to 15, 2024, the Company had bought back 1,200 thousand of its shares which had been executed. The shares are to be transferred to employees at once or in installments within five years from the date of repurchase, and the average price actually bought back at NTD 55.82 shall be the transfer price. The Board of Directors, on August 23, 2024, resolved to transfer and buy back 73 thousand treasury shares to employees at the transfer prices of NTD 55.82. The employee stock subscription record date was the resolution date, and the date of delivering all shares to employees was September 19, 2024.

The treasury shares held by the Company are to be transferred to employees and shall not be pledged in accordance with the Securities and Exchange Act nor shall they be entitled to rights, such as receipt of dividends and voting rights.

(6) Other equity

1. Exchange differences on the translation of financial statements of foreign operations

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Balance, beginning of year	(\$ 629)	(\$ 1,982)
Generated during the period		
Exchange difference of foreign operating institutions	<u>362</u>	<u>1,052</u>
Balance, end of period	(<u>\$ 267</u>)	(<u>\$ 930</u>)

2. Unrealized gain or loss on financial assets measured at fair value through other comprehensive income

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Balance, beginning of year	(\$104,368)	(\$ 22,871)
Generated during the period		
Unrealized gains or losses on equity instruments	(52,763)	24,391
The accumulated gain/loss from the disposition of equity instruments will be transferred to retained earnings	(<u>2,164</u>)	(<u>14,681</u>)
Balance, end of period	(<u>\$159,295</u>)	(<u>\$ 13,161</u>)

(7) Non-controlling interests

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Balance, beginning of year	\$562,629	\$572,157
Share attributable to non-controlling interests		
Net profits for the period	8,541	9,444
Other comprehensive income for the period		
Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	(84)	232
Cash dividends issued by subsidiaries	(<u>41,154</u>)	(<u>29,396</u>)
Balance, end of period	<u>\$529,932</u>	<u>\$552,437</u>

26. Operating revenues

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Sales income - integrated circuits	\$529,474	\$440,029
Trading of integrated circuits	<u>265,828</u>	<u>224,980</u>
	<u>\$795,302</u>	<u>\$665,009</u>

(1) Contract balance

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Accounts receivable (Note 10)	<u>\$ 1,033,773</u>	<u>\$ 1,013,048</u>	<u>\$ 843,028</u>	<u>\$ 923,254</u>
Contract liabilities (accounted for in other current liabilities)				
Merchandise sales	<u>\$ 4,025</u>	<u>\$ 2,814</u>	<u>\$ 984</u>	<u>\$ 2,854</u>

The change in contract liabilities mainly arises from the difference between the point at which performance obligations are satisfied and the point at which customers pay.

(2) Details of net operating income

Region	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Mainland China	\$575,910	\$449,070
Taiwan	197,721	198,954
Others	<u>21,671</u>	<u>16,985</u>
	<u>\$795,302</u>	<u>\$665,009</u>

27. Net income in this period

(1) Interest income

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Cash in banks	\$ 3,001	\$ 13,022
Others	<u>2,935</u>	<u>2,506</u>
	<u>\$ 5,936</u>	<u>\$ 15,528</u>

(2) Other income

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Income from cash dividends	\$ 309	\$ 1,770
Others	<u>857</u>	<u>1,178</u>
	<u>\$ 1,166</u>	<u>\$ 2,948</u>

(3) Other profits and losses

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Net foreign exchange gain	\$ 15,454	\$ 81,208
Net gain (loss) on financial assets		
Financial assets at fair value through profit or loss (Note 7)	(44,082)	19,299
Others	(669)	(584)
	<u>\$ 29,297)</u>	<u>\$ 99,923</u>

(4) Financial costs

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Interest of convertible corporate bonds	\$ 5,372	\$ 5,307
Interest from bank borrowings	70	694
Interest on lease liabilities	264	239
	<u>\$ 5,706</u>	<u>\$ 6,240</u>

(5) Depreciation and amortization

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Summary of depreciation expenses by function		
Operating costs	\$ 8,085	\$ 8,517
Operating expenses	8,853	8,813
	<u>\$ 16,938</u>	<u>\$ 17,330</u>
Summary of amortization expenses by function		
Operating costs	\$ 59	\$ 78
Operating expenses	23,478	27,219
	<u>\$ 23,537</u>	<u>\$ 27,297</u>

(6) Employee benefit expenses

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Short-term employee benefits	\$128,811	\$137,136
Retirement benefits (Note 24)		
Defined contribution pension plan	4,939	4,755
Defined benefit plan	449	495
Total employee benefit expenses	<u>\$134,199</u>	<u>\$142,386</u>

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	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Summary by function		
Operating costs	\$ 18,088	\$ 18,884
Operating expenses	<u>116,111</u>	<u>123,502</u>
	<u>\$134,199</u>	<u>\$142,386</u>

(7) Remuneration for employees and directors

The Company, as per the Articles of Incorporation, allocates 11%~15% of net income before tax before the remuneration to employees and directors is deducted for the year as remuneration to employees and no more than 4% as the remuneration to employees and directors, respectively. According to the amendment to the Securities and Exchange Act in August 2024, the Company expects to have the Articles of Incorporation amended at the 2025 shareholders' meeting to specify that no less than 1% of the total amount of employee remuneration for the current year is allocated to the remuneration for entry-level employees. The estimated remuneration to employees and directors during the three months ended March 31, 2025 and 2024 are as follows:

Estimate percentage

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Remuneration for employees	12%	12%
Remuneration for directors	3%	3%

Amount

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Remuneration for employees	<u>\$ 4,609</u>	<u>\$ 13,742</u>
Remuneration for directors	<u>\$ 1,152</u>	<u>\$ 3,435</u>

If there is a change in the amount after the annual consolidated financial statements are approved and released, the change will be accounted for as a change in accounting estimate and will be recorded an adjustment in the following year.

