

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Report of Independent Accounts
Q1 2025 and 2024
(Stock Code: 3357)

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Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Report of Independent Accounts of Q1 2025 and
2024

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Independent Auditors' Review Report

(114) Caishenbaozi No. 25000197

To Tai-Tech Advanced Electronics Co., Ltd.

Introduction

We have audited the consolidated financial statements of Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries (hereafter “the Group”), which comprised the consolidated balance sheets for 2025 and as of March 31, 2024; the consolidated statements of comprehensive income, changes in equity, and cash flows for 2025 and from January 1 to March 31, 2024; as well as the notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” approved and promulgated into effect by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except those stated in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” 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 for Qualified Conclusion

As stated in Note 6(5) to the consolidated financial statements, the investee companies accounted for under the equity method in the aforementioned consolidated financial statements have not had their financial statements for the same periods reviewed by auditors. The equity method investments calculated based on the shareholding ratio amounted to NT\$483,022 thousand and NT\$17,704 thousand as of March 31, 2025 and 2024, respectively, representing

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4% and 0% of the total consolidated assets of Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries. The share of profit or loss recognized for the three months ended March 31, 2025 and 2024 amounted to NT\$8,845 thousand and a loss of NT\$459 thousand, respectively, accounting for 4% and 0% of the consolidated profit or loss of Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries.

Qualified Conclusion

According to our review results and other auditors' review reports (see Other Matters paragraph), the consolidated financial statements might have been adjusted had the information in Note 13 to the consolidated financial statements and the information in the financial statements of investees accounted for using equity method - as stated in the Basis for Qualified Conclusion paragraph - been reviewed by other auditors. Except for that, we did not find the said consolidated financial statements violating the Regulations Governing the Preparation of Financial Reports by Securities Issuers or the International Accounting Standard 34 'Interim Financial Reporting' endorsed and promulgated by the Financial Supervisory Commission to an extent that it is unable to fairly present the Group's consolidated financial position as of March 31, 2024 and 2023 or consolidated financial performance and consolidated cash flows for the three months ended March 31, 2024 and 2023.

Other Matters - Other Auditors' Review Report Adopted

The financial statements of investees accounted for using the equity method and recognized in Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries' consolidated financial statements were not reviewed by us but by other auditors. Therefore, the monetary amount included in our review report on the said consolidated financial statements and related to such investees was by reference to other auditors' review reports containing a qualified conclusion. As of March 31, 2025 and 2024, the investment in the aforementioned company accounted for using the equity method amounted to NT\$1,717,254 thousand and NT\$1,524,208 thousand, respectively, representing 13% and 13% of the total consolidated assets of Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries. The share of comprehensive income recognized from January 1 to March 31, 2025 and 2024 was NT\$36,593 thousand and NT\$60,860 thousand, respectively, representing 14% and 14% of the consolidated comprehensive income of Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries.

PricewaterhouseCoopers Taiwan

Wei-Hao Wu
Certified Public Accountant (CPA)
Ya-Hui Cheng

Financial Supervisory Commission
Official Approval Letter No.: Jin Guan Zheng Shen Zi No.
1080323093
Former Financial Supervisory Commission and Securities and
Futures Bureau of the Executive Yuan
Official Approval Letter No.: Jin Guan Zheng Liu Zi No.
0960072936
May 8, 2025

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

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

Unit: NT\$ thousand

			March 31, 2025		December 31, 2024		March 31, 2024	
Assets		Note	Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6 (1)	\$ 2,211,266	17	\$ 1,780,997	15	\$ 2,240,664	20
1150	Notes receivable, net	6 (2)	38,278	-	36,806	-	51,234	1
1170	Accounts receivable, net	6 (2)	2,098,831	16	1,996,348	16	1,638,839	14
1180	Accounts receivable from related parties, net	6 (2) and 7	124,263	1	129,489	1	113,330	1
1200	Other receivables		39,956	-	33,711	-	17,249	-
1210	Other receivables - related parties	7	-	-	140	-	-	-
1220	Current income tax assets	6 (25)	83	-	2	-	7,234	-
130X	Inventory	6 (3)	988,185	8	896,450	8	810,140	7
1410	Pre-payments	6 (13)	83,331	1	104,091	1	43,553	-
1470	Other current assets		5,328	-	3,811	-	605	-
11XX	Total current assets		5,589,521	43	4,981,845	41	4,922,848	43
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6 (11)	330	-	770	-	550	-
1517	Financial assets at fair value through other comprehensive income - non-current	6 (4) and 12 (3)	604,903	5	567,634	5	663,617	6
1550	Investment accounted for using the equity method	6 (5)	2,184,521	17	2,178,533	18	1,531,027	13
00	Property, plant and equipment	6 (6) and 8	4,360,483	34	4,358,293	35	4,073,960	36
1755	Right-of-use assets	6 (7) and 7	34,418	-	34,809	-	37,210	-
1780	Intangible assets		62,191	-	54,094	-	50,556	1
1840	Deferred income tax assets	6 (25)	3,253	-	3,237	-	27,585	-
1900	Other non-current assets	6 (8)	63,503	1	71,613	1	105,420	1
15XX	Total non-current assets		7,313,602	57	7,268,983	59	6,489,925	57
1XXX	Total assets		\$ 12,903,123	100	\$ 12,250,828	100	\$ 11,412,773	100

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

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

Unit: NT\$ thousand

Liabilities and equity	Note	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
Current liabilities							
2100 Short-term borrowings	6 (9)	\$ 720,000	6	\$ 330,000	3	\$ 50,000	-
2150 Notes payable		16,904	-	16,011	-	17,031	-
2170 Accounts payable		879,848	7	806,684	7	691,224	6
2180 Accounts payable - related parties	7	3,966	-	2,622	-	3,527	-
2200 Other payables	6 (10) and 7	1,058,863	8	587,956	5	975,490	9
2230 Current income tax liabilities	6 (25)	53,487	-	35,275	-	68,847	1
2250 Liability reserve - current		4,175	-	4,492	-	4,778	-
2280 Lease liabilities - current	7	2,274	-	2,311	-	3,402	-
2320 Current portion of long-term borrowings	6 (12)	311,564	2	243,158	2	37,733	-
21XX Total current liabilities		3,051,081	23	2,028,509	17	1,852,032	16
Non-current liabilities							
2530 Corporate bonds payable	6 (11)	1,070,931	9	1,066,426	9	1,053,124	9
2540 Long-term borrowings	6 (12)	1,188,715	9	1,266,554	10	1,495,279	13
2570 Deferred income tax liabilities	6 (25)	271,030	2	267,624	2	267,000	3
2580 Lease liabilities - non-current	7	4,821	-	5,376	-	6,617	-
2640 Net defined benefit liabilities—non-current	6 (13)	1,541	-	1,415	-	1,170	-
2670 Other non-current liabilities - others		7,206	-	7,207	-	9,807	-
25XX Total non-current liabilities		2,544,244	20	2,614,602	21	2,832,997	25
2XXX Total liabilities		5,595,325	43	4,643,111	38	4,685,029	41
Equity attributable to shareholders of the parent							
Share capital	6 (14)						
3110 Common shares		1,020,349	8	1,020,349	8	1,020,340	9
Capital surplus	6 (15)						
3200 Capital surplus		1,853,598	14	1,854,376	15	1,854,279	15
Retained earnings	6 (16)						
3310 Legal reserve		720,465	6	720,465	6	657,300	6
3320 Special reserve		76,642	1	76,642	1	76,642	1
3350 Unappropriated earnings		2,990,884	23	3,312,481	27	2,613,619	23
Other equity	6 (17)						
3400 Other equity		518,254	4	496,692	4	444,278	4
31XX Equity attributable to shareholders of the parent - Total		7,180,192	56	7,481,005	61	6,666,458	58
36XX Non-controlling interests		127,606	1	126,712	1	61,286	1
3XXX Total equity		7,307,798	57	7,607,717	62	6,727,744	59
Significant Commitments or Contingencies	9						
3X2X Total liabilities and equity		\$ 12,903,123	100	\$ 12,250,828	100	\$ 11,412,773	100

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2025 and 2024

Unit: NT\$ thousand
(Except Earnings Per Share)

Item	Note	January 1 to March 31, 2025		January 1 to March 31, 2024	
		Amount	%	Amount	%
4000 Operating revenue	6 (18) and 7	\$ 1,559,426	100	\$ 1,171,733	100
5000 Operating costs	6 (3) (23) (24) and 7	(1,160,084)	(74)	(907,323)	(77)
5900 Gross profit		399,342	26	264,410	23
5910 Unrealized gains from sale		(1,598)	-	-	-
5950 Gross profit, net		397,744	26	264,410	23
Operating expenses	6 (23) (24) and 7				
6100 Selling and marketing expenses		(96,795)	(6)	(79,533)	(7)
6200 General and administrative expenses		(68,307)	(5)	(50,071)	(4)
6300 Research and development expenses		(48,008)	(3)	(43,124)	(4)
6450 Expected credit impairment gain	12 (2)	-	-	-	-
6000 Total operating expenses		(213,110)	(14)	(172,728)	(15)
6900 Operating gains		184,634	12	91,682	8
Non-operating income and expenses					
7100 Interest income	6 (19)	8,005	1	10,072	1
7010 Other income	6 (20)	7,616	-	9,937	1
7020 Other gains and losses	6 (21)	21,147	1	43,538	4
7050 Financial costs	6 (9) (12) (22)	(11,786)	(1)	(9,671)	(1)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method	6 (5)	40,056	3	20,002	1
7000 Total non-operating incomes and expenses		65,038	4	73,878	6
7900 Income before income tax		249,672	16	165,560	14
7950 Income tax expenses	6 (25)	(26,471)	(2)	(20,881)	(2)
8200 Net profit (loss) for current period		<u>\$ 223,201</u>	<u>14</u>	<u>\$ 144,679</u>	<u>12</u>

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2025 and 2024

Unit: NT\$ thousand
(Except Earnings Per Share)

Item	Note	January 1 to March 31, 2025		January 1 to March 31, 2024	
		Amount	%	Amount	%
Other comprehensive income/(loss) for the year, net of income tax					
Components of other comprehensive income that will not be reclassified to profit or loss	6 (17)				
8316 Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6 (4)	(\$ 46,406)	(3)	\$ 102,676	9
8320 Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that will not be reclassified to profit or loss		(6,828)	-	16,235	1
8310 Total components of other comprehensive income that will not be reclassified to profit or loss		(53,234)	(3)	118,911	10
Items that may be reclassified subsequently to profit or loss	6 (17)				
8361 Exchange differences on translating the financial statements of foreign operations		74,214	5	162,794	14
8370 Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that might be reclassified to profit or loss		8,950	-	24,186	2
8360 Total of items that may be reclassified subsequently to profit or loss		83,164	5	186,980	16
8300 Other comprehensive income/(loss) for the year, net of income tax		\$ 29,930	2	\$ 305,891	26
8500 Total comprehensive income (loss) for the current period		\$ 253,131	16	\$ 450,570	38
Net income attributable to:					
8610 shareholders of the parent		\$ 224,866	14	\$ 144,737	12
8620 Non-controlling interests		(\$ 1,665)	-	(\$ 58)	-
Total comprehensive income (loss) attributable to:					
8710 shareholders of the parent		\$ 252,237	16	\$ 449,966	38
8720 Non-controlling interests		\$ 894	-	\$ 604	-
EARNINGS PER SHARE	6 (26)				
9750 Basic earnings per share attributable to shareholders of the parent company		\$ 2.20		\$ 1.42	
9850 Diluted earnings per share attributable to shareholders of the parent company		\$ 2.04		\$ 1.33	

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to March 31, 2025 and 2024

Unit: NT\$ thousand

Equity attributable to shareholders of the parent											
		Retained earnings				Other equity					
	Note	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain/(loss) on financial assets at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
January 1 to March 31, 2024											
Balance as of January 1, 2024		\$ 1,020,340	\$ 1,854,279	\$ 657,300	\$ 76,642	\$ 2,928,035	(\$ 217,641)	\$ 356,690	\$ 6,675,645	\$ 60,682	\$ 6,736,327
Net profit (loss) for current period		-	-	-	-	144,737	-	-	144,737	(58)	144,679
Other comprehensive income for the year	6 (17)	-	-	-	-	-	186,318	118,911	305,229	662	305,891
Total comprehensive income (loss) for the current period		-	-	-	-	144,737	186,318	118,911	449,966	604	450,570
Appropriation and distribution of earnings:	6 (16)										
Cash dividends		-	-	-	-	(459,153)	-	-	(459,153)	-	(459,153)
Balance on March 31, 2024		\$ 1,020,340	\$ 1,854,279	\$ 657,300	\$ 76,642	\$ 2,613,619	(\$ 31,323)	\$ 475,601	\$ 6,666,458	\$ 61,286	\$ 6,727,744
January 1 to March 31, 2025											
Balance as of January 1, 2025		\$ 1,020,349	\$ 1,854,376	\$ 720,465	\$ 76,642	\$ 3,312,481	\$ 35,333	\$ 461,359	\$ 7,481,005	\$ 126,712	\$ 7,607,717
Net profit (loss) for current period		-	-	-	-	224,866	-	-	224,866	(1,665)	223,201
Other comprehensive income for the year	6 (17)	-	-	-	-	-	80,605	(53,234)	27,371	2,559	29,930
Total comprehensive income (loss) for the current period		-	-	-	-	224,866	80,605	(53,234)	252,237	894	253,131
Appropriation and distribution of earnings:	6 (16)										
Cash dividends		-	-	-	-	(510,174)	-	-	(510,174)	-	(510,174)
Investments accounted for using the equity method that are not subscribed in proportion to their ownership percentage		-	(778)	-	-	(36,289)	(879)	(4,930)	(42,876)	-	(42,876)
Balance as of March 31, 2025		\$ 1,020,349	\$ 1,853,598	\$ 720,465	\$ 76,642	\$ 2,990,884	\$ 115,059	\$ 403,195	\$ 7,180,192	\$ 127,606	\$ 7,307,798

