

Alltek Technology Corp. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Alltek Technology Corp.

Introduction

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

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the 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 disclosed in Notes 12 and 13 to the consolidated financial statements, the financial statements of some subsidiaries and associates included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2025 and 2024, combined total assets of these subsidiaries were NT\$2,171,624 thousand and NT\$3,138,950 thousand, respectively, representing 11% and 15%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$840,030 thousand and NT\$1,962,078 thousand, respectively, representing 6% and 12%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2025 and 2024, the amounts of combined comprehensive income of these subsidiaries were NT\$(2,764) thousand and NT\$(858) thousand, respectively, representing (1.1%) and (0.37%), respectively, of the consolidated total comprehensive income. As of March 31, 2025 and 2024, the investments accounted for using the equity method were NT\$529,912 thousand and NT\$492,653 thousand, respectively; for the three months ended March 31, 2025 and 2024, the share of comprehensive income of associates accounted for using equity method was NT\$17,466 thousand and NT\$7,819 thousand, respectively.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the subsidiaries and associates as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Meng-Chieh Chiu and Ming-Hsien Liu.

Meng-Chieh, Chiu Ming-Hsien Liu

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,737,316	9	\$ 749,056	4	\$ 477,721	2
Financial assets at fair value through profit or loss - current (Note 7)	19,300	-	48,700	-	-	-
Financial assets at amortized cost - current (Notes 9 and 29)	3,041	-	15,429	-	6,000	-
Notes receivable, net (Note 10)	35,873	-	10,498	-	6,760	-
Trade receivables, net (Notes 10, 27 and 28)	10,760,407	56	6,942,073	39	4,539,638	22
Other receivables (Note 10)	1,571,775	8	1,092,420	6	1,886,469	9
Inventories (Note 11)	3,150,461	16	7,036,956	39	11,592,263	57
Other current assets	89,997	1	70,256	1	79,718	1
Total current assets	17,368,170	90	15,965,388	89	18,588,569	91
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	97,977	-	97,977	-	90,355	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	-	-	-	-	5,004	-
Investments accounted for using the equity method (Note 13)	529,912	3	512,238	3	492,653	2
Property, plant and equipment (Notes 14 and 29)	1,079,878	6	1,048,983	6	1,052,987	5
Right-of-use assets (Notes 15 and 28)	105,681	-	105,009	1	96,621	1
Intangible assets	765	-	857	-	1,369	-
Deferred tax assets (Note 4)	123,325	1	118,455	1	130,770	1
Other non-current assets	30,767	-	64,930	-	36,795	-
Total non-current assets	1,968,305	10	1,948,449	11	1,906,554	9
TOTAL	\$ 19,336,475	100	\$ 17,913,837	100	\$ 20,495,123	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 16 and 29)	\$ 2,703,000	14	\$ 2,685,093	15	\$ 4,263,400	21
Short-term bills payable (Note 16)	1,510,000	8	1,770,000	10	2,660,000	13
Contract liabilities (Notes 21 and 28)	466,736	3	301,652	2	348,656	2
Notes payable, net	2,983	-	4,063	-	13,940	-
Trade payables, net (Note 28)	6,251,616	32	3,696,366	21	4,967,819	24
Other payables (Notes 18 and 28)	1,090,326	6	458,833	3	902,082	4
Current tax liabilities (Note 4)	207,439	1	150,742	1	243,562	1
Lease liabilities - current (Notes 15 and 28)	61,569	-	56,594	-	42,499	-
Current portion of long-term borrowings and bonds payable (Notes 16, 17 and 29)	331,166	2	252,948	1	116,466	1
Other current liabilities (Note 18)	261,499	1	204,508	1	587,504	3
Total current liabilities	12,886,334	67	9,580,799	54	14,145,928	69
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 16 and 29)	673,207	3	2,297,384	13	1,006,761	5
Deferred tax liabilities (Note 4)	532,674	3	505,817	3	411,009	2
Lease liabilities - non-current (Notes 15 and 28)	47,322	-	51,054	-	55,839	-
Net defined benefit liabilities - non-current (Notes 4 and 19)	15,566	-	16,847	-	21,110	-
Other non-current liabilities	4,396	-	4,832	-	97,019	1
Total non-current liabilities	1,273,165	6	2,875,934	16	1,591,738	8
Total liabilities	14,159,499	73	12,456,733	70	15,737,666	77
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Ordinary shares	2,345,149	12	2,330,449	13	2,324,310	11
Capital surplus	839,145	4	857,990	5	868,440	4
Retained earnings						
Legal reserve	639,978	4	639,978	4	580,405	3
Unappropriated earnings	825,138	4	1,141,751	6	613,230	3
Total retained earnings	1,465,116	8	1,781,729	10	1,193,635	6
Other equity						
Exchange differences on translating the financial statements of foreign operations	300,709	2	259,189	1	185,555	1
Unrealized gains or losses on investments at fair value through other comprehensive income	(10,004)	-	(10,004)	-	(5,000)	-
Total other equity	290,705	2	249,185	1	180,555	1
Total equity attributable to owners of the Company	4,940,115	26	5,219,353	29	4,566,940	22
NON-CONTROLLING INTERESTS	236,861	1	237,751	1	190,517	1
Total equity (Note 20)	5,176,976	27	5,457,104	30	4,757,457	23
TOTAL	\$ 19,336,475	100	\$ 17,913,837	100	\$ 20,495,123	100

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

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 28)	\$ 14,364,998	100	\$ 10,791,081	100
OPERATING COSTS (Notes 11, 22 and 28)	<u>(13,732,116)</u>	<u>(95)</u>	<u>(10,244,764)</u>	<u>(95)</u>
GROSS PROFIT	<u>632,882</u>	<u>5</u>	<u>546,317</u>	<u>5</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	(182,260)	(2)	(123,173)	(1)
General and administrative expenses	(163,481)	(1)	(114,255)	(1)
Research and development expenses	(35,710)	-	(30,237)	(1)
Expected credit loss	<u>(4,761)</u>	<u>-</u>	<u>(352)</u>	<u>-</u>
Total operating expenses	<u>(386,212)</u>	<u>(3)</u>	<u>(268,017)</u>	<u>(3)</u>
PROFIT FROM OPERATIONS	<u>246,670</u>	<u>2</u>	<u>278,300</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 22)	2,139	-	1,679	-
Other income (Notes 22 and 28)	9,346	-	19,539	-
Other gains and losses (Note 22)	53,224	-	(43,455)	-
Finance costs (Notes 22 and 28)	(39,872)	-	(104,264)	(1)
Share of profit or loss of associates (Note 13)	<u>16,633</u>	<u>-</u>	<u>6,390</u>	<u>-</u>
Total non-operating income and expenses	<u>41,470</u>	<u>-</u>	<u>(120,111)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	288,140	2	158,189	1
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(69,538)</u>	<u>-</u>	<u>(36,753)</u>	<u>-</u>
NET PROFIT FOR THE PERIOD	<u>218,602</u>	<u>2</u>	<u>121,436</u>	<u>1</u>

(Continued)

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 51,338	-	\$ 139,391	1
Share of the other comprehensive income of associates accounted for using the equity method	1,041	-	1,787	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(10,859)</u>	<u>-</u>	<u>(29,573)</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>41,520</u>	<u>-</u>	<u>111,605</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 260,122</u>	<u>2</u>	<u>\$ 233,041</u>	<u>2</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 221,438	2	\$ 117,650	1
Non-controlling interests	<u>(2,836)</u>	<u>-</u>	<u>3,786</u>	<u>-</u>
	<u>\$ 218,602</u>	<u>2</u>	<u>\$ 121,436</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 262,958	2	\$ 229,255	2
Non-controlling interests	<u>(2,836)</u>	<u>-</u>	<u>3,786</u>	<u>-</u>
	<u>\$ 260,122</u>	<u>2</u>	<u>\$ 233,041</u>	<u>2</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 0.95</u>		<u>\$ 0.51</u>	
Diluted	<u>\$ 0.93</u>		<u>\$ 0.50</u>	

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

(Concluded)