The 2024 and 2023 remuneration to employees and directors resolved by the Board of Directors on March 7, 2025 and February 26, 2024, respectively, is as follows:

	2024		2023	
	Cash	Stock	Cash	Stock
Remuneration for employees	<u>\$ 44,965</u>	<u>\$ -</u>	<u>\$ 33,329</u>	<u>\$ -</u>
Remuneration for directors	<u>\$ 11,241</u>	<u>\$ -</u>	<u>\$ 8,332</u>	<u>\$ -</u>

There is no difference between the amounts of remuneration paid out to employees and directors for 2024 and 2023 and the amounts recognized in the 2024 and 2023 consolidated financial statements.

For information on remuneration to employees and directors resolved by the Board of Directors, please visit the Market Observation Post System (MOPS) of Taiwan Stock Exchange.

28. Income tax

(1) Income tax recognized in profit or loss

The major components of income tax expense are as follows.

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Income tax expenses in the current period		
Generated during the period	\$ 15,593	\$ 8,214
Deferred tax		
Generated during the period	(2,623)	6,242
Income tax recognized in profit or loss	<u>\$ 12,970</u>	<u>\$ 14,456</u>

(2) The state of income tax assessment

The Company, Yingquan Investment Co., Ltd. and Sentelic Corporation's profit-seeking enterprise income tax returns filed have been approved by the tax authority up to 2023.

29. Earnings per shares

	January 1, 2025 to March 31, 2025	Unit: NTD per share January 1, 2024 to March 31, 2024
Basic earnings per share	<u>\$ 0.14</u>	<u>\$ 0.49</u>
Diluted earnings per share	<u>\$ 0.14</u>	<u>\$ 0.47</u>

The net income in this period and weighted average number of ordinary shares used to calculate the earnings per share are as follows:

Net profits for the period

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Net income used to calculate basic earnings per share	\$ 24,343	\$ 87,061
Impact of potential common stock with dilutive effect:		
After-tax interest of convertible corporate bonds	<u>-</u>	<u>4,246</u>

Net income used to calculate diluted earnings per share	<u>\$ 24,343</u>	<u>\$ 91,307</u>
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<u>Number of Shares</u>	Unit: Thousand shares	
	<u>January 1, 2025 to March 31, 2025</u>	<u>January 1, 2024 to March 31, 2024</u>
Weighted average number of shares of common stock used to calculate basic earnings per share	174,980	177,107
Impact of potential common stock with dilutive effect:		
Convertible corporate bonds	-	17,972
Remuneration for employees	<u>685</u>	<u>509</u>
Weighted average common stock shares used to calculate diluted earnings per share	<u>175,665</u>	<u>195,588</u>

If the Group may elect to pay employee remuneration in stock or cash, when diluted earnings per share are calculated, it is assumed that employee remuneration will be paid out in stock, and when the ordinary shares are potentially dilutive, they will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The diluting effect of these potential common shares also continues to be considered in the calculation of diluted earnings per share before the number of shares awarded to employees in the following year's resolution.

As the exercise price of the Company's outstanding convertible bonds is higher than the average market price of the shares from January 1 to March 31, 2025, the bonds have an anti-dilutive effect and are therefore not included in the calculation of diluted earnings per share.

30. Capital Risk Management

The Group manages its capital to ensure that the Group's enterprises are able to operate sustainability while maximizing the return to shareholders through the optimization of the debt and equity balance. There has been no change in the Group's overall strategy.

The Group's capital structure consists of the Group's equity attributable to the owners of the Company (i.e. share capital, capital surplus, retained earnings, and other equity).

31. Financial instruments

(1) Fair value information – Financial instruments that are not measured at fair value

March 31, 2025

	<u>Carrying amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial liabilities</u>					
Financial liabilities at amortized cost - convertible corporate bonds	<u>\$ 1,067,877</u>	<u>\$ 1,204,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,204,720</u>

December 31, 2024

	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost - convertible corporate bonds	<u>\$ 1,062,505</u>	<u>\$ 1,195,151</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 1,195,151</u>

March 31, 2024

	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost - convertible corporate bonds	<u>\$ 1,046,316</u>	<u>\$ 1,276,660</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 1,276,660</u>

(2) Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Domestic listed stocks	\$ 707,947	\$ -	\$ -	\$ 707,947
Domestic unlisted stocks	-	-	2,576	2,576
Privately offered funds	-	-	71,547	71,547
	<u>\$ 707,947</u>	<u>\$ _____</u>	<u>\$ 74,123</u>	<u>\$ 782,070</u>

Financial assets measured
at fair value through
other comprehensive
income

Equity investment				
- Domestic listed stocks	\$ 581,317	\$ -	\$ -	\$ 581,317
- Domestic non-listed stocks	-	-	37,321	37,321
- Foreign non-listed stocks	-	-	32,319	32,319
	<u>\$ 581,317</u>	<u>\$ _____</u>	<u>\$ 69,640</u>	<u>\$ 650,957</u>