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Cash Flow Statement

January 1 to March 31, 2025 and 2024

Unit: NT\$ thousand

	Note	January 1 to March 31, 2025	January 1 to March 31, 2024
<u>Cash flow from operating activities</u>			
Income before income tax		\$ 249,672	\$ 165,560
Adjustments			
Adjustments for income and expenses			
Depreciation expenses (including right-of-use assets)	6 (23)	136,368	134,278
Amortization	6 (23)	2,636	1,875
Gains on disposal of property, plant and equipment	6 (21)	(2,402)	(6)
Valuation loss of financial assets at fair value through profit or loss		440	330
Unrealized gains from sale		1,598	-
Interest income	6 (19)	(8,005)	(10,072)
Interest expenses	6 (22)	11,786	9,671
Share of profit of associates accounted for using equity method	6 (5)	(40,056)	(20,002)
Disposal of investment gains	6 (21)	(5,809)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(1,472)	(1,390)
Accounts Receivable		(102,492)	(174,742)
Accounts receivable due from related parties		5,226	(18,480)
Other receivables		(6,245)	(3,247)
Other receivables - related parties		140	-
Inventory		(91,735)	(42,017)
Pre-payments		20,760	(921)
Other current assets		(1,517)	(338)
Changes in operating liabilities, net			
Notes payable		845	(179)
Accounts payable		73,164	140,689
Accounts payables to related parties		1,344	416
Other payables		(42,796)	(24,118)
Liability reserve - current		(317)	500
Net defined benefit liabilities		126	117
Other noncurrent liabilities		(464)	(207)
Cash generated from operating activities		200,795	157,717
Interest paid		(7,281)	(5,242)
Income taxes paid		(8,615)	(2,084)
Net cash inflow from operating activities		184,899	150,391

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Cash Flow Statement
January 1 to March 31, 2025 and 2024

Unit: NT\$ thousand

	Note	January 1 to March 31, 2025	January 1 to March 31, 2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interests received		\$ 8,005	\$ 10,072
Acquisition of financial assets at fair value through other comprehensive income		(83,233)	-
Decrease in financial assets at amortized cost		-	30,705
Acquisition of property, plant and equipment	6 (28)	(92,047)	(129,306)
Proceeds from disposal of property, plant and equipment		-	1,428
Acquisition of intangible assets		(10,637)	(2,234)
Increase in refundable deposits		(43)	(462)
Net cash flows used in investing activities		(177,955)	(89,797)
<u>Cash Flow from Financing Activities</u>			
Increase in short-term borrowings		1,120,000	70,000
Decrease in short-term borrowings		(730,000)	(120,000)
Repayment for long-term borrowings		(9,433)	(9,433)
Increase in guarantee deposits		463	-
Repayment of the principal portion of lease liabilities	6(29)	(593)	(1,249)
Net cash generated from/(used in) financing activities		380,437	(60,682)
Exchange rate adjustments		42,888	88,118
Increase in cash and cash equivalents for the period		430,269	88,030
Cash and cash equivalents - beginning balance		1,780,997	2,152,634
Cash and cash equivalents - ending balance		\$ 2,211,266	\$ 2,240,664

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
Q1 2025 and 2024

Unit: NT\$ thousand
(unless otherwise specified)

I. Company History and Business Scope

Tai-Tech Advanced Electronics (hereinafter referred to as the “Company”) was incorporated on November 2, 1992. The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) mainly engages in manufacturing and processing of electronic parts, magnet cores, multilayer wire-wound and other wire-wound products and acts as an agent for domestic and foreign companies in terms of quotation, bidding, distribution and import and export of the said products. The Company’s shares were listed on Taipei Exchange for trading on April 27, 2021.

II. Approval Date and Procedure of the Financial Statements

The Consolidated Financial Statements have passed the board of directors resolution and were published on May 8, 2025.

III. Application of New Standards, Amendments and Interpretations

(I) The impact of the adoption of the new and revised International Financial Reporting Standards (IFRS) recognized and promulgated by the Financial Supervisory Commission (FSC)

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) approved and promulgated into effect by the FSC for application in 2025:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS No. 9 and IFRS No. 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group’s financial position and financial performance.

(II) Effects of Not Adopting the Newly Issued or Amended IFRSs Endorsed by the FSC

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) recognized by the FSC for application in 2025:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS No. 9 and IFRS No. 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026

The Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group’s financial position and financial performance.

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations, and amendments to the IFRSs issued by IASB but not yet endorsed by the FSC are as follows:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS No. 9 and IFRS No. 7 "Amendments to the	January 1, 2026

Classification and Measurement of Financial Instruments"	
Amendments to IFRS 9 and IFRS 7 "Contracts for Renewable Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 - "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Yet to be decided by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	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 in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group's financial position and financial performance.

1. Amendments to IFRS No. 9 and IFRS No. 7 "Amendments to the Classification and Measurement of Financial Instruments"

The FSC has approved the amendments to the Regulations Governing the Election of Directors, and the content of which is as follows:

Update the fair value of the equity instruments designated through other comprehensive income (FVOCI) through an irrevocable election should be disclosed for each type of equity instrument, and there is no need to disclose the fair value information for each underlying subject. In addition, the amount of fair value gain or loss recognized in other comprehensive income shall be disclosed. The amount of fair value gain or loss on the investment derecognized during the reporting period shall be presented separately. and accumulated gains and losses from investments that are derecognized during the reporting period and transferred to equity during the reporting period.

2. IFRS 18 "Presentation and Disclosures in Financial Statements"

IFRS 18 "Financial Statement Presentation and Disclosure" replaces IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement, and strengthens the application in the summary of the main financial statements and notes and segmentation.

IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

(I) Statement of Compliance

1. These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as approved and promulgated into effect by the FSC.
2. The consolidated financial statements should be read in conjunction with the 2024 consolidated financial statements.

(II) Preparation Basis

1. Except for the following significant accounts, the consolidated financial statements have been prepared under the historical cost convention:

- (1) Financial assets measured at fair value through profit or loss (including derivatives).
 - (2) Financial assets at fair value through other comprehensive income.
 - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred to hereinafter as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Consolidation Basis

1. Principles for preparing the consolidated financial statements

The preparation principles of the consolidated financial statements are the same as those in the 2024 consolidated financial statements.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Subsidiary name	Business nature	Shareholding percentage			Remarks
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	NORTH STAR INTERNATIONAL LIMITED	Invested business	100%	100%	100%	
The Company	BEST BLISS INVESTMENTS LIMITED	Invested business	100%	100%	100%	

The Company	Chairman and director, TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Reinvestment and trading-related business	60%	60%	60%	
The Company	JDX Technology Co.,Ltd.	Sale of electronic components	83.33%	83.33%	-	Note 1
BEST BLISS INVESTMENTS LIMITED	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Production, processing and sale of electronic components	100%	100%	100%	
BEST BLISS INVESTMENTS LIMITED	FIXED ROCK HOLDING LTD.	Invested business	100%	100%	100%	
BEST BLISS INVESTMENTS LIMITED	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	26.60%	26.60%	26.60%	
FIXED ROCK HOLDING LTD.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	73.40%	73.40%	73.40%	
TECHWORLD ELECTRONICS SINGAPORE PTE.LTD.	TECHWORLD ELECTRONICS (M) SDN. BHD.	Production, processing and sale of electronic components	100%	100%	100%	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Sale of electronic components	100%	100%	100%	

Note 1: In November 2024, the Group acquired additional shares in the company, thereby gaining control over the company and making it a new consolidated entity. Please refer to Note 6(27) for details on business combination.

3. Subsidiaries not included in the consolidated financial statements

None.

4. Adjustments for subsidiaries with different accounting periods

None.

5. Major restrictions

None.

6. Subsidiaries with significant non-controlling interest for the Group

None.

(IV) Employee Benefits

Pension - defined benefit plan

The pension cost of interim period is calculated based on the pension cost actuarially determined according to the end date of the previous fiscal year for the period from the beginning of the year to the end of the period. In case where there is any material market fluctuation or material reduction, repayment or other material one-time events after the end date, adjustments are made and relevant information is disclosed according to the aforementioned policy.

(V) Income tax

The tax expense of interim period is calculated based on the estimated annual average effective tax rate applied to the income before tax up to the interim period and relevant information is disclosed according to the aforementioned policy.

V. Significant Accounting Judgments, Estimates, and Major Sources of Uncertainty for Assumptions

There is no significant change in the current period. Please refer to Note 5 of the 2024 consolidated financial statements.

VI. Description of Significant Accounts

(I) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and revolving funds	\$ 682	\$ 2,593	\$ 1,403
Checking deposits and demand deposits	1,303,290	1,127,595	1,168,442
Time deposits	837,294	650,809	770,819
Commercial paper with repurchase agreement	70,000	-	300,000
Total	<u>\$ 2,211,266</u>	<u>\$ 1,780,997</u>	<u>\$ 2,240,664</u>

1. Since the Group corresponds with multiple financial institutions with good credit quality to diversify credit risks, the risk of default is expected to be low.

2. The Group did not pledge any cash and cash equivalents as collaterals.

(II) Notes and accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 38,278	\$ 36,806	\$ 51,234
Accounts Receivable	\$ 2,100,295	\$ 1,997,803	\$ 1,640,286
Less: Allowance for losses	(1,464)	(1,455)	(1,447)
	<u>\$ 2,098,831</u>	<u>\$ 1,996,348</u>	<u>\$ 1,638,839</u>
Accounts receivable due from related parties	\$ 124,352	\$ 129,578	\$ 113,419
Less: Allowance for losses	(89)	(89)	(89)
	<u>\$ 124,263</u>	<u>\$ 129,489</u>	<u>\$ 113,330</u>

1. The aging analysis of accounts receivable and notes receivable is as follows:

	March 31, 2025		December 31, 2024		March 31, 2024	
	Accounts Receivable	Notes receivable	Accounts Receivable	Notes receivable	Accounts Receivable	Notes receivable
Not yet due	\$ 2,202,166	\$ 38,278	\$ 2,125,571	\$ 36,806	\$ 1,749,240	\$ 51,234
Within 30 days	22,475	-	1,810	-	3,459	-
31~90 days	6	-	-	-	1,006	-
	<u>\$ 2,224,647</u>	<u>\$ 38,278</u>	<u>\$ 2,127,381</u>	<u>\$ 36,806</u>	<u>\$ 1,753,705</u>	<u>\$ 51,234</u>

The above aging analysis is based on the number of days past due.

2. The balances of accounts receivable and notes receivable as of March 31, 2025, December 31, 2024, and March 31, 2024 were all generated from contracts with customers. In addition, the balance of accounts receivable arising from contracts with customers as of January 1, 2024 was NT\$1,610,327.
3. Without considering collateral or other credit enhancements held, the maximum exposure to credit risk for the Group's notes receivable as of March 31, 2025, December 31, 2024, and March 31, 2024 was NT\$38,278, NT\$36,806, and NT\$51,234, respectively. The maximum exposure to credit risk for the Group's accounts receivable as of the same dates was NT\$2,223,094, NT\$2,125,837, and NT\$1,752,169, respectively.
4. Credit risks associated with accounts receivable and notes receivable are stated in Note 12(2).