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company								
			Retained Earnings		Other Equity				
	Share Capital	Capital Surplus (Note 20)	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2024	\$ 2,322,643	\$ 856,732	\$ 580,405	\$ 960,208	\$ 73,950	\$ (5,000)	\$ 4,788,938	\$ 186,731	\$ 4,975,669
Appropriation of 2023 earnings									
Cash dividends distributed by the Company	-	-	-	(464,628)	-	-	(464,628)	-	(464,628)
Changes in equity of associates accounted for using equity method	-	8,663	-	-	-	-	8,663	-	8,663
Convertible bonds converted to ordinary shares	1,667	3,045	-	-	-	-	4,712	-	4,712
Net profit for the three months ended March 31, 2024	-	-	-	117,650	-	-	117,650	3,786	121,436
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	111,605	-	111,605	-	111,605
Total comprehensive income for the three months ended March 31, 2024	-	-	-	117,650	111,605	-	229,255	3,786	233,041
BALANCE AT MARCH 31, 2024	<u>\$ 2,324,310</u>	<u>\$ 868,440</u>	<u>\$ 580,405</u>	<u>\$ 613,230</u>	<u>\$ 185,555</u>	<u>\$ (5,000)</u>	<u>\$ 4,566,940</u>	<u>\$ 190,517</u>	<u>\$ 4,757,457</u>
BALANCE AT JANUARY 1, 2025	\$ 2,330,449	\$ 857,990	\$ 639,978	\$ 1,141,751	\$ 259,189	\$ (10,004)	\$ 5,219,353	\$ 237,751	\$ 5,457,104
Appropriation of 2024 earnings									
Cash dividends distributed by the Company	-	-	-	(538,051)	-	-	(538,051)	-	(538,051)
Cash dividends from capital surplus	-	(46,787)	-	-	-	-	(46,787)	-	(46,787)
Convertible bonds converted to ordinary shares	14,700	26,786	-	-	-	-	41,486	-	41,486
Additional non-controlling interests recognized on the issue of employee share options by subsidiaries	-	-	-	-	-	-	-	3,102	3,102
Net profit (loss) for the three months ended March 31, 2025	-	-	-	221,438	-	-	221,438	(2,836)	218,602
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	41,520	-	41,520	-	41,520
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	221,438	41,520	-	262,958	(2,836)	260,122
Changes in percentage of ownership interests in subsidiaries	-	1,156	-	-	-	-	1,156	(1,156)	-
BALANCE AT MARCH 31, 2025	<u>\$ 2,345,149</u>	<u>\$ 839,145</u>	<u>\$ 639,978</u>	<u>\$ 825,138</u>	<u>\$ 300,709</u>	<u>\$ (10,004)</u>	<u>\$ 4,940,115</u>	<u>\$ 236,861</u>	<u>\$ 5,176,976</u>

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

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 288,140	\$ 158,189
Adjustments for:		
Depreciation expense	23,250	21,197
Amortization	92	240
Expected credit loss on trade receivables	4,761	352
Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	4,910	(882)
Finance costs	39,872	104,264
Interest income	(2,139)	(1,679)
Share-based compensation	3,102	-
Loss (gain) on disposal of property, plant and equipment	(1)	2
Share of profit of associates	(16,633)	(6,390)
Loss on disposal and write-down of inventories	30,253	5
Net (gain) loss on foreign currency exchange	(960)	49,664
Gain on lease modification	-	(115)
Changes in operating assets and liabilities		
Notes receivable	(25,375)	(3,827)
Trade receivables	(3,822,977)	(883,790)
Other receivables	(478,590)	1,194,877
Inventories	3,844,298	(1,821,386)
Other current assets	(19,381)	25,149
Financial assets at amortized cost - current	12,262	5,870
Contract liabilities	165,084	65,886
Notes payable	(1,080)	413
Trade payables	2,554,549	(278,544)
Other payables	79,404	(21,162)
Other current liabilities	56,984	200,832
Net defined benefit liabilities - non-current	(1,281)	(544)
Other non-current liabilities	(238)	-
Cash generated from (used in) operations	2,738,306	(1,191,379)
Interest received	2,139	1,679
Interest paid	(71,460)	(122,168)
Income tax paid	(2,808)	(4,980)
Net cash generated from (used in) operating activities	2,666,177	(1,316,848)

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ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through comprehensive income	\$ 24,490	\$ 8,140
Payments for property, plant and equipment	(3,622)	(1,450)
Proceeds from disposal of property, plant and equipment	1	-
Increase in refundable deposits	-	(7,495)
Decrease in refundable deposits	<u>660</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>21,529</u>	<u>(805)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	6,343,425	9,223,093
Repayments of short-term borrowings	(6,326,497)	(8,410,609)
Proceeds from short-term bills payable	-	1,045,000
Repayments of short-term bills payable	(260,000)	-
Proceeds from long-term borrowings	645	2,518,634
Repayments of long-term borrowings	(1,505,315)	(3,205,914)
Proceeds from guarantee deposits received	(198)	3,707
Repayments of the principal portion of lease liabilities	<u>(17,817)</u>	<u>(17,487)</u>
Net cash (used in) generated from financing activities	<u>(1,765,757)</u>	<u>1,156,424</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>66,311</u>	<u>193,571</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	988,260	32,342
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>749,056</u>	<u>445,379</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 1,737,316</u>	<u>\$ 477,721</u>

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

(Concluded)

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Alltek Technology Corp. (the “Company”) was incorporated in April 1991 as a company limited by shares under the Company Law of the Republic of China (ROC). The Company mainly business operations:

- a. Telecommunications equipment, computer peripherals, and trading in electronic components and test equipment (other than licensing business).
- b. Technology transfer of related products above.
- c. Trading and import and export of radio equipment.
- d. Import and export trade of related products.
- e. Acting as the agent for the relevant products and tendering business of domestic and foreign manufacturers.

The Company’s shares have been traded on Taipei Exchange, formerly known as the GreTai Securities Market since March 2004. In November 2008, the Company’s shares have been listed on the Taiwan Stock Exchange (TWSE).

The functional currency of the Company is the New Taiwan dollar. The consolidated financial statements are presented in the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Company’s board of directors on May 7, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- 1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- 2) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- 3) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent 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”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s perspective on a particular aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim 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 endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including structured entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of financial assets at fair value through other comprehensive income/financial assets at fair value through profit or loss or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

See Note 12, Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimates and assumptions based on historical experience and other factors that are considered to be relevant about the related information that are not readily apparent from other sources. Actual results may differ from these estimates.

Material accounting judgments and key sources of estimation uncertainty used in the consolidated financial statements Refer to the 2024 annual consolidated financial statements.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 653	\$ 608	\$ 1,045
Checking accounts and demand deposits	1,553,094	582,648	389,316
Cash equivalents (investments with original maturities of less than three months)			
Time deposits	173,607	165,800	71,360
Repurchase agreements	<u>9,962</u>	<u>-</u>	<u>16,000</u>
	<u>\$ 1,737,316</u>	<u>\$ 749,056</u>	<u>\$ 477,721</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares	<u>\$ 19,300</u>	<u>\$ 48,700</u>	<u>\$ -</u>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Foreign unlisted shares	\$ 97,977	\$ 97,977	\$ 90,346
Derivative financial assets			
Redeemable options of convertible bonds (Note 17)	<u>-</u>	<u>-</u>	<u>9</u>
	<u>\$ 97,977</u>	<u>\$ 97,977</u>	<u>\$ 90,355</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investments			
Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,004</u>

The Group invested in domestic unlisted ordinary shares for medium to long-term strategic purposes and expected to make profits through long-term investments. Accordingly, the management of the Group elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

	March 31, 2025	December 31, 2024	March 31, 2024
Pledged bank deposits	\$ <u>3,041</u>	\$ <u>15,429</u>	\$ <u>6,000</u>

Refer to Note 29 for information relating to other financial assets pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 35,873	\$ 10,498	\$ 6,760
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>35,873</u>	\$ <u>10,498</u>	\$ <u>6,760</u>
Notes receivable - operating	\$ 35,873	\$ 10,498	\$ 6,760
Notes receivable - non-operating	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>35,873</u>	\$ <u>10,498</u>	\$ <u>6,760</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 5,851,784	\$ 3,987,920	\$ 2,499,856
Less: Allowance for impairment loss	<u>(27,169)</u>	<u>(22,210)</u>	<u>(22,095)</u>
	5,824,615	3,965,710	2,477,761
At FVTOCI	<u>4,935,792</u>	<u>2,976,358</u>	<u>2,056,171</u>
	\$ <u>10,760,407</u>	\$ <u>6,942,068</u>	\$ <u>4,533,932</u>

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Trade receivables from related parties</u>			
At amortized cost			
Gross carrying amount	\$ -	\$ 5	\$ 5,706
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5,706</u>
<u>Other receivables</u>			
Factored trade receivables reclassified to other receivables (Note 27)	\$ 1,378,374	\$ 875,161	\$ 1,366,948
Receivables advance payment on behalf of others	-	-	424,282
Purchases returns or allowances receivable	171,280	194,727	83,699
Business tax refund receivables	16,160	10,510	9,564
Others	<u>5,961</u>	<u>12,022</u>	<u>1,976</u>
	<u>\$ 1,571,775</u>	<u>\$ 1,092,420</u>	<u>\$ 1,886,469</u>
			(Concluded)

Trade Receivables

a. At amortized cost

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does show significantly different loss patterns for different customer segments, the Group uses different provision matrixes based on customer segments by geographical region, and determines the expected credit loss rate by reference to past due days of accounts receivable and regional economic conditions.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables at amortized cost based on the Group's provision matrix.

March 31, 2025

	Not Past Due	1 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%-0.52%	0%-45.86%	0%-100%	
Gross carrying amount	\$ 5,679,667	\$ 193,659	\$ 14,331	\$ 5,887,657
Loss allowance (Lifetime ECLs)	<u>(14,988)</u>	<u>(1,848)</u>	<u>(10,333)</u>	<u>(27,169)</u>
Amortized cost	<u>\$ 5,664,679</u>	<u>\$ 191,811</u>	<u>\$ 3,998</u>	<u>\$ 5,860,488</u>

December 31, 2024

	Not Past Due	1 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%-0.40%	0.06%-18.72%	0%-100%	
Gross carrying amount	\$ 3,614,702	\$ 372,901	\$ 10,820	\$ 3,998,423
Loss allowance (Lifetime ECLs)	<u>(10,003)</u>	<u>(1,688)</u>	<u>(10,519)</u>	<u>(22,210)</u>
Amortized cost	<u>\$ 3,604,699</u>	<u>\$ 371,213</u>	<u>\$ 301</u>	<u>\$ 3,976,213</u>

March 31, 2024

	Not Past Due	1 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%-0.78%	0%-5.30%	0%-100%	
Gross carrying amount	\$ 2,284,358	\$ 215,871	\$ 12,093	\$ 2,512,322
Loss allowance (Lifetime ECLs)	<u>(8,473)</u>	<u>(1,961)</u>	<u>(11,661)</u>	<u>(22,095)</u>
Amortized cost	<u>\$ 2,275,885</u>	<u>\$ 213,910</u>	<u>\$ 432</u>	<u>\$ 2,490,227</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 22,210	\$ 21,290
Add: Net remeasurement of loss allowance	4,761	352
Foreign exchange gains and losses	<u>198</u>	<u>453</u>
Balance at March 31	<u>\$ 27,169</u>	<u>\$ 22,095</u>

b. At FVTOCI

The Group will decide whether to sell these trade receivables to banks without recourse based on its level of working capital. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The following table details the loss allowance of trade receivables at FVTOCI based on the Group's provision matrix.