Financial liabilities
Measured at Fair Value
Through Profit or Loss

Derivatives	<u>\$ _____</u>	<u>\$ 2,420</u>	<u>\$ _____</u>	<u>\$ 2,420</u>
-------------	-----------------	-----------------	-----------------	-----------------

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Domestic listed stocks	\$ 771,858	\$ -	\$ -	\$ 771,858
Domestic unlisted stocks	-	-	3,419	3,419
Privately offered funds	-	-	79,352	79,352
	<u>\$ 771,858</u>	<u>\$ _____</u>	<u>\$ 82,771</u>	<u>\$ 854,629</u>

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	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity investment				
- Domestic listed stocks	\$ 550,956	\$ -	\$ -	\$ 550,956
- Domestic non-listed stocks	-	-	38,379	38,379
- Foreign non-listed stocks	-	-	31,910	31,910
	<u>\$ 550,956</u>	<u>\$ -</u>	<u>\$ 70,289</u>	<u>\$ 621,245</u>
<u>Financial liabilities</u>				
<u>Measured at Fair Value Through Profit or Loss</u>				
Derivatives	<u>\$ -</u>	<u>\$ 2,310</u>	<u>\$ -</u>	<u>\$ 2,310</u>
 <u>March 31, 2024</u>				
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Domestic listed stocks	\$ 338,054	\$ -	\$ -	\$ 338,054
Domestic unlisted stocks	-	-	505	505
Fund beneficiary certificates	207,623	-	-	207,623
Privately offered funds	-	-	86,568	86,568
	<u>\$ 545,677</u>	<u>\$ -</u>	<u>\$ 87,073</u>	<u>\$ 632,750</u>
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity investment				
- Domestic listed stocks	\$ 540,345	\$ -	\$ -	\$ 540,345
- Domestic non-listed stocks	-	-	36,898	36,898
- Foreign non-listed stocks	-	-	31,151	31,151
	<u>\$ 540,345</u>	<u>\$ -</u>	<u>\$ 68,049</u>	<u>\$ 608,394</u>
<u>Financial liabilities</u>				
<u>Measured at Fair Value Through Profit or Loss</u>				
Derivatives	<u>\$ -</u>	<u>\$ 2,750</u>	<u>\$ -</u>	<u>\$ 2,750</u>

There were no transfers between Level 1 and Level 2 fair values during the three months ended March 31, 2025 and 2024.

2. Reconciliation of financial instruments measured at fair value in Level 3

January 1, 2025 to March 31, 2025

	Equity instruments		
	Financial assets at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
Balance, beginning of year	\$ 82,771	\$ 70,289	\$ 153,060
Allocation of income	(4,686)	-	(4,686)
Recognized in profit or loss (other gains and losses)	(3,962)	-	(3,962)
Recognized in other comprehensive income (unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income)	-	(649)	(649)
Balance, end of period	<u>\$ 74,123</u>	<u>\$ 69,640</u>	<u>\$ 143,763</u>

January 1, 2024 to March 31, 2024

	Equity instruments		
	Financial assets at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
Balance, beginning of year	\$ 80,663	\$ 68,074	\$ 148,737
Allocation of income	(772)	-	(772)
Recognized in profit or loss (other gains and losses)	8,641	-	8,641
Recognized in other comprehensive income (unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income)	-	(25)	(25)
Disposal	(1,459)	-	(1,459)
Balance, end of period	<u>\$ 87,073</u>	<u>\$ 68,049</u>	<u>\$ 155,122</u>

3. Valuation techniques and input values for Level 2 fair value measurement

Financial instruments	Valuation techniques and input values
Derivatives-Value of redemption right	The two-year bond valuation model: The key basis variable of the option is tracked and dispersed over several time slots between the evaluation date and maturity date through the two-year tree. Each node of the tree represents the possible price at a specific time point.

4. Valuation techniques and input values for Level 3 fair value measurement

The aggregate value of the individual assets and individual liabilities in the investments in domestic (foreign) unlisted equity and privately offered funds was evaluated in the asset method to reflect the overall value of an enterprise or business.

(3) Types of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Measured at fair values through profit and/or loss			
Mandatorily at fair value through profit	\$ 782,070	\$ 854,629	\$ 632,750
Financial assets at amortized cost (Note 1)	2,152,963	2,312,926	2,583,845
Financial assets at fair value through other comprehensive income - investments in equity instruments	650,957	621,245	608,394
<u>Financial liabilities</u>			
Measured at fair values through profit and/or loss			
Held for trading	2,420	2,310	2,750
Measured at amortize cost (Note 2)	1,479,071	1,705,724	1,442,840

Note 1: The balance includes financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable, other receivables, and guarantee deposits paid.

Note 2: The balance includes financial liabilities at amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, corporate bonds payable, and guarantee deposits received.

(4) Purpose and policy of financial risk management

The Group's financial management department provides services to each business unit, coordinates the operations of investments in the domestic and international financial markets, and supervises and manages the financial risks related to the Group's operations by analyzing the internal risk reports of exposures according to the level and breadth of the risks. These risks include market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The financial management department reports regularly to the Group's Board of Directors.

1. Market Risk

The main financial risks to the Group's operating activities are the risk of foreign exchange rate fluctuations (see (1) below) and the risk of changes in interest rates (see (2) below).