(III) Inventory

	March 31, 2025		
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 232,031	(\$ 9,621)	\$ 222,410
Supplies	31,272	(2,913)	28,359
Work in process	350,861	(22,034)	328,827
Finished products	381,137	(23,366)	357,771
Goods	52,924	(2,106)	50,818
Total	<u>\$ 1,048,225</u>	<u>(\$ 60,040)</u>	<u>\$ 988,185</u>

	December 31, 2024		
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 211,787	(\$ 10,272)	\$ 201,515
Supplies	22,947	(2,585)	20,362
Work in process	334,976	(22,582)	312,394
Finished products	355,674	(23,031)	332,643
Goods	31,852	(2,316)	29,536
Total	<u>\$ 957,236</u>	<u>(\$ 60,786)</u>	<u>\$ 896,450</u>

	March 31, 2024		
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 168,670	(\$ 13,750)	\$ 154,920
Supplies	25,309	(3,193)	22,116
Work in process	345,017	(19,055)	325,962
Finished products	311,129	(26,405)	284,724
Goods	25,117	(2,699)	22,418
Total	<u>\$ 875,242</u>	<u>(\$ 65,102)</u>	<u>\$ 810,140</u>

1. The inventory costs recognized as expenses by the Group in this period:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Cost of inventory sold	\$ 1,107,859	\$ 861,638
Gain from price recovery of inventory	(1,345)	(5,933)
Others	53,570	51,618
	<u>\$ 1,160,084</u>	<u>\$ 907,323</u>

The net realizable value increased due to a constant digestion of inventory for 2025 and from January 1 to March 31, 2024.

2. The Group did not pledge any inventory as collaterals.

(IV) Financial assets at fair value through other comprehensive income

	March 31, 2025	December 31, 2024	March 31, 2024
Equity instruments			
Shares listed on the stock exchange or the OTC market	\$ 55,157	\$ 55,157	\$ 36,094
Shares not traded on the stock exchange, the OTC market, or the emerging stock market	294,074	210,399	171,878
	349,231	265,556	207,972
Adjustments for change in value	255,672	302,078	455,645
Total	<u>\$ 604,903</u>	<u>\$ 567,634</u>	<u>\$ 663,617</u>

1. The Group has elected to classify its strategic equity investments as financial assets measured at fair value through other comprehensive income. The fair values of such investments were NT\$604,903, NT\$567,634, and NT\$663,617 as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.
2. For the purposes of adjusting its position in strategic investments, in 2024, the Group disposed of its unlisted, TPEX-listed, and emerging stock market-listed share investments, whose fair value was NT\$179,806, for NT\$158,609.
3. The detailed breakdown of financial assets measured at fair value through other comprehensive income is as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Changes in fair value recognized in other comprehensive income	<u>(\$ 46,406)</u>	<u>\$ 102,676</u>

4. Without considering the collaterals or other credit enhancements held, the amounts most representative of the credit risk exposed to the Group's financial assets at fair value through

other comprehensive income as of March 31, 2025, December 31, 2024 and March 31, 2024 were NT\$604,903, NT\$567,634 and NT\$663,617, respectively.

5. The Group did not pledge any financial assets at fair value through other comprehensive income as collaterals.

(V) Investment Accounted for Using the Equity Method

	March 31, 2025	December 31, 2024	March 31, 2024
Associate:			
APAQ Technology Co., Ltd.	\$ 1,717,254	\$ 1,717,727	\$ 1,524,208
Superworld Holdings (S) Pte. Ltd.	467,267	460,806	-
JDX Technology Co., Ltd.	-	-	6,819
	<u>\$ 2,184,521</u>	<u>\$ 2,178,533</u>	<u>\$ 1,531,027</u>

1. Below is the information about the Group's significant associates:

Provider	Main business premises	Shareholding ratio			Nature of relationship	Measuring method
		March 31, 2025	December 31, 2024	March 31, 2024		
APAQ Technology Co., Ltd.	Taiwan	27.19% (Note)	28.10%	28.10%	Business strategy	Equity method

(Note) Due to the issuance of new restricted employee shares by APAQ Technology Co., Ltd., the Company's shareholding ratio decreased to 27.19%.

2. The summarized financial information of the major associates of the Company is as follows:

Balance sheet

	APAQ Technology Co., Ltd. and Subsidiaries		
	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 4,259,007	\$ 4,079,702	\$ 3,630,736
Non-current assets	2,884,805	2,793,049	1,966,008
Current liabilities	(2,766,323)	(2,627,835)	(1,961,836)
Non-current liabilities	(188,309)	(206,156)	(334,516)
Non-controlling interests	(116,024)	(118,286)	(138,792)
Fair value adjustment of other intangible and tangible net assets	422,765	436,014	483,991
Adjusted total net assets	<u>\$ 4,495,921</u>	<u>\$ 4,356,488</u>	<u>\$ 3,645,591</u>
Share of net total assets of associates	\$ 1,222,441	\$ 1,224,173	\$ 1,024,411
Goodwill	523,825	523,825	510,566
Others	(29,012)	(30,271)	(10,769)
Carrying amount of associate statement of comprehensive income	<u>\$ 1,717,254</u>	<u>\$ 1,717,727</u>	<u>\$ 1,524,208</u>

	APAQ Technology Co., Ltd. and Subsidiaries	
	January 1 to March 31, 2025	January 1 to March 31, 2024
Revenue	\$ 905,019	\$ 721,366
Profit from continuing operations	\$ 128,653	\$ 137,991
Other comprehensive income (net amount after tax)	8,153	107,161
Total comprehensive income (loss) for the current period	<u>\$ 136,806</u>	<u>\$ 245,152</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

3. The major associate of the Group, APAQ Technology Co., Ltd., is quoted in the open market. Its fair value as of March 31, 2025, December 31, 2024, and March 31, 2024 was NT\$2,825,000, NT\$3,712,500, and NT\$1,950,000, respectively.
4. For the periods from January 1 to March 31, 2025 and 2024, the investment gains recognized under the equity method from APAQ Technology Co., Ltd. were NT\$34,303 and NT\$20,439, respectively, based on the financial statements reviewed with a qualified conclusion by other certified public accountants.
5. The Group holds 27.19% of the total number of voting shares of APAQ Technology Co., Ltd., making the Group the single largest shareholder. Since the quantities and dispersion of voting shares held by others were not widely dispersed and the governance body of the Group varies from that of the above companies, the Group is unable to direct the relevant activities of the above companies, hence no control over it. The Group believes it has only significant influence over the above companies and therefore recognizes APAQ Technology Co., Ltd. as its associate.
6. As of March 31, 2024, the Group held 26.67% of the voting rights in APAQ Technology Co., Ltd., making it the single largest shareholder. However, considering the proportion and distribution of voting rights held by other shareholders—who are not highly dispersed—and the fact that the Group does not share key management personnel with APAQ Technology, the Group is not able to direct the relevant activities of APAQ Technology and therefore does not have control. The Group believes it has only significant influence over the above companies and therefore recognizes APAQ Technology Co., Ltd. as its associate. In November 2024, the Group acquired additional shares in Unique One Technology Co., Ltd., thereby gaining control over the company and making it a new consolidated entity. Please refer to Note 6(27) for details on business combination.
7. The carrying amount and share of operating results of associates not individually material to the Group are summarized as follows: As of March 31, 2025 and 2024, the total carrying amounts of these associates were NT\$467,267 thousand and NT\$6,819 thousand, respectively.

	January 1 to March 31, 2025	January 1 to March 31, 2024
Profit (loss) from continuing operations	\$ 8,463	(\$ 437)
Other comprehensive income (net amount after tax)	-	-
Total comprehensive income (loss) for the current period	<u>\$ 8,463</u>	<u>(\$ 437)</u>

8. The Group originally held a 10% equity in SuperWorld Holdings (S) Pte. Ltd., which was recognized in the "Financial assets at fair value through other comprehensive income" account. In October 2024, the Group paid NT\$261,360 to acquire 2,700 thousand shares, bringing its shareholding to 23.5%. The Group began to use the equity method for valuation. According to regulations, the Group should complete the acquisition price allocation report before October 4, 2025. As of May 8, 2025, it is still in progress.
9. For the investments under equity method mentioned above, some of the financial statements are prepared by the investees during the same period but not reviewed by the CPAs. The investment balance as of March 31, 2025 and 2024 was NT\$483,022 thousand and NT\$17,704 thousand, respectively. The share of profit (loss) of associates and joint ventures recognized under the equity method for the periods from January 1 to March 31, 2025 and 2024 was a profit of NT\$8,845 thousand and a loss of NT\$459 thousand, respectively.

(VI) Property, Plant, and Equipment

2025

	Land	Buildings and structures	Machinery	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
January 1									
Cost	\$ 984,225	\$ 736,083	\$ 5,894,662	\$ 25,054	\$ 11,487	\$ 62,686	\$ 412,722	\$ 100,647	\$ 8,227,566
Accumulated depreciation and impairment	-	(317,118)	(3,218,526)	(19,248)	(10,132)	(46,419)	(257,830)	-	(3,869,273)
	<u>\$ 984,225</u>	<u>\$ 418,965</u>	<u>\$ 2,676,136</u>	<u>\$ 5,806</u>	<u>\$ 1,355</u>	<u>\$ 16,267</u>	<u>\$ 154,892</u>	<u>\$ 100,647</u>	<u>\$ 4,358,293</u>
January 1	\$ 984,225	\$ 418,965	\$ 2,676,136	\$ 5,806	\$ 1,355	\$ 16,267	\$ 154,892	\$ 100,647	\$ 4,358,293
Addition	-	-	17,951	-	30	112	24,978	60,706	103,777
Disposal	-	-	-	-	-	-	-	-	-
Reclassification	-	-	33,722	-	4,699	2,276	8,062	(48,759)	-
Depreciation expenses	-	(8,897)	(108,152)	(255)	(342)	(1,631)	(16,315)	-	(135,592)
Net exchange differences	815	4,306	24,034	-	5	107	354	4,384	34,005
March 31	<u>\$ 985,040</u>	<u>\$ 414,374</u>	<u>\$ 2,643,691</u>	<u>\$ 5,551</u>	<u>\$ 5,747</u>	<u>\$ 17,131</u>	<u>\$ 171,971</u>	<u>\$ 116,978</u>	<u>\$ 4,360,483</u>
March 31									
Cost	\$ 985,040	\$ 740,187	\$ 5,965,904	\$ 25,065	\$ 15,785	\$ 65,540	\$ 445,848	\$ 116,978	\$ 8,360,347
Accumulated depreciation and impairment	-	(325,813)	(3,322,213)	(19,514)	(10,038)	(48,409)	(273,877)	-	(3,999,864)
	<u>\$ 985,040</u>	<u>\$ 414,374</u>	<u>\$ 2,643,691</u>	<u>\$ 5,551</u>	<u>\$ 5,747</u>	<u>\$ 17,131</u>	<u>\$ 171,971</u>	<u>\$ 116,978</u>	<u>\$ 4,360,483</u>

								Unfinished construction and equipment pending acceptance	
	Land	Buildings and structures	Machinery	Utilities equipment	Transportation equipment	Office equipment	Other equipment		Total
January 1									
Cost	\$ 777,560	\$ 590,845	\$ 5,644,458	\$ 25,018	\$ 11,611	\$ 58,766	\$ 342,246	\$ 25,212	\$ 7,475,716
Accumulated depreciation and impairment	-	(280,130)	(2,815,129)	(18,182)	(9,476)	(40,125)	(212,180)	-	(3,375,222)
	<u>\$ 777,560</u>	<u>\$ 310,715</u>	<u>\$ 2,829,329</u>	<u>\$ 6,836</u>	<u>\$ 2,135</u>	<u>\$ 18,641</u>	<u>\$ 130,066</u>	<u>\$ 25,212</u>	<u>\$ 4,100,494</u>
January 1	\$ 777,560	\$ 310,715	\$ 2,829,329	\$ 6,836	\$ 2,135	\$ 18,641	\$ 130,066	\$ 25,212	\$ 4,100,494
Addition	-	-	2,576	-	-	1,461	6,560	17,570	28,167
Disposal	-	-	-	-	(34)	-	-	-	(34)
Reclassification	-	-	10,149	-	-	230	4,044	(14,423)	-
Depreciation expenses	-	(8,203)	(107,370)	(259)	(248)	(1,742)	(15,012)	-	(132,834)
Net exchange differences	-	8,591	67,444	-	14	288	1,725	105	78,167
March 31	<u>\$ 777,560</u>	<u>\$ 311,103</u>	<u>\$ 2,802,128</u>	<u>\$ 6,577</u>	<u>\$ 1,867</u>	<u>\$ 18,878</u>	<u>\$ 127,383</u>	<u>\$ 28,464</u>	<u>\$ 4,073,960</u>
March 31									
Cost	\$ 777,560	\$ 606,665	\$ 5,774,454	\$ 25,046	\$ 11,280	\$ 60,217	\$ 358,350	\$ 28,464	\$ 7,642,036
Accumulated depreciation and impairment	-	(295,562)	(2,972,326)	(18,469)	(9,413)	(41,339)	(230,967)	-	(3,568,076)
	<u>\$ 777,560</u>	<u>\$ 311,103</u>	<u>\$ 2,802,128</u>	<u>\$ 6,577</u>	<u>\$ 1,867</u>	<u>\$ 18,878</u>	<u>\$ 127,383</u>	<u>\$ 28,464</u>	<u>\$ 4,073,960</u>

1. The capitalized amounts of interest from January 1 to March 31, 2025 and 2024 were both NT\$0.
2. The Group's significant components of buildings and structures, including buildings and engineering systems, are depreciated over 20~50 years and 8~20 years, respectively.
3. For information on pledged property, plant and equipment, refer to Note 8.