March 31, 2025

	Not Past Due	1 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%	0%	100%	
Gross carrying amount	\$ 4,935,792	\$ -	\$ -	\$ 4,935,792
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cost at FVTOCI	<u>\$ 4,935,792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,935,792</u>

December 31, 2024

	Not Past Due	1 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%	0%	100%	
Gross carrying amount	\$ 2,976,358	\$ -	\$ -	\$ 2,976,358
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cost at FVTOCI	<u>\$ 2,976,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,976,358</u>

March 31, 2024

	Not Past Due	1 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%	0%	100%	
Gross carrying amount	\$ 2,056,171	\$ -	\$ -	\$ 2,056,171
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cost at FVTOCI	<u>\$ 2,056,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,056,171</u>

11. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise	\$ 3,092,105	\$ 6,972,131	\$ 11,497,657
Finished goods	11,562	10,794	13,056
Work in progress	16,276	19,199	19,051
Raw materials	<u>30,518</u>	<u>34,832</u>	<u>62,499</u>
	<u>\$ 3,150,461</u>	<u>\$ 7,036,956</u>	<u>\$ 11,592,263</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended March 31	
	2025	2024
Cost of inventories sold	\$ 13,701,486	\$ 10,244,273
Inventory write-downs and disposal	30,253	5
Others	<u>377</u>	<u>486</u>
	<u>\$ 13,732,116</u>	<u>\$ 10,244,764</u>

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2025	December 31, 2024	March 31, 2024	
Alltek Technology Corp.	Pantek Technology Corp.	Selling and marketing of communication components	100%	100%	100%	-
Alltek Technology Corp.	Alltek Marine Electronics Corp.	Designing and manufacturing of high quality AIS products	53%	53%	53%	-
Alltek Technology Corp.	Alltek Group Corp.	Investments	100%	100%	100%	(Note 2)
Alltek Technology Corp.	Alltek Technology (H.K.) Limited	Selling and marketing of communication components	100%	100%	100%	Material subsidiary (Note 2)
Alltek Technology Corp.	Alltek Technology (S) Pte. Ltd.	Selling and marketing of communication components	100%	100%	40%	(Note 1)
Alltek Technology Corp.	Alder Optomechanical Corp.	Manufacturing and selling lighting equipment	51%	51%	51%	-
Alltek Group Corp.	All Plus Co., Ltd.	Selling and marketing of communication components	100%	100%	100%	(Note 2)
Alltek Group Corp.	All Pan Co., Ltd.	Investments	100%	100%	100%	-
All Pan Co., Ltd.	YMY Co., Ltd.	Selling and marketing of communication components	100%	100%	100%	-
Alltek Technology (H.K.) Limited	Alltek Technology (Shenzhen) Ltd.	Selling and marketing of communication components	100%	100%	100%	-
Pantek Technology Corp.	Pantek Global Corp.	Selling and marketing of communication components	100%	100%	100%	-
Pantek Global Corp.	Pantek Trade (Shenzhen) Co., Ltd.	Selling and marketing of communication components	100%	100%	100%	-

Note 1: In September 2024, the Company acquired 60% ownership stock in Alltek Technology (S) Pte. Ltd. for SGD300,000, increasing its shareholding from 40% to 100%. Alltek Technology (S) Pte. Ltd. has transitioned from an associate to a subsidiary.

Note 2: Instead of Alltek Group Corp., All Plus Co., Ltd. And Alltek Technology (H.K.) Limited; others financial statements have not been reviewed.

b. Subsidiaries excluded from the consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests: None.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Investments in associates</u>			
Associates that are not individually material:			
Yuban Technology Co., Ltd.	\$ 389,713	\$ 375,881	\$ 360,082
General Life Biotechnology Co., Ltd.	140,199	136,357	129,790
Alltek Technology (S) Pte. Ltd.	<u>-</u>	<u>-</u>	<u>2,781</u>
	<u>\$ 529,912</u>	<u>\$ 512,238</u>	<u>\$ 492,653</u>

Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2025	2024
The Group's share of:		
Net profit for the year	\$ 16,633	\$ 6,390
Other comprehensive (loss) income	<u>833</u>	<u>1,429</u>
Total comprehensive income for the year	<u>\$ 17,466</u>	<u>\$ 7,819</u>

In September 2021, the Group acquired and held 15% of the outstanding shares of Yuban Technology Co., Ltd. The Group and its subsidiary, Pentek Technology Corp., hold more than 20% of the total voting shares of the investee; therefore, the equity method is used for the evaluation of investment transactions. Under the agreement between the Group and Yuban Technology Co., Ltd., the Company shall not transfer, pledge, create any security rights or dispose of the aforementioned ordinary shares within 3 years from the acquisition date.

Associates are accounted for using the equity method.

14. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2025	December 31, 2024	March 31, 2024
Freehold land	\$ 777,179	\$ 777,179	\$ 777,179
Buildings	256,204	228,926	233,563
Machinery and equipment	17,885	17,632	16,876
Office equipment	13,296	9,283	8,265
Other equipment	6,829	7,441	8,401
Unfinished work and equipment to be inspected	<u>8,485</u>	<u>8,522</u>	<u>8,703</u>
	<u>\$ 1,079,878</u>	<u>\$ 1,048,983</u>	<u>\$ 1,052,987</u>

Except for depreciation recognized, the Group did not have significant addition, disposal, or impairment of property, plant and equipment during the three months ended March 31, 2025 and 2024. The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	
Main buildings	50 years
Others	5-10 years
Machinery and equipment	2-10 years
Office equipment	1-10 years
Other equipment	2-5 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 29.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Buildings	\$ 97,662	\$ 95,627	\$ 87,688
Transportation equipment	<u>8,019</u>	<u>9,382</u>	<u>8,933</u>
	<u>\$ 105,681</u>	<u>\$ 105,009</u>	<u>\$ 96,621</u>
		For the Three Months Ended March 31	
		2025	2024
Additions to right-of-use assets		<u>\$ 16,981</u>	<u>\$ 17,544</u>
Depreciation charge for right-of-use assets			
Buildings		\$ 15,962	\$ 15,528
Transportation equipment		<u>1,363</u>	<u>1,187</u>
		<u>\$ 17,325</u>	<u>\$ 16,715</u>

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

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Current	<u>\$ 61,569</u>	<u>\$ 56,594</u>	<u>\$ 42,499</u>
Non-current	<u>\$ 47,322</u>	<u>\$ 51,054</u>	<u>\$ 55,839</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	1.20%-4.75%	1.20%-4.75%	1.20%-4.75%
Transportation equipment	1.20%-4.75%	1.20%-4.75%	1.20%-4.75%

16. BORROWINGS

a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings (Note 29)</u>			
Bank loans	\$ 88,000	\$ 88,000	\$ 76,000
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>2,615,000</u>	<u>2,597,093</u>	<u>4,187,400</u>
	<u>\$ 2,703,000</u>	<u>\$ 2,685,093</u>	<u>\$ 4,263,400</u>
<u>Interest rate interval</u>	1.90%-2.46%	1.90%-6.18%	1.72%-6.40%

Part of the short-term borrowings of the Group as of March 31, 2025, December 31, 2024 and March 31, 2024 have been jointly guaranteed by chairman of the board of the Company.

Part of the secured borrowings of the Group as of March 31, 2025, December 31, 2024 and March 31, 2024 have been jointly guaranteed by time deposits, property and plant.

b. Short-term bills payable

	March 31, 2025	December 31, 2024	March 31, 2024
Commercial paper	\$ 1,510,000	\$ 1,770,000	\$ 2,660,000
Less: Unamortized discount on bills payable	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,510,000</u>	<u>\$ 1,770,000</u>	<u>\$ 2,660,000</u>
Interest rate interval	1.55%-2.15%	1.50%-2.08%	1.38%-1.83%

c. Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings (Note 29)</u>			
Bank loans	\$ 489,198	\$ 1,993,112	\$ 1,012,475
<u>Unsecured borrowings</u>			
Bank loans	<u>484,152</u>	<u>484,851</u>	<u>21,291</u>
	973,350	2,477,963	1,033,766
Less: Current portion	<u>(300,143)</u>	<u>(180,579)</u>	<u>(27,005)</u>
Long-term borrowings	<u>\$ 673,207</u>	<u>\$ 2,297,384</u>	<u>\$ 1,006,761</u>
Interest rate interval	2.00%-4.75%	2.00%-4.75%	2.08%-3.70%

Portion of the long-term borrowings of the Group as of March 31, 2025, December 31, 2024 and March 31, 2024 have been jointly guaranteed by chairman of the Company.