There have been no changes in the Group's exposure to financial instrument market risks and its method to managing and measuring such exposure.

(1) Exchange rate risk

Some of the Group's cash inflows and outflows are denominated in foreign currencies with the effect of natural hedging; the Group's management of the exchange rate risk aims to hedge rather than making profits.

Refer to Note 34 for the carrying amounts of the Group's monetary assets and monetary liabilities denominated in non-functional currencies (including monetary items in non-functional currencies that have been eliminated in the consolidated financial statements) on the balance sheet date.

Sensitivity analysis

The Group is mainly affected by the fluctuations in the exchange rates of USD.

The table below illustrates the Group's sensitivity analysis when the NTD (the functional currency) increases and decreases by 1% against each relevant foreign currency. In the sensitivity analysis, the outstanding monetary items in foreign currencies were taken into account, the end-of-period translation was adjusted by 1% change in exchange rates. The positive numbers in the following table represent the increase in net profits before tax if the New Taiwan dollar weakens by 1% against the respective currencies, and the negative numbers for the same amount represent the decrease in net profits before tax if the NT dollar strengthens by 1% against the respective currencies.

	Impact of USD	
	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Profit or loss	<u>\$ 13,217</u>	<u>\$ 17,604</u>

The Group's sensitivity to the USD decreased in current period, mainly due to the decrease in its net foreign currency assets.

The management believes that the sensitivity analysis cannot represent the inherent exchange rate risk as foreign currency exposures on the balance sheet date cannot reflect the interim exposures.

(2) Interest rate risk

Interest rate exposures arise as entities under the Group hold assets and liabilities at both fixed and floating rates.

The carrying amount of financial assets and liabilities of the Group under interest rate exposure on balance sheet date is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
With fair value			
interest rate risk			
– Financial assets	\$ 685,710	\$ 657,344	\$ 1,262,612
– Financial liabilities	1,118,814	1,213,014	1,092,030
With cash flow			
interest rate risk			
– Financial assets	403,261	546,101	435,671
– Financial liabilities	15,000	35,000	139,470

Sensitivity analysis

The following sensitivity analyses are based on the interest rate risk exposure of the non-derivative instruments on the balance sheet date. The analysis of assets at floating rates is based on the assumption that the amount of assets outstanding at the balance sheet date was outstanding throughout the reporting period.

If the annual rate of interest increased/decreased by 1%, with all other variables remaining unchanged, the Group's net income before tax for the three months ended March 31, 2025 and 2024 would have increased/decreased by NT\$971 thousand and NT\$741 thousand, respectively, mainly due to the Group's exposure to the risk of the net assets at floating interest rates.

The Group's sensitivity to interest rates increased in current period, mainly due to the decrease in the financial liabilities at floating interest rates.

(3) Other price risks

The Group is exposed to equity price risk due to its investments in the listed equity securities held. The equity investments are not held for trading and are strategic investments. The Group is not actively trading these equity securities. The Group's equity price risk is mainly concentrated in the equity instruments in the electronic industry traded in stock exchanges and over-the-counter markets in Taiwan.

Sensitivity analysis

The sensitivity analysis below was performed based on the securities price exposure on the balance sheet date.

If the securities price increased/decreased by 1%, the profit or loss before tax for the three months ended March 31, 2025 and 2024 would have increased/decreased by NT\$7,821 thousand and NT\$6,328 thousand respectively, mainly due to increase/decrease in the Group's financial assets at fair value through profit or loss.

The Group's sensitivity to price risk increased in this period, mainly due to the increase in the Group's investment in financial assets at fair value through income.

If the securities price increased/decreased by 1%, the other comprehensive before tax for the three months ended March 31, 2025 and 2024 would have increased/decreased by NT\$6,510 thousand and NT\$6,084 thousand respectively, mainly due to increase/decrease in the Group's financial assets at fair value through other comprehensive income.

The Group's sensitivity to price risk increased in this period, mainly due to the increase in the Group's investment in financial assets at fair value through other comprehensive income.

2. Credit Risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss to the Group. As of the balance sheet date, the Group's maximum exposure to credit risk of financial loss due to non-performance by counter-parties is mainly from the carrying amount of financial assets recognized in consolidated balance sheets.

To mitigate credit risk, the Group has formulated credit and accounts receivable management measures to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the Group will review the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment loss has been appropriated for the uncollectible receivables. Accordingly, the Group's management believes that the Group's credit risk is significantly reduced.

The Group has a wide range of clients across different industries and geographical regions for accounts receivables. The Group continuously evaluates the financial position of clients with accounts receivable.

The Group does not have significant credit risk exposure to any single counterparty or any group of counterparties with similar characteristics. When the transaction counterparties are affiliates, the Group defines them as transaction counterparties with similar characteristics.

3. Liquidity Risk

The Group manages and maintains sufficient cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. The Group's management monitors the use of bank financing facilities and ensures compliance with the terms of the borrowing agreements.

Bank loans are a source of liquidity for the Group. Please refer to the description of (2) financing facilities below for the Group's bank financing facilities undrawn as of March 31, 2025, December 31, 2024, and March 31, 2024.