(VII) Lease Transactions - Lessee

1. The underlying assets of the Group's lease include land use right, buildings and multi-function peripherals. The lease duration usually lasts 3 to 50 years. Lease contracts are agreed upon individually and contain different terms and conditions. Except for land use right, leased assets shall not be used as collaterals and are not restricted in any way.
2. The lease term of the buildings and warehouses leased by the Group is less than 12 months. The low-value underlying asset of the Group's lease are photocopiers.
3. The information on the carrying amount of the right-of-use asset and the recognized depreciation expense is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
	Carrying amount	Carrying amount	Carrying amount
Right-of-use land	\$ 27,324	\$ 27,122	\$ 27,361
Buildings	6,418	6,924	8,444
Transportation equipment	-	-	880
Machinery and equipment	676	763	525
	<u>\$ 34,418</u>	<u>\$ 34,809</u>	<u>\$ 37,210</u>

	January 1 to March 31, 2025	January 1 to March 31, 2024
	Depreciation expenses	Depreciation expenses
Right-of-use land	\$ 183	\$ 177
Buildings	506	748
Transportation equipment	-	430
Machinery and equipment	87	89
	<u>\$ 776</u>	<u>\$ 1,444</u>

4. Profit or loss items in relation to lease contracts are as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
<u>Items that affect profit or loss</u>		
Expenses attributable to short-term lease contracts	\$ 5,353	\$ 5,104
Expenses attributable to low-value assets	28	22

5. The Group's right-of-use asset increased by NT\$0 and NT\$0 for 2025 and from January 1 to March 31, 2024, respectively.
6. The Group's cash used in lease contracts increased by NT\$5,974 and NT\$6,375 for 2025 and from January 1 to March 31, 2024, respectively.

(VIII) Other non-current assets

	March 31, 2025	December 31, 2024	March 31, 2024
Refundable deposits	\$ 7,601	\$ 7,558	\$ 3,088
Pre-payments for construction and equipment	55,902	64,055	102,332
Uncollectible overdue receivables	1,252	1,252	1,252
Allowance for uncollectible-overdue receivables	(1,252)	(1,252)	(1,252)
	<u>\$ 63,503</u>	<u>\$ 71,613</u>	<u>\$ 105,420</u>

(IX) Short-term Borrowings

Nature of borrowings	March 31, 2025	Interest rate range	Collaterals
Bank loan			
Credit loan	\$ 720,000	1.83%~1.86%	-

Nature of borrowings	December 31, 2024	Interest rate range	Collaterals
Bank loan			
Credit loan	\$ 230,000	1.80%~1.98%	-
Secured loan	100,000	1.89%	Land, buildings, and structures
	<u>\$ 330,000</u>		

Nature of borrowings	March 31, 2024	Interest rate range	Collaterals
Bank loan			
Credit loan	\$ 50,000	1.69%~1.82%	-

For 2025 and from January 1 to March 31, 2024, the interest expenses incurred by short-term borrowings recognized in income were NT\$2,011 and NT\$218, respectively.

(X) Other Payables

	March 31, 2025	December 31, 2024	March 31, 2024
Dividends payable	\$ 510,174	\$ -	\$ 459,153
Salary and bonus payables	129,518	185,838	108,808
Social benefits liabilities payable	95,143	93,789	91,772
Employee compensation and directors' and supervisors' remuneration payable	83,962	64,538	64,447
Construction and equipment payable	52,174	48,645	48,205
Others	187,892	195,146	203,105
	<u>\$ 1,058,863</u>	<u>\$ 587,956</u>	<u>\$ 975,490</u>

(XI) Corporate bonds payable

	March 31, 2025	December 31, 2024	March 31, 2024
Corporate bonds payable	\$ 1,099,900	\$ 1,099,900	\$ 1,100,000
Less: Discount of corporate bond payable	(28,969)	(33,474)	(46,876)
	1,070,931	1,066,426	1,053,124
Less: Due within one year or one operating cycle			
Corporate bonds with repurchase rights or exercised resale rights	-	-	-
	<u>\$ 1,070,931</u>	<u>\$ 1,066,426</u>	<u>\$ 1,053,124</u>

1. Domestic convertible bonds issued by the Company

The conditions for the Company's issuance of the 1st domestic unsecured convertible corporate bonds are as follows

- (1) The Company was approved by the competent authority to issue the first domestic unsecured convertible corporate bonds. The total amount to be issued is NT\$1,100,000, the coupon rate of 0%, the issuance period of 3 years, and the circulation period from October 31, 2023 to October 31, 2026. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The convertible bonds were listed for trading on the Taipei Exchange on October 31, 2023.

- (2) The period from the day following the expiration of three months after the date of issuance to the maturity date of the convertible corporate bond holders, except (1) the period of suspension of the common stock transfer according to law; (2) The period from the 15 business days before the book closure date for cash dividends or the book closure date to the base date of distribution of rights; (3) The base date of capital reduction for capital reduction is scheduled to expire on the day before the trading day before the capital reduction; (4) For a change in the denomination of shares, the Company may inform Taiwan Depository & Clearing Corporation through to request the Company's stock agent to convert the bonds into shares of the Company's common stock in accordance with the Regulations, the rights and obligations of the common shares after conversion are the same as the common shares issued originally.
- (3) The conversion price of these convertible corporate bonds is set according to the pricing model stipulated in the conversion regulations. The subsequent conversion price will be adjusted in accordance with the pricing model stipulated in the conversion plan in the event of an increase in the number of shares of common stock issued (or private placement) of securities with conversion or subscription rights to common shares at a capital reduction lower than the prevailing conversion or subscription price per share, and capital reduction not due to cancellation of treasury shares. The pricing model shall be adjusted in accordance with the conversion regulations.
- On March 29, 2025, the Company adjusted the conversion price to NT\$108.9 in accordance with the Conversion Regulations.
- (4) When the Company's common shares have closed at a price 30% or more above the prevailing conversion price for 30 consecutive business days, starting from the day following three months after the issuance of the convertible bonds until 40 days before the end of the issuance period, the Company may, within 30 business days, send a registered "Notice of Recovery of Bonds" (effective after 30 days) to the bondholders and request the Taipei Exchange to make a public announcement. All bonds shall be redeemed in cash at face value within 5 business days after the recovery date.
- (5) In accordance with the conversion regulations, all the convertible corporate bonds recovered (including repurchased from the Taipei Exchange), repaid or converted by the Company shall be cancelled and may not be re-sold or re-issued, and the conversion rights attached shall also be extinguished.
2. When issuing the convertible bonds, the Group separated the equity conversion option and each component of liability in accordance with IAS No. 32 "Financial Instruments: Presentation," and accounted for NT\$55,190 as "Capital surplus - stock options." In addition, the embedded repurchase options were not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 "Financial Instruments," so they were separated and accounted for in the net amount of "Financial assets measured at fair value through profit or loss." After the separation, the effective interest rate of the main contract debt was 1.7%.
3. As of March 31, 2025, the bonds with a face value of NT\$100 had been converted into 881 ordinary shares.

(XII) Long-term Borrowings

Nature of borrowings	Loan period and means of repayment	Interest rate range	Collaterals	March 31, 2025
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.75%	Land, buildings, and structures	\$ 430,789
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest	1.28%	-	226,490

	is paid monthly. Principal and interest are paid from April 2025 to March 2029.			
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.23%~1.28%	Machinery	368,000
Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.	1.28%	-	220,000
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.23%	-	250,000
Credit loan	The period from November 2024 to October 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from November 2025 to October 2029.	2.22%	-	<u>5,000</u>
				1,500,279
Less: Current portion of long-term borrowings				(<u>311,564</u>)
				<u>\$ 1,188,715</u>

Nature of borrowings	Loan period and means of repayment	Interest rate range	Collaterals	December 31, 2024
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.75%	Land, buildings, and structures	\$ 440,222
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.28%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.23%~1.28%	Machinery	368,000
Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.	1.28%	-	220,000
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.23%	-	250,000
Credit loan	The period from November 2024 to October 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from November 2025 to October 2029.	2.22%	-	<u>5,000</u>
				1,509,712

Less: Current portion of long-term borrowings	(243,158)
	<u>\$ 1,266,554</u>

Nature of borrowings	Loan period and means of repayment	Interest rate range	Collaterals	March 31, 2024
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.75%	Land, buildings, and structures	\$ 468,522
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.28%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.23%~1.28%	Machinery	368,000
Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.	1.28%	-	220,000
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.23%	-	<u>250,000</u>
				1,533,012
Less: Current portion of long-term borrowings				(37,733)
				<u>\$ 1,495,279</u>

For 2025 and from January 1 to March 31, 2024, the interest expenses incurred by long-term borrowings recognized in income were NT\$5,270 and NT\$4,948, respectively.

(XIII) Pensions

- (1) By adhering to the requirements set forth in the “Labor Standards Act,” the Company has established its own defined retirement benefits plan, which is applicable both to the service years of all regular employees rendered before the enforcement of the “Labor Pension Act” on July 1, 2005, and to the service years of all employees who elected to continue applying the Labor Standards Act after the implementation of the “Labor Pension Act.” Pensions for employees qualified for retirement are calculated based on their servicing years and their average salaries of the 6 months prior to their retirement. Two bases are given for each full year of service rendered within 15 years. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The Company contributes monthly an amount equal to 3% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, under the name of the Independent Retirement Fund Committee. In addition, the Company estimates the balance of the said designated pension account before the end of year. If the balance is not sufficient to cover the amount to be paid to all employees - calculated in the manner specified above - who will qualify the retirement conditions next year, a lump-sum deposit should be made before March-end of the following year to cover the difference. In accordance with the Labor Standards Act and the Labor Pension Act, the Company has already settled the

length of services for some employees choosing the old pension scheme in 2022.

- (2) The Company is obligated to pay retirement pensions to the directors and chairman of the board who were employees, which is calculated at 6% of the monthly salary according to the "Directors' Salary and Remuneration Measures."
 - (3) In 2025 and from January 1 to March 31, 2024, the pension costs recognized in the manner specified above were NT\$126 and NT\$117, respectively.
2. (1) On July 1, 2005, the Company established its own pension regulations applicable to Taiwanese nationals in accordance with the "Labor Pension Act." For employees of the Company or domestic subsidiaries who elected to apply the "Labor Pension Act," the Company makes a contribution equal to 6% of the monthly salary to their individual retirement account with the Bureau of Labor Insurance. Employee pensions may be paid in monthly installments or in lump-sum payment based the accumulated amount in the employee's individual retirement account.
- (2) TAI-TECH Advanced Electronics (Kunshan) Co., Ltd. and TAIPAQ Electronic Components (Si-Hong) Co., Ltd. contribute a certain percentage of a local employee's monthly salary, as required by the People's Republic of China, to the endowment insurance system. For 2025 and January 1 to March 31, 2024, the contribution percentages were 16% and 16%, respectively. The pension for employees is managed independently by the government. Except for making monthly contribution, the Group has no further obligation.
 - (3) Techworld Electronics (m) Sdn. Bhd has established a defined contribution plan in accordance with local laws, and contributes to the public fund account on a monthly basis in accordance with the statutory percentage.
 - (4) In 2025 and from January 1 to March 31, 2024, the pension costs recognized in the manner specified above were NT\$19,351 and NT\$16,450, respectively.

(XIV) Share Capital

1. As of 2025 and March 31, 2024, the Company had an authorized capital equal to NT\$3,000,000 (with NT\$20,000 retained for issuance of employee stock option certificates), a paid-in capital equal to NT\$1,020,349 and a share face value equal to NT\$10. All proceeds for share subscription were collected in full.
2. As of March 31, 2025, the Company's convertible bonds with a face value of NT\$100 had been converted into 881 ordinary shares.