- 1) In April 2020 and April 2021, the Company's subsidiaries provided freehold land and building as collateral for bank borrowings to fund its operating capital and fully repaid in July 2024. Additionally, in July 2024, it signed a long-term syndicated loan contract with the bank secured by its freehold land and building with a maturity date of July 2031.
- 2) The Group signed a long-term syndicated loan contract with the bank secured by the Company's freehold land and building to fund its operating capital as follows:
 - a) Credit period: Calculated from the date of first utilization (December 25, 2023) to the expiration date of 5 years
 - b) Total credit line: US\$155,000 thousand dollars.
 - c) Loan item:
 - i. Syndicated loan A: Alltek Technology Corp. and Subsidiaries is borrower, the credit line is US\$155,000 thousand dollars or facility amount, and revolving credit.
 - ii. Syndicated loan B: Alltek Technology (H.K.) Limited is borrower, the credit line is US\$62,000 thousand dollars, and revolving credit.
 - iii. The credit balance of syndicated loan A and B, the total amount cannot exceed the syndicated loan agreement's total credit line.
 - d) Commitments: During the period of the credit facility agreements, the consolidated financial statements compliance with the following financial ratios and covenants is required.
 - i. Current ratio: Not lower than 100%.
 - ii. Liability ratio: Not higher than 100%.
 - iii. Interest coverage ratio: Not lower than 2 times.
 - iv. Net tangible assets: Not lower than \$1,500,000 thousand.

17. BONDS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured domestic bonds	\$ 31,023	\$ 72,369	\$ 89,461
Less: Current portion	<u>(31,023)</u>	<u>(72,369)</u>	<u>(89,461)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

In July 21, 2022, to repay the loan, the Group issued the 4th domestic unsecured convertible bonds with an aggregate principal amount of \$600,000 thousand and a face value of \$100 thousand per bond certificate. The issuance price is not lower than face value multiplied by 101% Actual issuance amount was \$606,289 thousand. At the end of third year from the bond issuance date, bondholders have the right to redeem the convertible bonds at face value plus interest compensation (the interest compensation is face value multiplied by 102.2669%, rate of return is 0.75%, at expiration date) in cash. The convertible bonds are managed by Fubon Securities Co., Ltd. as the trustee of the bondholders. The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - option. The terms and conditions of the bonds are as follows:

- a. Issuance date: July 21, 2022
- b. Coupon rate: 0%
- c. Issuance period: 3 years, and a circulation period from July 21, 2022 to July 21, 2025.
- d. Redemption of the convertible bonds

At the end of second years from the bond issuance date (July 21, 2024), bondholders have the right to request the Group to redeem the convertible bonds at face value plus interest compensation (the interest compensation is face value multiplied by 101.5056%, rate of return is 0.75% at expiration date) in cash.

- e. Redemption method
 - 1) Conversion subject: Subject is ordinary shares of the Company. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding ordinary shares.
 - 2) Conversion period:

From October 22, 2022 (3 months after the date of issuance) to July 21, 2025 (expiration date), each bond entitles the holder to convert it into ordinary shares through broker-dealer informing Taiwan Depository & Clearing Corporation to request the Company's agent for stock affairs in accordance with the conditions of the issuance of the bonds except for (1) Period of suspension of transfer of ordinary shares according to the law; (2) Fifteen business days before the stop transfer date of issuance of bonus shares, the stop transfer date of the cash dividend or the stop transfer date of issuance of ordinary shares for cash subscription, and the rights distribution base date; (3) The capital reduction base date to the capital reduction of stocks one day before the trading day.

3) Conversion prices and the adjustments

The conversion price of the bonds is set based on the arithmetic mean of the business day's closing share price multiplied by 102.03% premium rate before the effective date on July 1, 2022. As the Company distributed share dividends in the year ended 2023 and 2022, the conversion price was adjusted from NT\$38.2 per share to NT\$30 per share. As the Company's stock was ex-dividend on August 9, 2024, the conversion price was adjusted from NT\$30 per share to NT\$28.3 per share.

- 4) The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - option. The effective interest rate of the liability component was 0.8947% per annum on initial recognition.

	For the Three Months Ended March 31	
	2025	2024
Liability component as of beginning of the period	\$ 72,369	\$ 93,970
Interest charged at an effective interest rate	140	203
Convertible bonds converted into ordinary shares	<u>(41,486)</u>	<u>(4,712)</u>
Liability component as end of the period	<u>\$ 31,023</u>	<u>\$ 89,461</u>

18. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Other payables</u>			
Salaries and bonuses	\$ 331,263	\$ 266,034	\$ 273,816
Payables for cash dividends	584,838	-	464,652
Payable for annual leave	22,897	21,879	23,832
Payables for freight	9,452	14,173	14,445
Payable for interest	2,836	3,667	16,528
Others	<u>139,040</u>	<u>153,080</u>	<u>108,809</u>
	<u>\$ 1,090,326</u>	<u>\$ 458,833</u>	<u>\$ 902,082</u>
<u>Other liabilities</u>			
Refund liabilities	\$ 125,526	\$ 132,233	\$ 227,851
Receipts under custody	122,107	51,245	343,002
Others	<u>13,866</u>	<u>21,030</u>	<u>16,651</u>
	<u>\$ 261,499</u>	<u>\$ 204,508</u>	<u>\$ 587,504</u>

19. RETIREMENT BENEFIT PLANS

For the three months ended March 31 2025 and 2024, the pension expenses of defined benefit plans were \$121 thousand and \$129 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

20. EQUITY

a. Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
Number of shares authorized (in thousands)	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
Shares authorized	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>234,515</u>	<u>233,045</u>	<u>232,431</u>
Shares issued	<u>\$ 2,345,149</u>	<u>\$ 2,330,449</u>	<u>\$ 2,324,310</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

The 4th domestic unsecured convertible bonds had been converted into 1,470 thousand and 167 thousand ordinary shares in 2025 and 2024, respectively. And 1,470 thousand shares were recognized as share capital, with registration of changes in capital after issuance of new shares on the base date of capital increase in accordance with the law. The Company has not yet completed the registration of changes before the date of approval of issuance of the consolidated financial statements.

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or <u>transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 820,804	\$ 840,090	\$ 851,786
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	3,884	3,884	3,884
<u>May be used to offset a deficit only (2)</u>			
Changes in percentage of ownership interests in subsidiaries	3,496	2,340	793
Changes in equity of associates and joint ventures accounted for using the equity method	8,663	8,663	8,663
Other	1,853	1,853	1,853
<u>May not be used for any purpose</u>			
Components of equity of convertible corporate bonds issued by the company	<u>445</u>	<u>1,160</u>	<u>1,461</u>
	<u>\$ 839,145</u>	<u>\$ 857,990</u>	<u>\$ 868,440</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

The shareholders of the Company held their regular meeting on June 18, 2024 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles"). Under the dividend policy to the Company after the amendments, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders in their meeting for distribution of dividends and bonuses to shareholders. If all or part of the dividends, bonuses, legal reserve and capital surplus are to be paid in cash, the board of directors shall be authorized to make a special resolution and report to the shareholders in their meeting. For the policies on distribution of employees' compensation and remuneration to directors and supervisors before and after amendment, refer to employee benefits expense in Note 22(g).

The Company's dividend policy is designed to meet present and future development projects and takes into consideration the investment environment, funding requirements, international or domestic competitive conditions while simultaneously meeting shareholders' interests. When there is no cumulative loss, the Company shall set aside share dividends at no less than 50% of the net profit of the current year. The way to distribute dividends could be either through cash or shares, and cash dividends shall not be less than 30% of the total dividends.

Under the dividend policy to the Company before the amendments, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of compensation of employees and remuneration of directors before and after amendment, please refer to compensation of employees and remuneration of directors in Note 22(g).

The Company's dividend policy is designed to meet present and future development projects and takes into consideration the investment environment, funding requirements, international or domestic competitive conditions while simultaneously meeting shareholders' interests. When there is no cumulative loss, the Company shall set aside share dividends at no less than 50% of the net profit. The way to distribute dividends could be either through cash or shares, and cash dividends shall not be less than 30% of the total dividends.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 proposed by the Company's board of directors on March 12, 2025 and approved in the shareholders' meetings on June 18, 2024, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2024	2023
Legal reserve	<u>\$ 70,574</u>	<u>\$ 59,573</u>
Cash dividends	<u>\$ 538,051</u>	<u>\$ 464,628</u>
Cash dividends per share (NT\$)	\$ 2.3	\$ 2.0

The appropriations of earnings for 2024 are subject to the resolution of the shareholders' meeting to be held on June 17, 2025.

The shareholders' meeting resolved to distribute cash with capital surplus of \$23,231 thousand on June 18, 2024. In addition, the Company's board of directors resolved to distribute cash with capital surplus of \$46,787 thousand on March 12, 2025.

21. REVENUE RECOGNITION

	For the Three Months Ended	
	March 31	
	2025	2024
Revenue from contracts with customers		
Revenue from sale of goods	\$ 14,363,600	\$ 10,787,441
Others	<u>1,398</u>	<u>3,640</u>
	<u>\$ 14,364,998</u>	<u>\$ 10,791,081</u>
	March 31,	December 31,
	2025	2024
Contract liabilities - current		
Revenue from sale of goods	<u>\$ 466,736</u>	<u>\$ 301,652</u>
		<u>\$ 348,656</u>

Refer to Note 32 for information about disaggregation of revenue.