(1) Table of liquidity and interest rate risk of non-derivative financial liabilities

The analysis of the remaining contractual maturities of non-derivative financial liabilities has been prepared based on the undiscounted cash flows (including principal and estimated interest) of the financial liabilities based on the earliest possible date on which the Group can be required to make repayment. Therefore, bank borrowings that the Group may be required to repay immediately are shown in the table below for the earliest period, without regard to the probability that the bank will enforce the right immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

March 31, 2025

	Repayment on demand or less than 1 month	1–3 months	3 months to 1 year	Over 1 year	Total
<u>Non-derivative financial assets</u>					
No interest-bearing liabilities	\$ 260,272	\$ 132,056	\$ 3,426	\$ -	\$ 395,754
Floating rate instruments	-	15,000	-	-	15,000
Fixed rate instruments	-	-	1,067,877	-	1,067,877
Lease liability	1,943	3,856	16,348	30,160	52,307
	<u>\$ 262,215</u>	<u>\$ 150,912</u>	<u>\$ 1,087,651</u>	<u>\$ 30,160</u>	<u>\$ 1,530,938</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1–2 years	2–3 years	Over 3 years
Fixed rate instruments	<u>\$ 1,067,877</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lease liability	<u>\$ 22,147</u>	<u>\$ 21,702</u>	<u>\$ 7,523</u>	<u>\$ 935</u>

December 31, 2024

	Repayment on demand or less than 1 month	1–3 months	3 months to 1 year	Over 1 year	Total
<u>Non-derivative financial assets</u>					
No interest-bearing liabilities	\$ 353,636	\$ 153,422	\$ 103	\$ -	\$ 507,161
Floating rate instruments	20,000	-	15,000	-	35,000
Fixed rate instruments	100,618	-	1,062,505	-	1,163,123
Lease liability	1,644	3,288	14,473	31,973	51,378
	<u>\$ 475,898</u>	<u>\$ 156,710</u>	<u>\$ 1,092,081</u>	<u>\$ 31,973</u>	<u>\$ 1,756,662</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1–2 years	2–3 years	Over 3 years
Fixed rate instruments	<u>\$ 1,163,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lease liability	<u>\$ 19,405</u>	<u>\$ 18,020</u>	<u>\$ 12,868</u>	<u>\$ 1,085</u>

March 31, 2024

	Repayment on demand or less than 1 month	1–3 months	3 months to 1 year	Over 1 year	Total
<u>Non-derivative financial assets</u>					
No interest-bearing liabilities	\$ 151,459	\$ 102,575	\$ 2,576	\$ 4	\$ 256,614
Floating rate instruments	39,470	-	20,000	-	59,470
Fixed rate instruments	80,000	-	-	1,046,316	1,126,316
Lease liability	<u>1,784</u>	<u>3,532</u>	<u>12,723</u>	<u>29,165</u>	<u>47,204</u>
	<u>\$ 272,713</u>	<u>\$ 106,107</u>	<u>\$ 35,299</u>	<u>\$ 1,075,485</u>	<u>\$ 1,489,604</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1–2 years	2–3 years	Over 3 years
Fixed rate instruments	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 1,046,316</u>	<u>\$ -</u>
Lease liability	<u>\$ 18,039</u>	<u>\$ 12,627</u>	<u>\$ 10,541</u>	<u>\$ 5,997</u>

(2) Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank overdraft facility			
- Borrowing facilities used	\$ 15,000	\$ 135,618	\$ 100,000
- Borrowing facilities unused	<u>950,000</u>	<u>1,491,082</u>	<u>1,185,000</u>
	<u>\$ 965,000</u>	<u>\$ 1,626,700</u>	<u>\$ 1,285,000</u>
Secured bank overdraft facility			
- Borrowing facilities used	\$ -	\$ -	\$ 39,470
- Borrowing facilities unused	<u>765,000</u>	<u>765,000</u>	<u>1,207,650</u>
	<u>\$ 765,000</u>	<u>\$ 765,000</u>	<u>\$ 1,247,120</u>

32. Related Party Transactions

Transactions, account balances, income and expenses between the Company and its subsidiaries (which are the Company's related parties) were all eliminated upon consolidation, so they are not disclosed in this note. Except for those disclosed in other notes, transactions between the Group and other related parties are as follows.

(1) Remuneration for key management

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Short-term employee benefits	\$ 14,273	\$ 14,324
Retirement benefits	<u>226</u>	<u>250</u>
	<u>\$ 14,499</u>	<u>\$ 14,574</u>

The remuneration for directors and other key management is determined by the Remuneration Committee based on individual performance and market trends.

33. Pledged Assets

The assets below have been pledged as collateral for borrowings from banks and to customs:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Certificates of deposit pledged (under financial assets at amortized cost - non-current)	\$ 15,411	\$ 15,405	\$ 10,405
Fund beneficiary certificates pledged (under financial assets at fair value through profit or loss - current)	-	-	207,623
Property, plant, and equipment	138,816	139,337	140,899
	<u>\$ 154,227</u>	<u>\$ 154,742</u>	<u>\$ 358,927</u>

34. Information on foreign currency assets and liabilities with significant effect:

The information below is aggregated and presented in foreign currencies other than the functional currencies of the entities under the Group. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency. The foreign currency assets and liabilities with significant effect are as follows:

<u>March 31, 2025</u>			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 50,076	33.2 (USD: NTD)	<u>\$ 1,662,523</u>
<u>Non-monetary items</u>			
USD	973	33.2 (USD: NTD)	<u>\$ 32,304</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	9,384	33.2 (USD: NTD)	\$ 311,549
USD	882	7.18 (USD: RMB)	<u>29,282</u>
			<u>\$ 340,831</u>
<u>December 31, 2024</u>			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 48,954	32.78 (USD: NTD)	<u>\$ 1,604,712</u>
<u>Non-monetary items</u>			
USD	973	32.78 (USD: NTD)	<u>\$ 31,895</u>

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December 31, 2024			
	Foreign currency	Exchange rate	Carrying amount
Foreign currency liabilities			
<u>Monetary items</u>			
USD	\$ 11,390	32.78 (USD: NTD)	\$ 373,364
USD	1,124	7.18 (USD: RMB)	<u>36,845</u>
			<u>\$ 410,209</u>
March 31, 2024			
	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 62,566	32.00 (USD: NTD)	<u>\$ 2,002,112</u>
<u>Non-monetary items</u>			
USD	973	32.00 (USD: NTD)	<u>\$ 31,136</u>
Foreign currency liabilities			
<u>Monetary items</u>			
USD	6,933	32.00 (USD: NTD)	\$ 221,856
USD	620	7.09 (USD: RMB)	<u>19,840</u>
			<u>\$ 241,696</u>

The Group is mainly exposed to the foreign currency exchange rate risk of USD and RMB. The following information is presented in aggregate for the functional currencies of the individual entity holding the foreign currencies, and the exchange rates disclosed are the rates at which those functional currencies are translated into the presenting currency. Foreign currency translation gains and losses (realized and unrealized) with significant effect are as follows:

Functional currency	January 1, 2025 to March 31, 2025		January 1, 2024 to March 31, 2024	
	Functional currency exchanged to presenting currency	Net exchange gain or loss	Functional currency exchanged to presenting currency	Net exchange gain or loss
NTD	1 (NTD: NTD)	\$ 15,963	1 (NTD: NTD)	\$ 81,747
RMB	4.58 (RMB: NTD)	(509)	4.42 (RMB: NTD)	(540)
		<u>\$ 15,454</u>		<u>\$ 81,207</u>

35. Additional Disclosures

(1) Information on Significant Transactions:

1. The Loaning of Funds: None.
2. Endorsements and guarantees for others: None.
3. Major Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures): Table 1.

4. Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 million or 20% of the Paid-in Capital: None.
 5. Receivables from Related Parties Amounting to at Least NT\$100 million or 20% of the Paid-in Capital: None.
 6. Other: Business Relations and Important Transactions between Parent Company and Subsidiaries and Among Subsidiaries and Amounts: Table 2.
- (2) Information on Investees: Table 3.
- (3) Information on investment in Mainland China:
1. Information on investees in Mainland China, including the name, main business and products, paid-in capital, method of investment, inward and outward remittance of funds, percentage of ownership, investment income or loss, carrying amount of the investment at the end of the period, repatriation of investment income, and limit on the amount of investment in the Mainland China area: Table 4.
 2. The following significant transactions with investees in Mainland China, directly or indirectly through third regions, and their prices, payment terms, and unrealized gains or losses: Table 5.
 - (1) The amount and percentage of purchases and the related ending balance and percentage of payables.
 - (2) The amount and percentage of sales and the related ending balance and percentage of receivables.
 - (3) The amount of property transactions and the amount of resulting gains or losses.
 - (4) The ending balance of endorsement guarantee of bills or the provision of collateral and its purpose.
 - (5) The maximum balance, ending balance, interest rate range and total current interest amount of financial accommodation
 - (6) Other transactions that have a significant effect on the current profit or loss or financial position, such as the provision or receipt of services.

36. Segment Information

The Group's information reported to the chief operating decision-maker for resource allocation and segment performance assessment focuses on types of goods or services delivered or provided. The financial reporting information is measured on the same basis as that for these consolidated financial statements. The Group's reportable segments are its self-owned product segment and product agency segment.

(1) Revenue and operating results of segments

	Segment revenues			
	January 1, 2025 to March 31, 2025		January 1, 2024 to March 31, 2024	
	External revenue	Inter-segment revenues	External revenue	Inter-segment revenues
Self-owned product segment	\$ 529,474	\$ -	\$ 440,029	\$ 13
Product agency segment	<u>265,828</u>	<u>29,767</u>	<u>224,980</u>	<u>19,425</u>
	<u>\$ 795,302</u>	<u>\$ 29,767</u>	<u>\$ 665,009</u>	<u>\$ 19,438</u>

	Segment profits or losses	
	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Self-owned product segment	\$ 50,596	\$ 5,419
Product agency segment	<u>23,165</u>	<u>(6,611)</u>
Total reportable segments' profit	73,761	(1,192)
Inter-segment profit eliminated	(<u>6</u>)	(<u>6</u>)
	73,755	(1,198)
Unallocated amount:		
Non-operating income and expenses	(<u>27,901</u>)	<u>112,159</u>
Net profit before taxation	<u>\$ 45,854</u>	<u>\$110,961</u>

Segments' profit refers to the profit earned by each segment, excluding non-operating income and expenses that should be allocated. This measure is provided to the chief operating decision maker to allocate resources to segments and to measure their performance.