(XV) Capital Surplus

1. Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. According to the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.
2. The capital reserve is detailed as follows:

2025					
Additional paid-in capital	Changes in ownership interests in subsidiaries	Changes in net equity of associates	Net assets from merger	Stock options	Total

January 1	\$ 1,784,014	\$ 12,353	\$ 778	\$ 2,046	\$ 55,185	\$ 1,854,376
Investments accounted for using the equity method that are not subscribed in proportion to their ownership percentage	-	-	(778)	-	-	(778)
January 1 (same as March 31)	<u>\$ 1,784,014</u>	<u>\$ 12,353</u>	<u>\$ -</u>	<u>\$ 2,046</u>	<u>\$ 55,185</u>	<u>\$ 1,853,598</u>
2024						
	Additional paid-in capital	Changes in ownership interests in subsidiaries	Changes in net equity of associates	Net assets from merger	Stock options	Total
January 1 (same as March 31)	<u>\$ 1,783,921</u>	<u>\$ 12,353</u>	<u>\$ 769</u>	<u>\$ 2,046</u>	<u>\$ 55,190</u>	<u>\$ 1,854,279</u>

(XVI) Retained Earnings

1. According to the Company's Articles of Incorporation, if the Company has any earnings in the final account, they should be used to pay off all the taxes and duties, as well as to compensate prior deficits. The remaining amount, if any, should be appropriated in the following order of presentation: (1) 10% as legal reserve until it reaches the Company's paid-in capital; (2) set aside or reverse a certain amount as or of special reserve according to operating needs or laws or regulations; (3) the remainder plus unappropriated earnings from prior years may be used to appropriate dividends or bonuses to shareholders after an earnings appropriation proposal is drafted by the Board of Directors and resolved in favor by the shareholders meeting. As required by Article 240 of the Company Act, if approved by a majority vote at a Board of Directors' meeting attended by two thirds of directors, the Board of Directors may appropriate dividends or bonuses in cash with its existing legal reserve or capital surplus, and shall report to the shareholder's meeting. In such case, the requirements regarding resolution made by shareholders' meeting set out in the Company's Articles of Incorporation do not apply.
2. The Company's dividend policy determination factors include the industry's environment and the Company's growth stage, future capital needs, financial structure, capital budget, shareholders' interests, balanced dividends, and long-term financial planning. Each year shall remain within the range available for distribution. If the business development is in the active expansion stage, the profitability is expected to grow, and the stock dividend distribution will not significantly dilute the Company's profitability. The Board of Directors shall draft a distribution proposal according to law and report it to the shareholders' meeting. No less than 30% of annual earnings are appropriated to shareholders. Shareholder's bonuses may be appropriated in cash or in shares, provided, however, that the appropriation in cash shall not be less than 10% of the total appropriated amount.
3. Except being used to make up previous deficits or appropriate shares or cash to shareholders in proportion to their shareholding percentage, the legal reserve shall not be used. However, the amount of legal reserves used to appropriate new shares or cash shall be limited to the portion exceeding 25% of the paid-in capital.
4. (1) According to law, the Company may appropriate earnings only after it has provided special reserve under the debit balance of other equity on the balance sheet date. If subsequently the debit balance of other equity is reversed, the reversed amount may be used as appropriable earnings.
- (2) As for the special reserves provided upon initial application of IFRSs to satisfy the requirements specified in the official letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021, the Company may reverse them to the extent of their original

provision ratio if subsequently the Company intends to use, dispose of or reclassify related assets. If the said related assets are investment property relating to land, such assets are reversed upon disposal or reclassification; if the said related assets are investment property other than land, such assets are reversed gradually over the use period.

5. On February 26, 2024, the Board of Directors passed a resolution to distribute an ordinary dividends of NT\$459,153 (NT\$4.5 per share) according to the 2023 surplus.
6. On February 24, 2025, the Board of Directors passed a resolution to distribute an ordinary dividends of NT\$510,174 (NT\$5 per share) according to the 2024 surplus.

(XVII) Other Equity

	2025		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 461,359	\$ 35,333	\$ 496,692
Valuation of financial assets at fair value through other comprehensive income:			
- Group	(46,406)	-	(46,406)
- Associates	(6,828)	-	(6,828)
Investments accounted for using the equity method that are not subscribed in proportion to their ownership percentage	(4,930)	(879)	(5,809)
Exchange differences: - Group			
- Group	-	71,655	71,655
- Associates	-	8,950	8,950
March 31	<u>\$ 403,195</u>	<u>\$ 115,059</u>	<u>\$ 518,254</u>

	2024		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 356,690	(\$ 217,641)	\$ 139,049
Valuation of financial assets at fair value through other comprehensive income:			
- Group	102,676	-	102,676
- Affiliated companies	16,235	-	16,235
Exchange differences: - Group			
- Group	-	162,132	162,132
- Affiliated companies	-	24,186	24,186
March 31	<u>\$ 475,601</u>	<u>(\$ 31,323)</u>	<u>\$ 444,278</u>

(XVIII) Operating Revenue

	January 1 to March 31, 2025	January 1 to March 31, 2024
Revenue from contracts with clients	<u>\$ 1,559,426</u>	<u>\$ 1,171,733</u>

The Group's revenue derived from transfer of goods at a particular point of time are classified into the following categories:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Wire-wound	\$ 1,256,553	\$ 912,953
Multilayer products	278,973	249,095
Others	<u>23,900</u>	<u>9,685</u>

Total	\$ 1,559,426	\$ 1,171,733
(XIX) <u>Interest Income</u>		
	January 1 to March 31, 2025	January 1 to March 31, 2024
Interest on bank deposits	\$ 8,005	\$ 9,830
Interest income from financial assets measured at amortized cost	-	235
Other interest income	-	7
	\$ 8,005	\$ 10,072

(XX) <u>Other Income</u>		
	January 1 to March 31, 2025	January 1 to March 31, 2024
Rental income	\$ 222	\$ 2,716
Subsidies income	2,939	5,398
Miscellaneous income	4,455	1,823
	\$ 7,616	\$ 9,937

The Group recognized government grants primarily because its qualified for the grants awarded to entice investment in the industries within Si-Hong Economic Development Zone.

(XXI) <u>Other Gains and Losses</u>		
	January 1 to March 31, 2025	January 1 to March 31, 2024
Gains on disposal of property, plant and equipment	\$ 2,402	\$ 6
Disposal of investment gains	5,809	-
Exchange gains, net	13,692	43,866
Losses on financial assets at fair value through profit or loss	(440)	(330)
Miscellaneous expenses	(316)	(4)
	\$ 21,147	\$ 43,538

(XXII) <u>Financial Costs</u>		
	January 1 to March 31, 2025	January 1 to March 31, 2024
Interest expenses	\$ 7,281	\$ 5,166
Interest expense of corporate bonds payable	4,505	4,429
Other interest expenses	-	76
	\$ 11,786	\$ 9,671

(XXIII) <u>Additional Information on the Nature of Expenses</u>			
	January 1 to March 31, 2025		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 225,273	\$ 105,461	\$ 330,734
Depreciation expenses of property, plant and equipment	121,024	14,568	135,592
Depreciation of right-of-use assets	25	751	776
Amortization expenses	1,361	1,275	2,636
	January 1 to March 31, 2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 197,387	\$ 85,480	\$ 282,867
Depreciation expenses of property,	120,093	12,741	132,834

plant and equipment			
Depreciation of right-of-use assets	268	1,176	1,444
Amortization expenses	1,056	819	1,875

(XXIV) Employee Benefits Expenses

January 1 to March 31, 2025			
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 189,763	\$ 90,488	\$ 280,251
Labor and health insurance expense	5,744	5,300	11,044
Pension expense	14,891	4,586	19,477
Other personnel expense	14,875	5,087	19,962
	<u>\$ 225,273</u>	<u>\$ 105,461</u>	<u>\$ 330,734</u>

January 1 to March 31, 2024			
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 166,378	\$ 72,807	\$ 239,185
Labor and health insurance expense	5,554	4,308	9,862
Pension expense	12,450	4,117	16,567
Other personnel expense	13,005	4,248	17,253
	<u>\$ 197,387</u>	<u>\$ 85,480</u>	<u>\$ 282,867</u>

1. Where there are earnings in the final account, no less than 6% shall be allocated as employee compensation, either in cash or in shares, as resolved by the Board of Directors - employees qualified for such compensation include employees from affiliated companies who meet certain criteria; and no more than 2% of the above earnings shall be allocated as remuneration for directors and supervisors.
2. For January 1 to March 31, 2025 and 2024, the employee compensation recognized by the Company were NT\$15,539 and NT\$10,209, respectively, and the directors' and supervisors' remunerations recognized were NT\$3,885 and NT\$2,552, respectively, which were presented under salary and wages.

The employee compensation and directors' and supervisors' remuneration for January 1 to March 31, 2025 and 2024 were estimated at 6% and 1.5%, respectively, of the earnings at the end of the period.

The amount of the accrued employee compensation and directors' and supervisors' remuneration for 2024 as had been resolved by the Board of Directors was the same as the amount recognized in the financial statements for 2024.

The amounts of employee compensation and directors' and supervisors' remuneration approved by the Board of Directors and resolved by the shareholders' meeting can be found on the Market Observation Post System of TWSE.

(XXV) Income Tax

1. Income tax expense
 - (1) Income tax components:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Current tax:		
Tax attributable to taxable income of the period	\$ 24,409	\$ 19,250

Underestimation of income tax in previous years	2,062	1,631
Total current tax	26,471	20,881
Deferred income tax:		
Deferred income tax on temporary differences originated and reversed	-	-
Income tax expenses	\$ 26,471	\$ 20,881

(2) Income tax associates with other comprehensive income: None.

(3) Income tax directly debited or credited in equity: None.

2. The Company's income tax up to 2022 has been approved by the tax authority.

(XXVI) Earnings Per Share

January 1 to March 31, 2025			
		Weighted average number of outstanding shares (In Thousands of Shares)	EARNINGS PER SHARE (NT\$)
	Post-tax amount		
<u>Basic earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 224,866	102,035	\$ 2.20
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 224,866	102,035	
Dilutive effects of the potential common shares			
Employee compensation	-	425	
Convertible corporate bonds	4,505	10,100	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 229,371	112,560	\$ 2.04
January 1 to March 31, 2024			
		Weighted average number of outstanding shares (In Thousands of Shares)	EARNINGS PER SHARE (NT\$)
	Post-tax amount		
<u>Basic earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 144,737	102,034	\$ 1.42
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 144,737	102,034	
Dilutive effects of the potential common shares			
Employee compensation	-	326	
Convertible corporate bonds	4,429	9,692	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 149,166	112,052	\$ 1.33

(XXVII) Business Combinations

1. The Group acquired 56.66% of the shares in Unique One Technology Co., Ltd. on November 1, 2024 with cash of NT\$5,347, and gained control over the company. The relevant equity has been fully settled, and the transaction price has been fully paid.
2. The information regarding the fair value of the consideration paid for the acquisition, the assets acquired and liabilities assumed at the acquisition date, and the share of the acquiree's identifiable net assets attributable to the non-controlling interests at the acquisition date is as follows:

	<u>Acquisition date</u>	
Acquisition consideration		
Cash	\$	5,347
Fair value of previously held equity at acquisition date		2,516
Share of acquiree's identifiable net assets attributable to non-controlling interests		1,346
		<u>9,209</u>
Fair value of identifiable assets acquired and liabilities assumed		
Cash		7,566
Accounts Receivable		9,164
Inventory		2,847
Other current and non-current assets		713
Accounts payable	(6,413)
Other payables	(800)
Long-term borrowings	(5,000)
Total identifiable net assets		<u>8,077</u>
Goodwill	\$	<u>1,132</u>

3. Non-controlling interests are measured as the non-controlling interests' proportionate share of the acquiree's identifiable net assets.
4. The Group has held a 26.67% equity in Unique One Technology Co., Ltd. before the business combination, and recorded a loss of NT\$2,985 on the remeasurement of fair value.
5. Since the Group acquired and merged Unique One Technology Co., Ltd on November 1, 2024, the operating revenue contributed by Unique One Technology Co., Ltd was NT\$5,116, and the net loss before tax was NT\$725. If it is assumed that Unique One Technology Co., Ltd. had been included in the consolidated entities from January 1, 2024, the Group's operating revenue and net income before tax would have been NT\$5,537,638 and NT\$844,760, respectively.