22. NET PROFIT AND OTHER COMPREHENSIVE INCOME

Net profit was attributable to:

- a. Interest income

	For the Three Months Ended	
	March 31	
	2025	2024
Bank deposits	<u>\$ 2,139</u>	<u>\$ 1,679</u>

b. Other income

	For the Three Months Ended March 31	
	2025	2024
Government grants	\$ 3,721	\$ 13
Others	<u>5,625</u>	<u>19,526</u>
	<u>\$ 9,346</u>	<u>\$ 19,539</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Fair value change of financial assets		
Non-derivative financial assets held for trading	\$ (4,910)	\$ 882
Net foreign exchange (losses) gains	66,715	(33,689)
Bank charges	(7,916)	(9,405)
Others	<u>(665)</u>	<u>(1,243)</u>
	<u>\$ 53,224</u>	<u>\$ (43,455)</u>

d. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on loans/convertible bonds	\$ 38,849	\$ 103,312
Interest on lease liabilities	<u>1,023</u>	<u>952</u>
	<u>\$ 39,872</u>	<u>\$ 104,264</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	\$ 880	\$ 247
Operating expenses	<u>22,370</u>	<u>20,950</u>
	<u>\$ 23,250</u>	<u>\$ 21,197</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 92</u>	<u>\$ 240</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	\$ 4,814	\$ 4,799
Defined benefit plans (Note 19)	<u>121</u>	<u>129</u>
	4,935	4,928
Other employee benefits	<u>278,961</u>	<u>183,270</u>
Total employee benefits expense	<u>\$ 283,896</u>	<u>\$ 188,198</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 7,883	\$ 8,886
Operating expenses	<u>276,013</u>	<u>179,312</u>
	<u>\$ 283,896</u>	<u>\$ 188,198</u>

g. Compensation of employees and remuneration of directors

The Company accrues compensation of employees and remuneration of directors at the rates no less than 1% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the three months and three months ended March 31, 2025 and 2024 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	6.08%	3.85%
Remuneration of directors	0.86%	0.64%

Amount

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	<u>\$ 18,000</u>	<u>\$ 6,000</u>
Remuneration of directors	<u>\$ 2,550</u>	<u>\$ 1,000</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of compensation of employees and remuneration of directors for 2024 and 2023 that were resolved by the board of directors on March 12, 2025 and March 12, 2024, respectively, are as shown below:

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	<u>\$ 47,000</u>	<u>\$ 42,000</u>
Remuneration of directors	<u>\$ 10,279</u>	<u>\$ 6,765</u>

There was no difference between the actual amounts of employees' compensation and remuneration to directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on the employees' compensation and remuneration to directors and supervisors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2025	2024
Foreign exchange gains	\$ 205,692	\$ 657,652
Foreign exchange losses	<u>(138,977)</u>	<u>(691,341)</u>
	<u>\$ 66,715</u>	<u>\$ (33,689)</u>

23. INCOME TAXES

a. Major components of tax expense recognized in profit or loss are as follows:

	For the Three Months Ended March 31	
	2025	2024
Current tax		
In respect of the current year	\$ 58,410	\$ 12,309
Adjustments for prior year	-	457
Deferred tax		
In respect of the current year	<u>11,128</u>	<u>23,987</u>
Income tax expense recognized in profit or loss	<u>\$ 69,538</u>	<u>\$ 36,753</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2025	2024
<u>Deferred tax</u>		
In respect of the current year		
Exchange differences on translating the financial statements of foreign operations	<u>\$ 10,859</u>	<u>\$ 29,573</u>

c. Income tax assessments

The income tax returns through 2023 have been assessed by the tax authorities; its subsidiaries Alltek Marine Electronics Corp. and Alder Optomechanical Corp. in Taiwan provided their income tax to be assessed by the tax authorities.

The income tax returns through 2022 have been assessed by the tax authorities; the Company and its subsidiaries Pantek Technology Corp. in Taiwan provided their income tax to be assessed by the tax authorities.

24. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Three Months Ended March 31	
	2025	2024
Basic earnings per share		
Basic earnings per share	<u>\$ 0.95</u>	<u>\$ 0.51</u>
Diluted earnings per share		
Diluted earnings per share	<u>\$ 0.93</u>	<u>\$ 0.50</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Three Months Ended March 31	
	2025	2024
Earnings used in the computation of diluted earnings per share	\$ 221,438	\$ 117,650
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds (after tax)	<u>113</u>	<u>163</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 221,551</u>	<u>\$ 117,813</u>

Weighted average number of ordinary shares outstanding (in thousands of shares):

	March 31	
	2025	2024
Weighted average number of ordinary shares in computation of basic earnings per share	233,424	232,353
Effect of potentially dilutive ordinary shares:		
Convertible bonds	2,173	3,083
Bonus to employees	<u>1,453</u>	<u>1,090</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>237,050</u>	<u>236,526</u>

The Group may settle compensation paid to employees in cash or shares; therefore, the Group assumes that entire amount of the compensation or bonus will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

Qualified employees of the Company and its subsidiaries were granted 2,000 options in December 2024. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Company. The total number of new ordinary shares to be issued due to the exercise of share options is 2,000 thousands shares. The recipients include employees of the Company, its domestic and foreign parent and subsidiary companies who meet specific conditions. The options granted are valid for 5 years and exercisable at certain percentages after the second anniversary from the grant date. The exercise price of the options shall not be lower than the net book value per share as reported in the most recent financial statements audited or reviewed by an accountant as of the declaration date. For any subsequent changes in the Company's ordinary shares, the exercise price is adjusted accordingly.

The Group did not issue any employee share options during the three months ended March 31, 2025. Information on employee share options was as follows:

	For the Three Months Ended March 31, 2025	
	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (\$)
Balance on January 1	2,000	\$ 30
Options forfeited	-	-
Options exercised	-	-
Options expired	<u>-</u>	30
Balance on March 31	<u>2,000</u>	
Options exercisable, end of the period	<u>-</u>	

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity and non-controlling interest).

The Group is subject to the requirements and restrictions on the current ratio, financial liability ratio and interest protection ratio of the loan agreements with the banks.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

	March 31, 2025		December 31, 2024		March 31, 2024	
	Carry Amount	Fair Value	Carry Amount	Fair Value	Carry Amount	Fair Value
<u>Financial liabilities</u>						
Financial liabilities at amortized cost						
Convertible bonds	\$ 31,023	\$ 32,984	\$ 72,369	\$ 99,600	\$ 89,461	\$ 103,197

b. Fair value of financial instruments measured at fair value on a recurring basis

Fair value hierarchy

1) Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-derivative instruments				
Domestic listed shares	\$ 19,300	\$ -	\$ -	\$ 19,300
Foreign unlisted shares	-	-	97,977	97,977
	<u>\$ 19,300</u>	<u>\$ -</u>	<u>\$ 97,977</u>	<u>\$ 117,277</u>

Financial assets at FVTOCI

Investments in debt instruments				
Trade receivables	\$ -	\$ -	\$ 4,935,792	\$ 4,935,792

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-derivative instruments				
Domestic listed shares	\$ 48,700	\$ -	\$ -	\$ 48,700
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>97,977</u>	<u>97,977</u>
	<u>\$ 48,700</u>	<u>\$ -</u>	<u>\$ 97,977</u>	<u>\$ 146,677</u>

Financial assets at FVTOCI

Investments in debt instruments				
Trade receivables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,976,358</u>	<u>\$ 2,976,358</u>

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-derivative instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 90,346	\$ 90,346
Derivative financial instruments				
Redeemable options of convertible bonds	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,355</u>	<u>\$ 90,355</u>

Financial assets at FVTOCI

Investments in equity instruments				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,004</u>	<u>\$ 5,004</u>
Investments in debt instruments				
Trade receivables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,056,171</u>	<u>\$ 2,056,171</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

Financial Assets	Instruments at FVTPL Non-derivative Instruments	Instruments at FVTOCI Equity Instruments	Total
Balance at January 1, 2025	\$ 97,977	\$ 2,976,358	\$ 3,074,335
Net change in accounts receivable	<u>-</u>	<u>1,959,434</u>	<u>1,959,434</u>
Balance at March 31, 2025	<u>\$ 97,977</u>	<u>\$ 4,935,792</u>	<u>\$ 5,033,769</u>

(Continued)

Financial Assets	Instruments at FVTPL	Instruments at FVTOCI	Total
	Non-derivative Instruments	Equity Instruments	
Balance at January 1, 2024	\$ 90,373	\$ 30,035	\$ 120,408
Recognized in profit or loss	(18)	-	(18)
Net change in accounts receivable	<u>-</u>	<u>2,031,140</u>	<u>2,031,140</u>
Balance at March 31, 2024	<u>\$ 90,355</u>	<u>\$ 2,061,175</u>	<u>\$ 2,151,530</u> (Concluded)

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Foreign unlisted shares were determined using the market approach. The comparable company method of market approach is based on the profitability at the end of the year to select the market multiplier of comparable companies. The redemption right of convertible corporate bonds was evaluated according to the binary tree model. The valuation method is chosen by the Group after careful evaluation. Therefore, the fair value measurement is reasonable. However, the use of different evaluation models or fair value may lead to different evaluation results.

c. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 9,156,460	\$ 5,822,608	\$ 4,850,853
Financial assets at FVTPL			
Financial assets mandatorily classified as at FVTPL - current	19,300	48,700	-
Financial assets mandatorily classified as at FVTPL - non-current	97,977	97,977	90,355
FVTOCI			
Equity investments	-	-	5,004
Debt investments	4,935,792	2,976,358	2,056,171

Financial liabilities

Amortized cost (2)	12,208,138	10,876,774	13,632,820
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- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables and other receivables.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, trade payables, other payables, bonds payable, current portion of long-term borrowings and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investment, trade receivables, trade payables, bonds payable, borrowings and short-term bills payable. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks are market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to (a) below) and interest rates (refer to (b) below).

a) Foreign currency risk

Several subsidiaries of the Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 3% increase and decrease in the New Taiwan dollar (the functional currency) against the U.S. dollar. Sensitivity rate of 3% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 3% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthen 3% against the relevant currency. For a 3% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	U.S. Dollars Impact	
	For the Three Months Ended	
	March 31	
	2025	2024
Profit or loss	\$ 96,341	\$ (29,284)

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Financial assets	\$ 183,569	\$ 165,800	\$ 87,360
Financial liabilities	4,726,403	5,869,405	6,272,082
Cash flow interest rate risk			
Financial assets	1,556,030	597,972	395,021
Financial liabilities	599,861	1,243,668	1,872,883

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 20 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 20 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$478 thousand and \$(739) thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

If fair value of equity instruments had been 3% higher/lower, the pre-tax profit or loss for the three months ended March 31, 2025 and 2024 would increase/decrease by \$3,518 thousand and \$2,711 thousand, respectively, the pre-tax other comprehensive income for the three months ended March 31, 2025 and 2024 would have increase/decrease by \$150 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from carrying amount of the respective recognized financial assets as stated in the balance sheets.

In addition, the credit risk was limited because the counterparty of working capital and derivative financial instruments were banks with good credit.

The customers of trade receivables were scattered in different geographical areas. The Group continuously evaluated the financial condition of the customers of trade receivables. The concentration of credit risk by geographical location was mainly in Taiwan and China.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,409,679	\$ 3,964,979	\$ 964,728	\$ 5,539
Lease liabilities	6,112	12,129	46,133	48,769
Debt instruments	<u>2,793,182</u>	<u>1,135,726</u>	<u>613,411</u>	<u>767,806</u>
	<u>\$ 5,208,973</u>	<u>\$ 5,112,834</u>	<u>\$ 1,624,272</u>	<u>\$ 822,114</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years
Lease liabilities	<u>\$ 64,374</u>	<u>\$ 48,769</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,213,679	\$ 1,654,761	\$ 286,128	\$ 4,694
Lease liabilities	5,365	10,682	42,940	53,743
Debt instruments	<u>2,563,869</u>	<u>1,153,547</u>	<u>968,221</u>	<u>2,396,768</u>
	<u>\$ 4,782,913</u>	<u>\$ 2,818,990</u>	<u>\$ 1,279,289</u>	<u>\$ 2,455,205</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years
Lease liabilities	<u>\$ 58,987</u>	<u>\$ 53,743</u>

March 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,180,771	\$ 2,642,023	\$ 1,043,778	\$ 17,269
Lease liabilities	6,009	10,657	28,972	59,618
Debt instruments	<u>3,950,134</u>	<u>1,124,290</u>	<u>1,975,341</u>	<u>1,114,652</u>
	<u>\$ 6,136,914</u>	<u>\$ 3,776,970</u>	<u>\$ 3,048,091</u>	<u>\$ 1,191,539</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years
Lease liabilities	<u>\$ 45,638</u>	<u>\$ 59,618</u>

b) Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Secured borrowing			
Amount used	\$ 1,487,861	\$ 3,092,361	\$ 3,101,525
Amount unused	<u>5,120,606</u>	<u>3,446,224</u>	<u>3,300,800</u>
	<u>\$ 6,608,467</u>	<u>\$ 6,538,585</u>	<u>\$ 6,402,325</u>
Unsecured borrowing			
Amount used	\$ 3,769,152	\$ 3,911,943	\$ 4,881,691
Amount unused	<u>5,001,178</u>	<u>4,906,145</u>	<u>1,902,000</u>
	<u>\$ 8,770,330</u>	<u>\$ 8,818,088</u>	<u>\$ 6,783,691</u>

e. Transfers of financial assets

Factored trade receivables as of March 31, 2025, December 31, 2024 and March 31, 2024 were as follows:

Counterparties	Receivables Sold	Amounts Reclassified to Other Receivables (Note 10)	Amounts Not Yet Advanced	Advances Received at Year-end
<u>March 31, 2025</u>				
Financial Institutions	<u>US\$ 41,712</u>	<u>US\$ 41,511</u>	<u>US\$ 36,706</u>	<u>US\$ 201</u>
<u>December 31, 2024</u>				
Financial Institutions	<u>US\$ 59,415</u>	<u>US\$ 26,693</u>	<u>US\$ 16,989</u>	<u>US\$ 32,722</u>
<u>March 31, 2024</u>				
Financial Institutions	<u>US\$ 124,815</u>	<u>US\$ 42,717</u>	<u>US\$ 19,195</u>	<u>US\$ 82,098</u>

The above credit lines may be used on a revolving basis.

Pursuant to the Group's factoring agreements, losses from commercial disputes were borne by the Group, while losses from credit risk were borne by the banks.

As of March 31, 2025, December 31, 2024 and March 31, 2024, the interest rates on advances received were 2.05%-2.12%, 2.04%-5.29% and 1.83%-6.14%, respectively.

As of March 31, 2025, December 31, 2024 and March 31, 2024, the credit line was US\$381,778 thousand US\$424,278 thousand and US\$414,000 thousand, respectively.

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides as disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party name and relationship

Related Party Name	Relationship
Hsu-huang Development Co., Ltd.	Related party in substance
General Life Biotechnology Co., Ltd.	Associate
Alltek Technology (S) Pte. Ltd.	Associate (a subsidiary since September 2024)
Yuban Technology Co., Ltd.	Associate
Yuban Technology (Hong Kong) Ltd.	Associate
Bestsun International Co., Ltd.	Related party in substance

b. Sales

Line Item	Related Party Type	For the Three Months Ended March 31	
		2025	2024
Sales	Associates	\$ <u>-</u>	\$ <u>1,823</u>

The selling price was made at cost plus a fixed profit for related parties. The collection terms were net 60 days from the end of the month for related parties and net 30 to 60 days from the end of the month for third parties.

c. Receivables from related parties

Line Item	Type/Name of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Receivables	Associates	\$ <u>-</u>	\$ <u>5</u>	\$ <u>5,706</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2025 and 2024, no impairment losses were recognized for trade receivables from related parties.

d. Payables to related parties (not include loans from related parties)

Line Item	Related Party Type	March 31, 2025	December 31, 2024	March 31, 2024
Other payables	Associates	\$ <u>145</u>	\$ <u>4,125</u>	\$ <u>-</u>
Other payables	Related party in substance	\$ <u>18</u>	\$ <u>10</u>	\$ <u>-</u>

e. Lease arrangements

Item in the Accounts	Type/Name of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Lease liabilities	Related party in substance Hsu-huang Development Co., Ltd.	\$ <u>5,536</u>	\$ <u>6,788</u>	\$ <u>432</u>

Type/Name of Related Party	For the Three Months Ended March 31	
	2025	2024

Interest expense

Related parties in substance Hsu-huang Development Co., Ltd.	\$ <u>48</u>	\$ <u>10</u>
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The Group leased office and car park in May 2024 and May 2022, respectively, from related party Hsu-huang Development Co., Ltd. for a two-year term, starting from May 2024 and May 2022, respectively, which was based on the rental level of the adjacent office and car park.

f. Other transactions with related parties

Type of Related Party	March 31, 2025	December 31, 2024	March 31, 2024	Nature of Transaction
Associates	\$ -	\$ -	\$ 45	Contract liabilities
Associates	\$ -	\$ 5,307	\$ -	Prepayments for equipment

Type of Related Party	For the Three Months Ended March 31		Nature of Transaction
	2025	2024	
Associates	\$ 24	\$ 32	Other expense

g. Compensation of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	\$ 20,054	\$ 14,878
Post-employment benefits	362	343
Share-based payment arrangements	<u>164</u>	<u>-</u>
	<u>\$ 20,580</u>	<u>\$ 15,221</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings and tariff guarantee:

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at amortized cost	\$ 3,041	\$ 15,429	\$ 6,000
Property and plant, net	<u>1,033,383</u>	<u>1,006,105</u>	<u>1,010,743</u>
	<u>\$ 1,036,424</u>	<u>\$ 1,021,534</u>	<u>\$ 1,016,743</u>

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the entities in the Group and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

March 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 205,979	33.205 (USD:NTD)	\$ 6,839,538
EUR	64	35.97 (EUR:NTD)	2,314

Financial liabilities

Monetary items			
USD	109,266	33.205 (USD:NTD)	3,628,171

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 155,054	32.785 (USD:NTD)	\$ 5,083,441
EUR	94	34.14 (EUR:NTD)	3,200