(2) Segments' total assets

Segments' assets	March 31, 2025	December 31, 2024	March 31, 2024
Self-owned product segment	\$ 5,287,078	\$ 5,559,498	\$ 5,665,858
Product agency segment	<u>463,933</u>	<u>414,826</u>	<u>269,964</u>
Total segment assets	<u>5,751,011</u>	<u>5,974,324</u>	<u>5,935,822</u>
Total consolidated assets	<u>\$ 5,751,011</u>	<u>\$ 5,974,324</u>	<u>\$ 5,935,822</u>

All assets are allocated to reportable segments. Assets shared by reportable segments are allocated based on income earned by each reportable segment.

Weltrend Semiconductor, Inc. and Its Subsidiaries

Major securities held at the end of the period

March 31, 2025

Table 1

Unit: In thousand NTD and thousand shares, unless otherwise specified

Companies held	Types and names of marketable securities	Relations with the securities issuer	Account in the book	Ending Balance				Amount pledged (Note 1)
				Number of shares/Unit	Carrying amount	Shareholdings ratio	Fair value	
The Company	<u>Stock</u> Greatek Electronics Inc.	—	Financial assets at fair value through profit or loss - current	4,614	\$ 265,767	-	\$ 265,767	\$ -
	Sunonwealth Electric Machine Industry Co., Ltd.	—	Financial assets at fair value through profit or loss - current	820	71,914	-	71,914	-
	Quanta Computer Inc.	—	Financial assets at fair value through profit or loss - current	50	11,225	-	11,225	-
	China Metal Products Co., Ltd.	—	Financial assets at fair value through other comprehensive income - current	3,640	105,560	-	105,560	-
	Aerospace Industrial Development Corporation	—	Financial assets at fair value through other comprehensive income - current	1,650	80,768	-	80,768	-
	United Microelectronics Corporation	—	Financial assets at fair value through other comprehensive income - current	1,000	44,650	-	44,650	-
	Unimicron Technology Corp.	—	Financial assets at fair value through other comprehensive income - current	220	20,350	-	20,350	-
	Zilltek Technology Corp.	—	Financial assets at fair value through other comprehensive income - current	70	17,255	-	17,255	-
	Kinik Company	—	Financial assets at fair value through other comprehensive income - current	80	17,240	-	17,240	-
	Taiwan Semiconductor Manufacturing Co., Ltd.	—	Financial assets at fair value through other comprehensive income - current	15	13,650	-	13,650	-
	Richwave Technology Corp.	—	Financial assets at fair value through other comprehensive income - current	80	12,560	-	12,560	-
	Ememory Technology Inc.	—	Financial assets at fair value through other comprehensive income - current	5	11,375	-	11,375	-
	<u>Privately offered funds</u> Zoyi Venture Capital Co., Ltd.	—	Financial assets at fair value through profit or loss – non-current	-	71,547	-	71,547	-
Weltrend International Co., (BVI) Ltd.	<u>Stock</u> Greatek Electronics Inc.	—	Financial assets at fair value through profit or loss - current	610	35,136	-	35,136	-

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Companies held	Types and names of marketable securities	Relations with the securities issuer	Account in the book	Ending Balance				Amount pledged (Note 1)
				Number of shares/Unit	Carrying amount	Shareholdings ratio	Fair value	
Weltrend International Co., (BVI) Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	—	Financial assets at fair value through profit or loss - current	1,634	\$ 143,302	-	\$ 143,302	\$ -
	China Metal Products Co., Ltd.	—	Financial assets at fair value through other comprehensive income - current	4,119	119,451	-	119,451	-
	Keron Holding Corpratin	—	Financial assets at fair value through other comprehensive income - non-current	201	32,319	Preferred Series A-2	32,319	-
Yingquan Investment Co., Ltd.	<u>Stock</u> Greatek Electronics Inc.	—	Financial assets at fair value through profit or loss - current	2,024	116,582	-	116,582	-
	Sunonwealth Electric Machine Industry Co., Ltd.	—	Financial assets at fair value through profit or loss - current	730	64,021	-	64,021	-
	Merry Electronics Co., Ltd.	—	Financial assets at fair value through other comprehensive income - current	303	36,568	-	36,568	-
	United Microelectronics Corporation	—	Financial assets at fair value through other comprehensive income - current	350	15,628	-	15,628	-
	Taiwan Semiconductor Manufacturing Co., Ltd.	—	Financial assets at fair value through other comprehensive income - current	50	45,500	-	45,500	-
	Anqing Innovation Investment Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	3,114	21,193	6%	21,193	-
	Chongyou Investment Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	655	11,792	9%	11,792	-

Note: The listed marketable securities are not restricted users due to the provision of pledged loans.

Weltrend Semiconductor, Inc. and Its Subsidiaries
Business relationships, significant transactions and amounts between parent company and subsidiaries and among subsidiaries.
For the Three Months Ended March 31, 2025

Table 2

Unit: In thousand NTD, unless otherwise specified

No.	Trader name	Counterparty	Relations with trader (Note 4)	Transactions			
				Account	Amount	Trading conditions	As a percentage of consolidated total revenue or total assets
0	The Company	Dongguan Prosil Electronics Co., Ltd. Yingquan Investment Co., Ltd. Sentelic Corporation	1 2 2	Net operating income	\$ 29,767	Note 1	4%
				Accounts receivable	29,293	Note 2	1%
				Rental incomes	6	Note 1	-
				Sales revenue	7,552	Note 1	1%
				Accounts receivable	1,974	Note 3	-
				Other income	270	Note 1	-
				Other receivables	95	Note 3	-
1	Dongguan Prosil Electronics Co., Ltd.	The Company Sentelic Corporation	3 4	Other income	623	Note 1	-
				Other income	871	Note 1	-
				Other receivables	190	Note 3	-
2	Sentelic Corporation	The Company	5	Sales revenue	28	Note 1	-
				Accounts receivable	28	Note 3	-

Note 1: It is based on the terms negotiated by both parties without other suitable transaction counterparties for comparison.