(XXVIII) Additional Information on Cash Flows

1. Investing activities partially involving cash payments:

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Acquisition of property, plant, and equipment	\$ 103,777	\$ 28,167
Plus: Construction and equipment payable at the beginning of the period	48,645	61,211
Notes payable at the beginning of the period	4,879	5,564
Prepayments for construction and equipment - ending	55,902	102,332

Less: Construction and equipment payable at the end of the period	(52,174)	(48,205)
Notes payable at the end of the period	(4,927)	(5,314)
Prepayments for construction and equipment - opening	(64,055)	(14,449)
Cash paid in the period	\$	92,047	\$	129,306

2. Financing activities not affecting cash flows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Cash dividends announced but not yet paid	\$ 510,174	\$ 459,153

(XXIX) Changes in Liabilities Arising from Financing Activities

2025						
	Short-term borrowings	Long-term borrowings	Lease liabilities	Corporate bonds payable	Dividends payable	Liabilities arising from financing activities - Total
January 1	\$ 330,000	\$ 1,509,712	\$ 7,687	\$ 1,066,426	\$ -	\$ 2,913,825
Changes from financing cash flows	390,000	(9,433)	(593)	-	-	379,974
Effects of exchange rate changes	-	-	1	-	-	1
Changes in amortized interest of corporate bonds payable	-	-	-	4,505	-	4,505
Other non-cash changes	-	-	-	-	510,174	510,174
March 31	\$ 720,000	\$ 1,500,279	\$ 7,095	\$ 1,070,931	\$ 510,174	\$ 3,808,479

2024						
	Short-term borrowings	Long-term borrowings	Lease liabilities	Corporate bonds payable	Dividends payable	Liabilities arising from financing activities - Total
January 1	\$ 100,000	\$ 1,542,445	\$ 11,267	\$ 1,048,695	\$ -	\$ 2,702,407
Changes from financing cash flows	(50,000)	(9,433)	(1,249)	-	-	(60,682)
Effects of exchange rate changes	-	-	1	-	-	1
Changes in amortized interest of corporate bonds payable	-	-	-	4,429	-	4,429
Other non-cash changes	-	-	-	-	459,153	459,153
March 31	\$ 50,000	\$ 1,533,012	\$ 10,019	\$ 1,053,124	\$ 459,153	\$ 3,105,308

VII. Related Party Transactions

(I) Name and Relationship of Related Party

<u>Name of related party</u>	<u>Relationship with the Group</u>
Superworld Electronics (S) Pte Ltd.	Other related parties and associates (Note 4)
TAI-TECH ADVANCED ELECTRONICS (S) PTE LTD	Other related parties and associates (Note 4)
Superworld Electronics Co., Ltd.	Other related parties and associates (Notes 1 and 4)
Superworld Electronics Co., Ltd. (Dongguan)	Other related parties and associates (Notes 2 and 4)
SFI Electronics Technology Inc.	Other related party
Chanchang Technology (Shenzhen) Co., Ltd.	Other related party
JDX Technology Co., Ltd.	Associates (Note 3)
APAQ Technology Co., Ltd.	Associate
Jui-hsia Tai	Immediate family member of the major management
Chang-i Hsieh	Immediate family member of the major management
Chairman, Supervisor, President, and Vice President	Major management of the Group
Note 1: In December 2024, Chenghan Technology Co., Ltd. was renamed Superworld Electronics Co., Ltd.	
Note 2: In July 2024, Dongguan Chenghan Electronics Co., Ltd. was renamed Superworld Electronics Co., Ltd. (Dongguan).	
Note 3: The company has been merged into the Group since November 2024. Please refer to Note 4(3)2 for details.	
Note 4: Since October 2024, the company's relations with the Group have been changed from the category of other related parties to that of associates.	

(II) Significant Transactions with Related Party

1. Operating revenue

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Sale of goods:		
Associate	\$ 87,971	\$ 4
Other related party	-	83,215
Total	<u>\$ 87,971</u>	<u>\$ 83,219</u>

The price of goods sold to related party by the Group is the same as that for an arm's length transaction; the payment terms also approximate those for ordinarily clients.

2. Purchase

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Purchase of goods:		
Associate	\$ 2,544	\$ -
Other related party	1,178	3,066
Total	<u>\$ 3,722</u>	<u>\$ 3,066</u>

The price of goods purchased from related party by the Group is the same as that for an arm's length transaction; the payment terms also approximate those for ordinarily suppliers.

3. Freight expenses and miscellaneous expenses

	January 1 to March 31, 2025	January 1 to March 31, 2024
Associate	\$ 3	\$ -
Other related party	-	1
\$	3	1

4. Lease transactions - lessee

(1) The Group leased buildings from the immediate family members of the major management, with the lease term due between 2023 and 2028 and the rental paid on a monthly basis.

(2) Lease liabilities

Balance at the end of the period:

	March 31, 2025	December 31, 2024	March 31, 2024
Jui-hsia Tai	\$ 3,831	\$ 4,133	\$ 5,141
Chang-i Hsieh	2,587	2,791	3,472
\$	6,418	6,924	8,613

(3) Rental expense

	January 1 to March 31, 2025	January 1 to March 31, 2024
Associate	\$ 44	\$ -
Other related party	-	43
\$	44	43

5. Accounts receivables due from related party

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable:			
Associate	\$ 124,263	\$ 129,489	\$ 4
Other related party	-	-	113,326
\$	124,263	129,489	113,330
Other receivables:			
Associate	-	140	-
\$	124,263	129,629	113,330

6. Accounts payables due to related party

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable:			
Associate	\$ 2,946	\$ 2,361	\$ -
Other related party	1,020	261	3,527
Sub-total	3,966	2,622	3,527
Other payables:			
Associate	596	628	-
Other related party	-	-	124
Total	\$ 4,562	\$ 3,250	\$ 3,651

(III) Remuneration to Major Management

	January 1 to March 31, 2025	January 1 to March 31, 2024
Short-term employee benefits	\$ 22,478	\$ 19,483
Post-retirement benefits	465	439
Total	\$ 22,943	\$ 19,922

VIII. Pledged Assets

The Group's assets pledged as collateral are as follows:

Type of asset	March 31, 2025	December 31, 2024	March 31, 2024	Purpose of collateral
Property, plant and equipment				
- Land	\$ 766,893	\$ 766,893	\$ 766,893	Short and long-term borrowings
- Houses and buildings	40,034	40,716	58,697	Short and long-term borrowings
- Machinery and equipment	335,780	349,638	390,573	Long-term borrowings

IX. Significant Commitments or Contingencies

(I) Contingency

None.

(II) Commitments

Capital expenditures committed but not yet incurred

	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment	\$ 131,697	\$ 153,270	\$ 96,353
Computer software	\$ 18,707	\$ 13,452	\$ 5,306

X. Significant Disaster Losses

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital Management

The purposes of the Group's capital management are to ensure that the Group continues as a going concern, to maintain an optimum capital structure to lower financing costs and to provide returns of investment to shareholders. For the purpose of maintaining an optimal capital structure, the Group may adjust the amount of dividends paid to shareholders or may issue new shares.

(II) Financial Instrument

1. Type of financial instrument

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial Assets</u>			
Financial assets at fair value through profit or loss			
Financial assets at fair value through profit or loss	\$ 330	\$ 770	\$ 550
Financial assets at fair value through other comprehensive income			
Financial assets in equity instruments investment of which the fair value is designated to be	\$ 604,903	\$ 567,634	\$ 663,617

recognized in other comprehensive income			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 2,211,266	\$ 1,780,997	\$ 2,240,664
Notes receivable, net	38,278	36,806	51,234
Accounts receivable, net (including those due from related party)	2,223,094	2,125,837	1,752,169
Other receivables (including those due from related party)	39,956	33,851	17,249
Refundable deposits (Other non-current assets recognized)	7,601	7,558	3,088
	<u>\$ 4,520,195</u>	<u>\$ 3,985,049</u>	<u>\$ 4,064,404</u>
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>

Financial Liabilities

Financial liabilities measured at amortized cost			
Short-term borrowings	\$ 720,000	\$ 330,000	\$ 50,000
Notes payable	16,904	16,011	17,031
Accounts payable (including related party)	883,814	809,306	694,751
Other payables (including those due to related party)	1,058,863	587,956	975,490
Corporate bonds payable (including those due within one year or one operating cycle)	1,070,931	1,066,426	1,053,124
Long-term borrowings (including the portion with maturity in one year)	1,500,279	1,509,712	1,533,012
Deposits received (Other non-current liabilities recognized)	1,063	600	1,640
	<u>\$ 5,251,854</u>	<u>\$ 4,320,011</u>	<u>\$ 4,325,048</u>
Lease liabilities (including those due within one year)	<u>\$ 7,095</u>	<u>\$ 7,687</u>	<u>\$ 10,019</u>

2. Risk management policy

- (1) The Group's daily operations are affected by various financial risks, e.g., market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management policy focuses on the unpredictable market events in order to minimize their potentially adverse impacts on the Group's financial position and financial performance.
- (2) The Group's key financial activities are reviewed by the Board of Directors against relevant regulations and its internal control systems. The Company strictly abides by relevant financial operating procedures during the implementation of financial plans.

3. Nature and degree of significant financial risks

(1) Market risk

Foreign exchange risks

- A. The Group operates internationally and so is subject to the exchange rate risk of different currencies, particularly the USD and RMB. Relevant exchange rate risk

arises from future business transactions and the recognized assets and liabilities. In addition, the conversion from RMB to other currencies is subject to the foreign currency exchange control regulations imposed by China.

- B. The Group's management has formulated relevant policy to require entities within the Group to manage the foreign exchange risks associated with their functional currency. Foreign exchange risk arises when future business transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional currency.
- C. Since the Group engages in business involving multiple functional currencies (e.g. the Company's functional currency is NTD while some subsidiaries' functional currencies are either USD or RMB), the Group is subject to fluctuation in foreign exchange rates. Foreign-currency-denominated assets and liabilities having significant impacts if foreign exchange rates change are as follows:

March 31, 2025			
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD/ RMB)
(Foreign currency: functional currency)			
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 41,505	33.21	\$ 1,378,381
RMB : NTD	58,769	4.63	272,100
USD : RMB	51,122	7.18	367,056
<u>Non-monetary items</u>			
USD:NTD	8,163	33.21	271,078
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 31,792	33.21	\$ 1,055,812
RMB : NTD	3,701	4.63	17,136
USD : RMB	7,194	7.18	51,653
December 31, 2024			
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD/ RMB)
(Foreign currency: functional currency)			
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 40,043	32.79	\$ 1,313,010
RMB : NTD	45,713	4.56	208,451
USD : RMB	40,370	7.19	290,260
<u>Non-monetary items</u>			
USD:NTD	14,053	32.79	460,806
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 30,302	32.79	\$ 993,603
RMB : NTD	4,037	4.56	18,409
USD : RMB	6,192	7.19	44,520
March 31, 2024			
	Foreign currency	Exchange rate	Carrying amount

	(in thousands)		(NTD/ RMB)
(Foreign currency: functional currency)			
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	\$	33,233	32.00 \$ 1,063,456
RMB : NTD		111,762	4.51 504,047
USD : RMB		36,956	7.10 262,388
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$	21,831	32.00 \$ 698,592
RMB : NTD		1,172	4.51 5,286
USD : RMB		7,257	7.10 51,525

- D. For monetary items that would be significantly impacted by foreign exchange rate changes, the Group recognized an exchange gain or loss (realized and unrealized) in the amount equal to the gain of NT\$13,692 and the gain of NT\$43,866, respectively, for January 1 to March 31, 2025 and 2024. Since the Group's transactions involve multiple currencies that have significant foreign exchange impacts, they are disclosed as a whole.
- E. Foreign exchange risks arising from significant exchange rate changes that the Group is exposed to were as follows:

January 1 to March 31, 2025				
Sensitivity Analysis				
	Fluctuation	Effects on P/L (NTD/ RMB)	Effects on other comprehensive income (OCI)	
(Foreign currency: functional currency)				
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 13,784	\$ -	
RMB : NTD	1%	2,721	-	
USD : RMB	1%	3,671	-	
<u>Non-monetary items</u>				
USD:NTD	1%	-	2,711	
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	10,558	-	
RMB : NTD	1%	171	-	
USD : RMB	1%	517	-	
January 1 to March 31, 2024				
Sensitivity Analysis				
	Fluctuation	Effects on P/L (NTD/ RMB)	Effects on other comprehensive income (OCI)	
(Foreign currency: functional currency)				
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 10,635	\$ -	

RMB : NTD	1%	5,040	-
USD : RMB	1%	2,624	-
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	6,986	-
RMB : NTD	1%	53	-
USD : RMB	1%	515	-

Price risk

- A. Since the Group's investment is classified as financial assets measured at fair value through profit or loss and financial assets measured at fair value other comprehensive income on the consolidated balance sheets, the Group is exposed to the risk of price changes in financial assets of equity instrument.
- B. The Group mainly invests in equity instruments issued by a domestic or foreign company. The price of such equity instruments can be affected by changes in future value of their investment targets. If the price of these equity instruments increases or decreases by 1%, and all other factors remain unchanged. In that case, the gains or losses on other comprehensive profit and loss classified as equity investments measured at fair value from January 1 to March 31, 2025 and 2024 through other comprehensive income would increase or decrease by NT\$6,049 and NT\$6,636, respectively.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risks mainly come from short- and long-term borrowings issued at floating interest rates. Such exposure also means the Group is exposed to cash flow interest rate risks, though a portion of risks have been offset by the Group's holding of cash bearing a floating interest rate. For January 1 to March 31, 2025 and 2024, the Group's borrowings bearing a floating interest rate are denominated in NTD and USD.
- B. When the borrowing interest rate of NTD and USD increases or decreases by 1%, held other variables constant, the Company's net income after tax for 2025 and from January 1 to March 31, 2024 would also decreases or increases by NT\$4,441 and NT\$3,166, respectively, mainly due to changes in interest expense caused by borrowings bearing a floating interest rate.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by clients, or by counter-parties of financial instruments on the contract obligations. Credit risk of the Group mainly comes from accounts receivable, notes receivable and the contractual cash flows of financial assets measured at amortized cost that are prone to default by counter-parties.
- B. The Group establishes a framework for managing credit risks from a group's perspective. As the internal credit approval policy stipulates, an operating entity within the Group shall manage and analyze the credit risk of a new client before proposing terms and conditions pertaining to payments and delivery of goods. Internal risk control is achieved by evaluating a client's credit quality against the client's financial position, credit records and other factors. The limit on individual risk is set by the management by referring to internal or external ratings. The status of utilization of credit lines is regularly monitored.
- C. The Group applies the presumption of IFRS 9 and deems that the credit risk of a financial assets has significantly increased after initial recognition when the

receivables obliged by the contractual terms are 30-days past due.