Financial liabilities

Monetary items			
USD	87,322	32.785 (USD:NTD)	2,862,839

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 160,863	32.00 (USD:NTD)	\$ 5,147,615
JPY	15,264	0.21 (JPY:NTD)	3,228
EUR	295	34.46 (EUR:NTD)	10,167

Financial liabilities

Monetary items			
USD	191,367	32.00 (USD:NTD)	6,123,750

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Three Months Ended March 31			
	2025		2024	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ 66,490	1 (NTD:NTD)	\$ (33,374)
RMB	4.546 (RMB:NTD)	199	4.366 (RMB:NTD)	(320)
SGD	24.690 (SGD:NTD)	44	23.330 (SGD:NTD)	-
USD	32.895 (USD:NTD)	<u>(18)</u>	31.448 (USD:NTD)	<u>5</u>
		<u>\$ 66,715</u>		<u>\$ (33,689)</u>

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 3)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 6) Intercompany relationships and significant intercompany transactions. (Table 6)

b. Information on investees: Table 7

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 9)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

- c) The amount of property transactions and the amount of the resultant gains or losses.
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
- e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

32. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

- Alltek Technology Corp.
- Alltek Group Corp. and Alltek Technology (H.K.) Limited
- Pantek Technology Corp.
- Others

Segment Revenues and Results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Segment Revenues		Segment Profit	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2025	2024	2025	2024
Alltek Technology Corp.	\$ 5,981,732	\$ 7,107,184	\$ 142,796	\$ 158,020
Alltek Group Corp and Alltek Technology (H.K.) Limited	8,263,402	3,219,816	120,777	107,839
Pantek Technology Corp.	269,616	427,178	(13,888)	1,911
Others	<u>60,512</u>	<u>81,226</u>	<u>(5,906)</u>	<u>7,236</u>
Profits from continuing operations	14,575,262	10,835,404	243,779	275,006
Less: Inter-segment revenues	(210,264)	(44,323)	-	-
Add: Inter-segment profits	<u>-</u>	<u>-</u>	<u>2,891</u>	<u>3,294</u>
Revenue profits from segment and external customers	<u>\$ 14,364,998</u>	<u>\$ 10,791,081</u>	246,670	278,300
Interest income			2,139	1,679
Other income			9,346	19,539
Other gains and losses			53,224	(43,455)
Finance costs			(39,872)	(104,264)
Shares of profits of associates accounted for using the equity method			<u>16,633</u>	<u>6,390</u>
Profit before income tax from continuing operations			<u>\$ 288,140</u>	<u>\$ 158,189</u>

Inter-segment revenues were accounted for according to market prices.

Segment profit represented the profit before tax earned by each segment without other income, other gains and losses finance costs and share of profits of associates accounted for using the equity method. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits (Note 2)
													Item	Value		
0	Alltek Technology Corp.	Pantek Technology Corp.	Trade receivables from related parties	Yes	\$ 150,000	\$ 150,000	\$ -	The highest loan rate borrowed from financial institution	Short-term accommodation of funds	\$ -	Operating turnover	\$ -	-	-	\$ 494,012 (Note 2)	\$ 2,470,058
		Alder Optomechanical Corp.	Trade receivables from related parties	Yes	30,000	30,000	-	The highest loan rate borrowed from financial institution	Short-term accommodation of funds	-	Operating turnover	-	-	-	494,012 (Note 2)	2,470,058
		Alltek Technology (H.K.) Limited	Trade receivables from related parties	Yes	500,000	500,000	-	The highest loan rate borrowed from financial institution	Short-term accommodation of funds	-	Operating turnover	-	-	-	494,012 (Note 2)	2,470,058
		All Plus Co., Ltd.	Trade receivables from related parties	Yes	500,000	500,000	-	The highest loan rate borrowed from financial institution	Short-term accommodation of funds	-	Operating turnover	-	-	-	494,012 (Note 2)	2,470,058
1	Pantek Global Corp.	Pantek Trade (Shenzhen) Co., Ltd.	Trade receivables from related parties	Yes	145,338	145,338	145,338	N/A	Short-term accommodation of funds	-	Operating turnover	-	-	-	179,939 (Note 2)	179,939
2	All Plus Co., Ltd.	Alltek Technology Corp.	Trade receivables from related parties	Yes	664,100	431,665	428,477	N/A	Short-term accommodation of funds	-	Operating turnover	-	-	-	1,321,340 (Note 2)	2,642,680
		Alltek Technology (H.K.) Limited	Trade receivables from related parties	Yes	664,100	664,100	472,109	The highest loan rate borrowed from financial institution	Short-term accommodation of funds	-	Operating turnover	-	-	-	1,321,340 (Note 2)	2,642,680
		Alltek Technology (Shenzhen) Ltd.	Trade receivables from related parties	Yes	85,204	85,204	85,204	N/A	Short-term accommodation of funds	-	Operating turnover	-	-	-	1,321,340 (Note 2)	2,642,680
3	Alltek Technology (H.K) Limited	Alltek Technology Corp.	Trade receivables from related parties	Yes	1,992,300	1,992,300	-	The highest loan rate borrowed from financial institution	Short-term accommodation of funds	-	Operating turnover	-	-	-	3,824,448	3,824,448
		Alltek Technology (Shenzhen) Ltd.	Trade receivables from related parties	Yes	44,461	44,461	44,461	N/A	Short-term accommodation of funds	-	Operating turnover	-	-	-	3,824,448 (Note 2)	3,824,448
		Alltek Technology (Singapore) Pte Ltd	Trade receivables from related parties	Yes	66,410	66,410	4,981	N/A	Short-term accommodation of funds	-	Operating turnover	-	-	-	3,824,448 (Note 2)	3,824,448
4	Alltek Group Corp.	Alltek Technology (H.K.) Limited	Trade receivables from related parties	Yes	680,703	680,703	680,703	The highest loan rate borrowed from financial institution	Short-term accommodation of funds	-	Operating turnover	-	-	-	2,018,389 (Note 2)	2,018,389
5	YMY Co., Ltd.	Alltek Technology (Shenzhen) Ltd.	Trade receivables from related parties	Yes	18,292	18,292	-	N/A	Short-term accommodation of funds	-	Operating turnover	-	-	-	20,881 (Note 2)	20,881

Note 1: a. 0: Investors.
b. The investee companies are numbered in order by company, starting with the Arabic number 1.

Note 2: a. No. 0: Alltek Technology Corp.

The maximum amount for individual enterprise is \$4,940,115 (net worth as per latest financial report) × 10% = \$494,012
The aggregate financing limits is \$4,940,115 (net worth as per latest financial report) × 50% = \$2,470,058

b. No. 1: Pantek Global Corp.

The maximum amount for individual subsidiaries is \$179,939 (net worth as per latest financial report) × 100% = \$179,939
The aggregate financing limits is \$179,939 (net worth as per latest financial report) × 100% = \$179,939

(Continued)

- c.

No. 2: All Plus Co., Ltd.
- The maximum amount for individual subsidiaries is \$1,321,340 (net worth as per latest financial report) × 100% = \$1,321,340

The aggregate financing limits is \$1,321,340 (net worth as per latest financial report) × 200% = \$2,642,680
- d.

No. 3: Alltek Technology (H.K) Limited
- The maximum amount for individual subsidiaries is \$1,912,224 (net worth as per latest financial report) × 200% = \$3,824,448

The aggregate financing limits is \$1,912,224 (net worth as per latest financial report) × 200%=3,824,448
- e.

No. 4: Alltek Group Corp.
- The maximum amount for individual subsidiaries is \$2,018,389 (net worth as per latest financial report) × 10% = \$2,018,389

The aggregate financing limits is \$2,018,389 (net worth as per latest financial report) × 100% = \$2,018,389
- f.

No. 5: YMY Co., Ltd.
- The maximum amount for individual subsidiaries is \$20,881 (net worth as per latest financial report) × 100% = \$20,881

The aggregate financing limits is \$20,881 (net worth as per latest financial report) × 100% = \$20,881

Note 3: The above transactions have been eliminated on consolidation.

(Concluded)

TABLE 2

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	Alltek Technology Corp.	Alltek Technology (H.K.) Limited	b	\$ 12,350,288	\$ 3,184,360	\$ 3,184,360	\$ -	\$ -	64	\$ 14,820,345	Y	-	-
		All Plus Co., Ltd.	c	12,350,288	219,153	219,153	-	-	4	14,820,345	Y	-	-
		Pantek Technology Corp.	b	12,350,288	1,317,728	1,257,728	400,220	-	25	14,820,345	Y	-	-
		Alder Optomechanical Corp.	b	12,350,288	368,000	368,000	249,861	-	7	14,820,345	Y	-	-
1	Pantek Technology Corp.	Pantek Global Corp.	c	1,283,716	39,846	39,846	11,622	-	6	1,604,645	Y	-	-

Note 1: a. 0: Investors.
b. The investee companies are numbered in order by company, starting with the Arabic number 1.

Note 2: a. Trading partner.
b. Subsidiaries directly held over 50% equity.
c. Company that directly or indirectly holds more 50% of the shares in investees.
d. Company where investees directly or indirectly holds of or exceeding 50% of its voting shares.
e. Guaranteed by the Company according to the construction contract.
f. An investee company. The guarantees were provided based on the Company’s proportionate share in the investee company.
g. Joint and several guaranteed by the Company according to the pre-construction contract under Consumer Protection Act.

Note 3: a. No. 0: Alltek Technology Corp.