Note 2: It is mainly net 90 days at the end of each month for collection (payment).

Note 3: It is mainly net 30 days at the end of each month for collection (payment).

Note 4: 1 represents the transactions from parent company to sub-subsidiary.

2 represents the transactions from parent company to subsidiary.

3 represents the transactions from sub-subsidiary to parent company.

4 represents the transactions from sub-subsidiary to subsidiary.

5 represents the transactions from subsidiary to parent company.

Weltrend Semiconductor, Inc. and Its Subsidiaries
Information on the investee, location, etc.
For the Three Months Ended March 31, 2025

Table 3

Unit: In thousand NTD, unless otherwise specified

Investor name	Investee	Location	Principal business	Original investment amount		Holding, end of period			Profits (losses) of the investee for the period	Investment incomes (losses) recognized in the period	Remarks
				End of the period	End of last year	Number of Shares (in thousands)	Percentage (%)	Carrying amount			
The Company	Weltrend International Co., (BVI) Ltd.	British Virgin Islands	Investment	\$ 265,000	\$ 265,000	8,164	100	\$ 492,398	(\$ 15,002)	(\$ 15,002)	Note 1 and 6
	Yingquan Investment Co., Ltd.	Taiwan	Investment	241,486	241,486	32,416	98	337,517	(10,718)	(10,534)	Note 2
	Sentelic Corporation	Taiwan	Integrated circuit development and design, analog circuit design, digital signal processing, application software development, and import and export of electronic components.	1,117,120	1,117,120	15,324	51	989,087	32,156	9,105	Note 1 and 3
Sentelic Corporation	Sentelic Holding Co., Ltd.	Republic of Mauritius.	Investment	18,782	18,782	625	100	23	-	-	Note 1 and 5

Note 1: It was calculated based on the financial report for the same period reviewed by a CPA.

Note 2: It was calculated based on the financial report for the same period not reviewed by a CPA.

Note 3: Please refer to Table 4 for the relevant information on the investees in Mainland China.

Note 4: Investment income (losses) recognized in this period is based on financial information before inter-company transactions were eliminated and recognized after adjustments based on the effect of the acquisition method.

Note 5: On November 4, 2024, the Board of Directors approved the dissolution and liquidation of the subsidiary, Sentelic Holding Co., Ltd.

Note 6: On March 7, 2025, the Board of Directors of the subsidiary, Weltrend International Co., Ltd. (BVI), passed a resolution to reduce its capital by US\$6,164 thousand in cash. As of May 8, 2025, the capital reduction and cash refund process is still in progress.

Weltrend Semiconductor, Inc. and Its Subsidiaries
Information on investment in Mainland China
For the Three Months Ended March 31, 2025

Table 4

Unit: In thousand NTD, unless otherwise specified

Names of investees in Mainland China	Principal business	Paid-in capital	Type of investment method	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of the investee for the period	Shareholding in direct or indirect investment	Investment income (loss) recognized in this period (Note 2)	Book value of investments at the end of the period	Investment income remitted back as of the end of the period
					Outward remittance	Recover						
Dongguan Prosil Electronics Co., Ltd.	Import and export of electronic components and general import and export	RMB 8,048 thousand (USD 1,200 thousand)	Note 1	USD 1,200 thousand (\$ 39,840)	\$ -	\$ -	USD 1,200 thousand (\$ 39,840)	\$ 268	100%	\$ 268	\$ 27,934	\$ -

Accumulated amount of investment from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, MOEA	Investment quota for Mainland China as stipulated by the Investment Commission, MOEA
US\$1,200 thousand (\$39,840)	US\$1,200 thousand (\$39,840)	\$2,018,750

Note 1: The Company invests in Weltrend International Co., (BVI) Ltd. and then invests in companies through Mainland China through said company. The investments have been approved by the Investment Commission, Ministry of Economic Affairs. The investment amount approved is US\$1,200 thousand.

Note 2: It was calculated based on the investees’ financial reports for the same period not reviewed by a CPA.

Note 3: The amounts in foreign currencies were converted at USD exchange rate on March 31, 2025.

Weltrend Semiconductor, Inc. and Its Subsidiaries

Major Transactions with Investees in Mainland China Through Direct or Indirect Investment Through a Third Region, and the Prices, Payment Terms, Unrealized Gains or Losses, and Other Relevant Information
For the Three Months Ended March 31, 2025

Table 5

Unit: In thousand NTD, unless otherwise specified

Names of investees in Mainland China	Type of transaction	Purchase or sale		Transaction conditions (Note)	Notes and accounts receivable (payable)		Unrealized gain or loss	Remarks
		Amount	Percentage		Amount	Percentage		
Dongguan Prosil Electronics Co., Ltd.	Operating revenues	\$ 29,767	4%	—	\$ 29,293	3%	\$ -	—

Note: Sales with related parties are determined based on the terms negotiated by both parties without other suitable transaction counterparties for comparison.