- D. The Group's credit risk management procedures deem a default occurred when a counterparty is significantly delinquent on repayments.
- E. After the recourse procedures, the Group writes off financial assets that could not be reasonably expected to be recovered. Nonetheless, the Group will continue the recourse legal procedures to secure its right to the debt. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's debts that had been written off but were continually pursued were all NT\$0.
- F. The Group classifies accounts receivable due from clients by the characteristics of their ratings, and adopts the simplified approach that measures expected credit losses based on the preparation matrix.
- G. By taking into account the forward-looking consideration that economic indicators hold, the Group adjusts the expected credit loss rate that was established based on historical or present information, so as to estimate the allowance for accounts receivable, notes receivable, and uncollectible overdue receivables. The preparation matrices as of March 31, 2025, December 31, 2024, and March 31, 2024 were as follows:

	Individual disclosure	Not yet due	Within 30 days past due	31-90 days past due	91-180 days past due	Total
March 31, 2025						
Expected loss (%)	100.00%	0.00%	0.00%	0.00%	100.00%	
Total carrying amount	\$ 1,252	\$ 2,240,444	\$ 22,475	\$ 6	\$ -	\$ 2,264,177
Loss allowance	\$ 1,252	\$ 945	\$ 602	\$ 6	\$ -	\$ 2,805

	Individual disclosure	Not yet due	Within 30 days past due	31-90 days past due	Over 91-180 days past due	Total
December 31, 2024						
Expected loss (%)	100.00%	0.00%	0.00%	0.00%	100.00%	
Total carrying amount	\$ 1,252	\$ 2,162,377	\$ 1,810	\$ -	\$ -	\$ 2,165,439
Loss allowance	\$ 1,252	\$ 942	\$ 602	\$ -	\$ -	\$ 2,796

	Individual disclosure	Not yet due	Within 30 days past due	31-90 days past due	91-180 days past due	Total
March 31, 2024						
Expected loss (%)	100.00%	0.07%	5.44%	6.94%	100.00%	
Total carrying amount	\$ 1,252	\$ 1,800,474	\$ 3,459	\$ 1,006	\$ -	\$ 1,806,191
Loss allowance	\$ 1,252	\$ 940	\$ 569	\$ 27	\$ -	\$ 2,788

- H. Changes in the loss allowances provided for accounts receivable using the simplified approach are as follows:

	2025			
	Accounts Receivable	Notes receivable	Uncollectible overdue receivables	Total
January 1	\$ 1,544	\$ -	\$ 1,252	\$ 2,796
Exchange rate effects	9	-	-	9

March 31	\$ 1,553	\$ -	\$ 1,252	\$ 2,805
2024				
	Accounts Receivable	Notes receivable	Uncollectible overdue receivables	Total
January 1	\$ 1,511	\$ -	\$ 1,252	\$ 2,763
Exchange rate effects	25	-	-	25
March 31	\$ 1,536	\$ -	\$ 1,252	\$ 2,788

(3) Liquidity risk

- A. Cash flows forecast is done by each operating entity; the Administration Department of the Group is responsible only for summarizing the results. Administration Department of the Group monitors the forecast of the Group's liquidity needs to ensure that it has sufficient funds to meet operating needs and maintain sufficient unused loan commitments so that it won't default on any borrowing limits or terms. Such a forecast takes into account the Group's debt financing plan, compliance with provisions of debt instruments, fulfillment of the financial ratio targets on the balance sheet and conformity with external regulatory requirements, such as foreign exchange control.
- B. The table below listed the Group's non-derivative financial liabilities by maturity date. They were analyzed for the residual duration between the balance sheet date and the maturity date. The table below disclosed the contractual cash flows not discounted.

Non-derivative financial liabilities:

March 31, 2025	Less than 1 year	1~2 years	2~5 years	Over than 5 years
Short-term borrowings	\$ 720,000	\$ -	\$ -	\$ -
Notes payable	16,904	-	-	-
Accounts payable (including related party)	883,814	-	-	-
Other payables (including those due to related party)	1,058,863	-	-	-
Lease liabilities (including the portion with maturity in one year)	2,274	2,193	2,628	-
Corporate bonds payable	-	1,099,900	-	-
Long-term borrowings (including the portion with maturity in one year)	330,693	383,801	600,377	255,893

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	1~2 years	2~5 years	Over than 5 years
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Short-term borrowings	\$ 330,000	\$ -	\$ -	\$ -
Notes payable	16,011	-	-	-
Accounts payable (including related party)	809,306	-	-	-
Other payables (including those due to related party)	587,956	-	-	-
Lease liabilities (including the portion with maturity in one year)	2,311	2,205	3,171	-
Corporate bonds payable	-	1,099,900	-	-
Long-term borrowings (including the portion with maturity in one year)	263,158	370,617	675,900	275,787

Non-derivative financial liabilities:

March 31, 2024	Less than 1 year	1~2 years	2~5 years	Over than 5 years
Short-term borrowings	\$ 50,000	\$ -	\$ -	\$ -
Notes payable	17,031	-	-	-
Accounts payable (including related party)	694,751	-	-	-
Other payables (including those due to related party)	975,490	-	-	-
Lease liabilities (including the portion with maturity in one year)	3,402	2,161	4,456	-
Corporate bonds payable	-	-	1,100,000	-
Long-term borrowings (including the portion with maturity in one year)	58,969	330,376	885,060	350,036

C. The Group does not expect a maturity analysis of which the cash flows timing would be significantly earlier or the actual amount would be significantly different.

(III) Fair Value Information

- Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial assets.

- Level 1 : Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed shares is included in Level 1.
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : Unobservable inputs for the asset or liability. The fair value of the Group's

investment in non-active market is included in Level 3.

2. Financial instruments not measured at fair values

- (1) Including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivables, other receivables, short-term borrowings, notes payable, accounts payable, other payable, lease liability and long-term borrowings (including the portion with maturity in one year), is the reasonable approximation of their fair value, except for those listed in the table below.

March 31, 2025				
Carrying amount	Fair value per unit			
	Level 1	Level 2	Level 3	
Financial liabilities:				
Corporate bonds payable	\$ 1,070,931	\$ -	\$ 1,259,386	\$ -
December 31, 2024				
Carrying amount	Fair value per unit			
	Level 1	Level 2	Level 3	
Financial liabilities:				
Corporate bonds payable	\$ 1,066,426	\$ -	\$ 1,289,633	\$ -
March 31, 2024				
Carrying amount	Fair value per unit			
	Level 1	Level 2	Level 3	
Financial liabilities:				
Corporate bonds payable	\$ 1,053,124	\$ -	\$ 1,340,900	\$ -

- (2) The methods and assumptions used by the Group to measure fair value are as follows: Corporate bonds payable are the corporate bonds issued by the Group. As their coupon rates are approximately equivalent to market rates, the most recent transaction prices and quotation data are used as the basis for assessing their fair value.

3. Financial and non-financial assets at fair value are classified by nature, characteristic, risk and fair value level, stated as follows:

- (1) The Group classifies its assets and liabilities by their function; stated as follows:

March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Equity-based securities at fair value through other comprehensive income:	\$ 204,223	\$ -	\$ 400,680	\$ 604,903
Derivatives				
Right of redemption of convertible bonds	\$ -	\$ 330	\$ -	\$ 330
December 31, 2024				
December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Equity-based securities at fair value through other	\$ 289,397	\$ -	\$ 278,237	\$ 567,634

comprehensive income:				
Derivatives				
Right of redemption of convertible bonds	\$ -	\$ 770	\$ -	\$ 770
March 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Equity-based securities at fair value through other comprehensive income:	\$ 193,269	\$ -	\$ 470,348	\$ 663,617
Derivatives				
Right of redemption of convertible bonds	\$ -	\$ 550	\$ -	\$ 550

(2) The techniques and assumptions used to measure fair value are stated as follows:

A. Financial instruments of which the fair value is marked to market quotations (i.e., level 1 inputs) are stated as follows:

	Listed shares
Market quotation	Closing price

B. Except for financial instruments with an active market, the fair value of other financial instruments is obtained either based on the valuation technique or by reference to the quotes from counter-parties. Fair value can be obtained by using a valuation technique that refers to the fair value of financial instruments having substantially the same terms and characteristics, or by using other valuation technique, e.g., the one that applies market information available on the consolidated balance sheets date to a pricing model for calculation. The redemption right of convertible bonds is typically evaluated using a binomial tree convertible bond valuation model.

C. Outputs from the valuation models are estimates and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Group. Therefore, when needed, estimates from the valuation model would be adjusted for additional parameters, e.g. model risk or liquidity risk.

- For January 1 to March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2 fair value hierarchy.
- Changes in Level 3 fair value hierarchy are stated as follows for January 1 to March 31, 2025 and 2024:

	2025	2024
	Equity-based securities	Equity-based securities
January 1	\$ 278,237	\$ 442,020
Unrealized valuation gains and loss from equity instrument investments measured at fair value through other comprehensive income recognized in the profit or loss of other comprehensive income	38,768	26,283
Purchase of current period	83,233	-
Exchange rate effects	442	2,045
March 31	\$ 400,680	\$ 470,348

- For 2025 and from January 1 to March 31, 2024, there was no transfer into or out of Level 3.

7. The management department is responsible for the independent fair value verification of the Group's financial instruments to evaluate the fair value classified as Level 3. Independent source materials allow the evaluation results to closely reflect the market status. The source of the verification data must be independent, reliable, consistent with other resources, and implement any other necessary fair value adjustments to ensure that the valuation results are reasonable.
8. The quantitative information on, changes in, and sensitivity analysis of significant unobservable inputs used in Level 3 fair value measurement are stated as follows:

	Fair value at March 31, 2025	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 381,240	Public company comparables	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
TWSE/TPEX-listed companies' privately placed shares	\$ 19,440	Market approach	Discount for lack of marketability	N/A	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2024	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 253,517	Public company comparables	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
TWSE/TPEX-listed companies' privately placed shares	\$ 24,720	Market approach	Discount for lack of marketability	N/A	The higher the discount for lack of marketability, the lower the fair value

	Fair value at March 31, 2024	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 470,348	Public company comparables	Discount for lack of marketability	15%~20% (18.75%)	The higher the discount for lack of marketability, the lower the fair value

9. The Group elects to adopt valuation models and valuation parameters under prudential consideration. Nonetheless, this does not preclude the differences arising from adoption of different valuation models or parameters. If valuation parameters change, financial assets classified as Level 3 will have effects on other comprehensive income, stated as follows:

			March 31, 2025			
			Recognized in P/L		Recognized in other comprehensive income (OCI)	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial Assets	Inputs	Changes				
Equity instruments	\$ 461,162	±1%	\$ -	\$ -	\$ 3,164	(\$ 3,164)
			December 31, 2024			
			Recognized in P/L		Recognized in other comprehensive income (OCI)	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial Assets	Inputs	Changes				
Equity instruments	\$ 323,520	±1%	\$ -	\$ -	\$ 2,401	(\$ 2,401)
			March 31, 2024			
			Recognized in P/L		Recognized in other comprehensive income (OCI)	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial Assets	Inputs	Changes				
Equity instruments	\$ 561,388	±1%	\$ -	\$ -	\$ 5,033	(\$ 5,607)

XIII. Additional Disclosures

(I) Information on Significant Transactions

1. Loaning Funds to Others: Refer to Table 1.
2. Endorsement/Guarantees for Others: None.
3. Marketable Securities Held at Period-End (excluding investments in subsidiaries, associates, and joint ventures under control): Please refer to Table 2.
4. Transaction with Related Party That Reaches NT\$100 Million or 20% or More of Paid-in Capital: Refer to Table 3.
5. Receivables Due from Related Party That Reach NT\$100 Million or 20% or More of Paid-in Capital: Refer to Table 4.
6. Business Relationships and Significant Transactions Between Parent and Subsidiaries: Please refer to Table 5.

(II) Information on Indirect Investment

Names and Location of Investees (Excluding Those in Mainland China): Refer to Table 6.

(III) Investment in Mainland China

1. Basic Information: Refer to Table 7.
2. Significant transactions that occurred directly or indirectly through third-region enterprises and investee companies and were reinvested in mainland China: refer to Table 5.

XIV. Segment Information

(I) General Information

The Group engages in a single industry; the Group's Board of Directors evaluates the performance of, and allocates resources to, the Group as a whole. As such, the Group identifies itself to be a single reporting segment.

(II) Segment Information

Information on reportable segment provided to the main operating decision makers:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Segment revenue	\$ 1,559,426	\$ 1,171,733
Segment gross profit	\$ 399,342	\$ 264,410
Segment profits or losses	\$ 249,672	\$ 165,560
Discount and amortization (including right-of-use assets)	\$ 139,004	\$ 136,153
Income tax expenses	\$ 26,471	\$ 20,881
	March 31, 2025	March 31, 2024
Segment assets	\$ 12,903,123	\$ 11,412,773
Segment liabilities	\$ 5,595,325	\$ 4,685,029

(III) Reconciliation of Segment Profit or Loss

Reconciliation is not required because the profit or loss information on the reporting segment that was provided to the main operating decision makers is consistent with that prepared and disclosed in the financial statements.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Loans of funds to others
January 1 to March 31, 2025

Table 1

Unit: NT\$ thousand
(unless otherwise specified)

No.	Lending company	Borrowing party	Transaction item	Whether or not a related party	Maximum balance amount	Actually drawn			Nature of loaned funds	Business dealing amount	Reason for necessary short-term financing	Amount of allowance for losses	Collaterals		Limit of loans to individual borrowers (Note)	Total limit of loans (Note)	Remarks
						Ending balance	Amount	Interest rate range					Name	Value			
1	FIXED ROCK HOLDING LTD.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Other receivables	Yes	\$ 99,615	\$ 99,615	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 4,257,393	\$ 4,257,393	
1	FIXED ROCK HOLDING LTD.	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 49,808	\$ 49,808	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 4,257,393	\$ 4,257,393	
2	NORTH STAR INTERNATIONAL LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 99,615	\$ 99,615	97,955	1.68%	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 148,742	\$ 148,742	
3	BEST BLISS INVESTMENTS LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 99,615	\$ 99,615	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 7,360,403	\$ 7,360,403	
4	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 265,640	\$ 265,640	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 5,695,466	\$ 5,695,466	

Note: The total amount of loaning of funds to others of the Company shall not exceed 40% of the net worth of the Company, and the amount of loaning of fund to an individual company or firm shall not exceed 20% of the net worth of the Company.

Loaning of funds between subsidiaries that are 100% directly and indirectly owned by the Company, or by foreign companies that are 100% directly and indirectly owned by the Group’s parent company, to the Group’s parent company shall be subject to the following limits: the total and individual loan amounts may not exceed 150% of the lender’s net worth based on the most recent financial statements audited or reviewed by a CPA, or the most recent consolidated financial statements audited or reviewed by a CPA (whichever is more recent), and the loan term shall not exceed three years.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Holding of marketable securities at the end of the period (excluding investments in subsidiaries, associates, and joint ventures)

March 31, 2025

Table 2

Unit: NT\$ thousand
(unless otherwise specified)

Holding company name	Marketable securities types and name	Relationship with issuer	Financial statement account	End of period				Remarks
				Number of shares (in thousands)	Carrying amount	Shareholdings Percentage	Fair value per unit	
	Commercial paper:							
Tai-Tech Advanced Electronics Co., Ltd.	International Bills Finance Corporation	None	Cash and cash equivalents	-	\$ 70,000	-	\$ 70,000	Unpledged
	Stock:							
Tai-Tech Advanced Electronics Co., Ltd.	All Ring Tech Co., Ltd.	None	Financial assets at fair value through other comprehensive income acquired - non-current	615	\$ 162,975	0.63%	\$ 162,975	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	Ample Electronic Technology Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	300	\$ 30,600	1.00%	\$ 30,600	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	SFI Electronics Technology Inc.	Other related party	Financial assets at fair value through other comprehensive income acquired - non-current	5,320	\$ 101,457	11.64%	\$ 101,457	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	AZ Venture Investment II Limited	None	Financial assets at fair value through other comprehensive income acquired - non-current	3,000	\$ 31,440	12.50%	\$ 31,440	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	e-Formula Technologies Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500	\$ 35,610	5.61%	\$ 35,610	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	Global Magic, LLC.	None	Financial assets at fair value through other comprehensive income acquired - non-current	2,919	\$ 35,028	7.00%	\$ 35,028	Unpledged
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Xiamen Eisend Electronics Co., Ltd	None	Financial assets at fair value through other comprehensive income acquired - non-current	-	\$ 140,450	17.00%	\$ 140,450	Unpledged
BEST BLISS INVESTMENTS LIMITED	Bridge Roots IV Ltd.	None	Financial assets at fair value through other comprehensive income acquired - non-current	0.1	\$ 33,205	4.00%	\$ 33,205	Unpledged

Note 1: The Company's disclosure standard is NT\$30 million or more based on the principle of materiality.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Transaction with related party that reaches NT\$100 million or 20% or more of paid-in capital
January 1 to March 31, 2025

Table 3

Unit: NT\$ thousand
(unless otherwise specified)

Purchaser/Seller	Transaction party name	Relationship	Transaction Details				Abnormal Transaction and Reason		Notes/Accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Percentage of total purchase (sale)	Payment terms	Unit price	Payment terms	Balance	Percentage of total bills and accounts receivable (payable)	
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsidiary	Sales	(100,592)	9%	Note 1	Note 1	-	\$ 195,172	13.00	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Sales	(584,813)	53%	Note 1	Note 1	-	813,355	47.00	

Note 1: Transaction price adopts the general rules for the payment receipt period agreed by both parties.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Receivables due from related party that reach NT\$100 million or 20% or more of paid-in capital
March 31, 2025

Table 4

Unit: NT\$ thousand
(unless otherwise specified)

Company of accounts receivable recognized	Transaction party name	Relationship	Balance of accounts receivables due from related party		Turnover rate	Overdue amount of accounts receivable from related party		Amounts received from related parties in subsequent period	Amount of allowance for losses
						Amount	Treatment method		
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsidiary	Accounts Receivable	\$ 195,172	2.54	\$ -	-	\$ 48,260	\$ -
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Accounts Receivable	\$ 813,355	2.96	-	-	\$ 190,859	-

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting periods
January 1 to March 31, 2025

Table 5

Unit: NT\$ thousand
(unless otherwise specified)

				Transaction details			
No. (Note 1)	Name of transaction party	Transaction party	Relationship with transaction party (Note 2)	Item	Amount	Transaction terms	Percentage of consolidated total revenue or total assets
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Sales revenue	100,592	Note 3	6%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts Receivable	195,172		2%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts payable	813,355		6%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Purchase	584,813	Note 3	38%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	1	Purchase	66,884	Note 3	4%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	1	Accounts payable	97,060		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	NORTH STAR INTERNATIONAL LIMITED	1	Other payables	97,955		1%
0	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Accounts payable	30,654		0%

Note 1: Information on business transactions between the parent company and subsidiaries should be indicated in the numbered column respectively, and the number should be filled in as follows:
(1) Fill in “0” for parent company.
(2) Subsidiaries are numbered sequentially from Arabic numeral 1 according to the company type.

Note 2: The relationship with the transaction party is categorized into the following three types. Please indicate the applicable type. (There is no need to duplicate disclosure for the same transaction between a parent and its subsidiary, or between subsidiaries.) For example, if the parent company has already disclosed a transaction with a subsidiary, the subsidiary does not need to disclose it again;
Similarly, if one subsidiary has disclosed a transaction with another subsidiary, the latter does not need to disclose it again:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: Transaction price adopts the general rules for the payment receipt period agreed by both parties.

Note 4: The disclosure standard of the business relationship and important transactions between the parent and subsidiary companies for the three months ended March 31, 2025 is NT\$30 million or more.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Names and Location of Investees (Excluding those in Mainland China)
January 1 to March 31, 2025

Table 6

Unit: NT\$ thousand
(unless otherwise specified)

Name of Investor	Name of Investee	Location	Main business	Initial investment amount		End of term holding			Current profit/loss of investee	Current investment profit/loss recognized	Remarks
				End of current period	End of last year	Number of shares	ratio	Carrying amount			
Tai-Tech Advanced Electronics Co., Ltd.	NORTH STAR INTERNATIONAL LIMITED	Samoa	Re-invested business	\$ 3,459	\$ 3,459	100	100%	\$ 99,161	\$ 317	\$ 317	
Tai-Tech Advanced Electronics Co., Ltd.	BEST BLISS INVESTMENTS LIMITED	Cayman Islands	Re-invested business	1,075,284	1,075,284	34,250	100%	4,841,379	114,066	113,297	
Tai-Tech Advanced Electronics Co., Ltd.	TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Singapore	Reinvestment and trading business	191,931	191,931	6,000	60%	190,250	(3,294)	(1,976)	
Tai-Tech Advanced Electronics Co., Ltd.	APAQ Technology Co., Ltd.	Taiwan	Electronic components	1,450,000	1,450,000	25,000	27.19%	1,717,254	135,322	34,302	Note 1
Tai-Tech Advanced Electronics Co., Ltd.	JDX Technology Co., Ltd.	Taiwan	Electronic components	13,347	13,347	2,500	83.33%	5,523	(2,082)	(1,735)	
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Holdings (S) Pte. Ltd.	Singapore	Re-invested business	261,360	261,360	2,700	13.50%	271,078	36,014	4,862	Note 2
BEST BLISS INVESTMENTS LIMITED	FIXED ROCK HOLDING LTD.	Seychelles	Re-invested business	890,624	890,624	26,450	100%	2,841,063	72,255	72,255	
BEST BLISS INVESTMENTS LIMITED	Superworld Holdings (S) Pte. Ltd.	Singapore	Re-invested business	21,156	21,156	2,000	10%	196,189	36,014	3,601	Note 2
TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	TECHWORLD ELECTRONICS (M) SDN. BHD.	Malaysia	Electronic components	292,462	292,462	43,000	100%	302,399	(3,287)	(3,287)	

Note 1: Based on the review reports issued by other CPAs during the same period.
Note 2: Not reviewed.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Information on Investments in Mainland China - Basic Information
January 1 to March 31, 2025

Table 7

Unit: NT\$ thousand
(unless otherwise specified)

Name of investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated outward remittance for investment from Taiwan at beginning of the current period	Outward remittance or repatriation for investment		Cumulative outward remittance of the investment amount from Taiwan in the period end (Note 8)	Current profit/loss of investee	Ownership percentage of direct or indirect investment	Current Investment profit/loss recognized (Note 4)	Carrying amount at end of the period (Note 4)	Accumulated repatriation of investment income as of end of current period	Remarks
					Outward remittance	Repatriation							
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Production, processing and sale of electronic components	384,904	Investment in Mainland China companies through a company invested and established in a third region (Note 1)	\$ 352,249	\$ -	\$ -	\$ 352,249	\$ 13,021	100%	\$ 13,021	\$ 799,521	\$ -	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	1,343,832	Investment in Mainland China companies through a company invested and established in a third region (Note 2)	600,232	-	-	600,232	97,767	100%	97,767	3,796,979	-	
TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Sales of electronic components	-	Investment through companies in mainland China (Note 3)	-	-	-	-	-	-	-	-	-	Note 3
Provider	Accumulated outward remittance for investment in China region at end of the period (Notes 5, 6, and 9)	Investment amount approved by Investment Commission, MOEA (Notes 7 and 9)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA										
Tai-Tech Advanced Electronics Co., Ltd.	\$ 1,412,662	\$ 1,472,409	\$ 4,384,678										

Note 1: 100% invested by Best Bliss Investments Limited 100%.

Note 2: Best Bliss Investments Limited and Fixed Rock Holding Ltd. hold 26.60% and 73.40%, respectively.

Note 3: The company is 100% invested by TAIPAQ Electronic Components (Si-Hong) Co., Ltd, but there was no capital injection as of March 31, 2025.

Note 4: The financial statements audited by CPA retained by the parent company in Taiwan.

Note 5: The Company liquidated TAI-TECH Advanced Electronics (Dongguan) in 2015 and the accumulated investment loss amount is US\$1,513 thousand.

Note 6: NTD is calculated based on the historical exchange rate.

Note 7: NTD is calculated based on rate of the balance sheet date

Note 8: The amount invested with a third place's self-owned funds is not included. Note 9: At the end of the period, the accumulated investment amount remitted from Taiwan to mainland China was US\$44,343 thousand, and the investment amount approved by the Investment Commission, MOEA, was US\$44,343 thousand.