Endorsement/guarantee given on direct/indirect voting rights over fifty percent (50%). The maximum amount for endorsement guarantee is \$4,940,115 (net worth as per latest financial report) × 250% = \$12,350,288
The maximum amount for endorsement guarantee is \$4,940,115 (net worth as per latest financial report) × 300% = \$14,820,345

b. No. 1: Pantek Technology Corp.

Endorsement/guarantee given on direct/indirect voting rights over fifty percent (50%). The maximum amount for endorsement guarantee is \$641,858 (net worth as per latest financial report) × 200% = \$1,283,716
The maximum amount for endorsement guarantee is \$641,858 (net worth as per latest financial report) × 250% = \$1,604,645

TABLE 3

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

**MARKETABLE SECURITIES HELD
MARCH 31, 2025
(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Alltek Technology Corp.	<u>Foreign unlisted shares - preference shares</u> Kneron Holding Corporation	N	Financial assets at FVTPL - non-current	496,587	\$ 91,849	-	\$ 91,849	-
Alltek Marine Electronics Corp.	<u>Domestic unlisted shares - ordinary shares</u> International Games System Co., Ltd.	N	Financial assets at FVTPL - non-current	25,000	19,300	-	19,300	-

Note 1: Marketable securities in the table refer to shares, bonds, beneficiary certificates and other related securities within the scope of IFRS 9 “Financial Instruments”.

Note 2: This table discloses the marketable securities that the company has determined should be presented based on the principle of materiality.

Note 3: With respect to the information of subsidiaries, associates and joint ventures, please refer Tables 7 and 8.

TABLE 4

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Alltek Technology Corp.	Alltek Technology (H.K.) Limited	Subsidiary company	Sales	\$ 167,264	3	180 days	Cost plus a fixed profit	No significant difference	Trade receivable \$ 37,085	1	-
Pantek Technology Corp.	Pantek Global Corp.	Second-tier subsidiary of Alltek Technology Corp.	Sales	113,492	57	180 days	Cost plus a fixed profit	No significant difference	Trade receivable 128,070	66	-

Note: The above transactions have been eliminated on consolidation.

TABLE 5

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Trade Receivables		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
			Financial Statement Accounts	Ending Balance		Amount	Actions Taken		
All Plus Co., Ltd.	Alltek Technology (H.K.) Limited	Subsidiary of Alltek Technology Corp.	Other receivables	\$ 472,109	-	\$ -	-	\$ -	\$ -
Alltek Group Corp.	Alltek Technology (H.K.) Limited	Subsidiary of Alltek Technology Corp.	Other receivables	680,703	-	-	-	-	-
All Plus Co., Ltd.	Alltek Technology Corp.	Ultimate parent company	Other receivables	428,477	-	-	-	-	-
Pantek Technology Corp.	Pantek Global Corp.	Subsidiary company	Trade receivables	128,070	3.91	-	-	-	-
Pantek Global Corp.	Pantek Trade (Shenzhen) Co., Ltd.	Subsidiary company	Other receivables	145,338	-	-	-	-	-
	Pantek Trade (Shenzhen) Co., Ltd.	Subsidiary company	Trade receivables	12,468	3.89	-	-	-	-
All Plus Co., Ltd.	Alltek Technology (Shenzhen) Ltd.	Second-tier subsidiary of Alltek Technology Corp.	Trade receivables	91,201	3.51	-	-	-	-
	Alltek Technology (Shenzhen) Ltd.	Second-tier subsidiary of Alltek Technology Corp.	Other receivables	85,204	-	-	-	-	-

Note: The above transactions have been eliminated on consolidation.

TABLE 6

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets
0	Alltek Technology Corp.	All Plus Co., Ltd.	a	Sales revenue	\$ 20,006	No significant difference	-
		Alltek Technology (H.K.) Limited	a	Sales revenue	167,264	No significant difference	1
		Alltek Technology (H.K.) Limited	a	Accounts receivable	37,085	No significant difference	-
1	Alltek Group Corp.	Alltek Technology (H.K.) Limited	c	Other receivables	680,703	-	4
2	All Plus Co., Ltd.	Alltek Technology Corp.	b	Other receivables	428,477	-	2
		Alltek Technology Corp.	b	Sales revenue	22,426	No significant difference	-
		Alltek Technology Corp.	b	Accounts receivable	51,155	No significant difference	-
		Alltek Technology (H.K.) Limited	c	Other receivables	472,109	-	2
		Alltek Technology (Shenzhen) Ltd.	c	Sales revenue	29,935	No significant difference	-
		Alltek Technology (Shenzhen) Ltd.	c	Accounts receivable	91,201	No significant difference	-
		Alltek Technology (Shenzhen) Ltd.	c	Other receivables	85,204	-	-
		YMY Co., Ltd.	c	Sales revenue	16,103	No significant difference	-
		YMY Co., Ltd.	c	Accounts receivable	52,115	No significant difference	-
3	Alltek Technology (H.K.) Limited	All Plus Co., Ltd.	c	Sales revenue	13,454	No significant difference	-
		Alltek Technology (Shenzhen) Ltd.	c	Accounts receivable	16,828	No significant difference	-
		Alltek Technology (Shenzhen) Ltd.	c	Other receivables	44,461	-	-
		YMY Co., Ltd.	c	Sales revenue	32,158	No significant difference	-
		YMY Co., Ltd.	c	Accounts receivable	43,473	No significant difference	-
4	Alltek Technology (Shenzhen) Ltd.	Alltek Technology (H.K.) Limited	c	Commission income	55,060	-	-
6	Pantek Technology Corp.	Pantek Global Corp.	c	Sales revenue	113,492	No significant difference	1
		Pantek Global Corp.	c	Accounts receivable	128,070	No significant difference	1
7	Pantek Global Corp.	Pantek Trade (Shenzhen) Co., Ltd.	c	Accounts receivable	12,468	No significant difference	-
		Pantek Trade (Shenzhen) Co., Ltd.	c	Other receivables	145,338	-	1

Note 1: The intercompany transactions between each company are identified and numbered as follow:

- a. Parent company: 0.
- b. Subsidiaries are started from 1 consecutively.

(Continued)

Note 2: Categories of transactions with related parties:

- a. Parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Subsidiary to subsidiary.

Note 3: The above transactions have been eliminated on consolidation.

(Concluded)

TABLE 7

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
Alltek Technology Corp.	Pantek Technology Corp.	Taiwan	Distributor of electronic parts and components	\$ 588,132	\$ 588,132	53,200	100	\$ 641,213	\$ (2,555)	\$ (2,555)	Subsidiary
	Alltek Marine Electronics Corp.	Taiwan	Manufacturing of wireless communication machinery and equipment	171,622	171,622	10,950	53	204,198	(1,243)	(545)	Subsidiary
	General Life Biotechnology Co., Ltd.	Taiwan	Wholesale and manufacturing of medical devices and equipment	70,072	70,072	6,923	23	140,199	23,456	3,842	Associate
	Alltek Technology (S) Pte. Ltd.	Singapore	Distributor of electronic parts and components	10,929	10,929	500	100	(1,768)	(677)	(677)	Subsidiary
	Alder Optomechanical Corp.	Taiwan	Wholesale and manufacturing of lighting equipment	101,200	101,200	8,872	51	53,363	(4,601)	(2,352)	Subsidiary
	Alltek Group Corp.	Seychelles	Investment and trading	71,477	71,477	1,000	100	2,018,211	(1,154)	(1,153)	Subsidiary
	Yuban Technology Co., Ltd.	Taiwan	Wholesale of electrical appliances, telecommunication equipment and information software	191,862	191,862	9,157	15	233,828	50,399	7,675	Associate
	Alltek Technology (H.K.) Limited	Hong Kong	Electronic components distributor	US\$ 28,759	US\$ 28,759	222,450	100	1,910,305	98,258	98,252	Subsidiary
Pantek Technology Corp.	Pantek Global Corp.	Seychelles	Electronic components distributor	US\$ 4,750	US\$ 4,750	-	100	159,253	(16,875)	N/A	Subsidiary
	Yuban Technology Co., Ltd.	Taiwan	Wholesale of electrical appliances, telecommunication equipment and information software, etc.	127,908	127,908	6,105	10	155,885	50,399	5,116	Associate
Alltek Group Corp.	All Plus Co., Ltd.	British Virgin Islands	Electronic components distributor	US\$ 251	US\$ 251	50	100	US\$ 39,793	US\$ 94	N/A	Subsidiary
	All Pan Co., Ltd.	Seychelles	Investment and trading	US\$ 750	US\$ 750	750	100	US\$ 510	US\$ (129)	N/A	Subsidiary

Note 1: With respect to the information of investee company in mainland China, please refer to Table 8.

Note 2: The above transactions have been eliminated on consolidation.

TABLE 8

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2025	Net Loss of the Investee	% Ownership of Direct or Indirect Investment	Investment Loss (Note 2)	Carrying Amount as of March 31, 2025	Accumulated Repatriation of Investment Income as of March 31, 2025
						Outward	Inward						
Alltek Technology Corp.	Alltek Technology (Shenzhen) Ltd. YMY Co., Ltd.	Selling and marketing of communication components	CNY 13,270	b, 1)	US\$ 250 (\$ 8,196)	\$ -	\$ -	US\$ 250 (\$ 8,301)	\$ 12,545	100	\$ 12,545	\$ (2,676)	\$ -
		Selling and marketing of communication components	US\$ 750	b, 2)	US\$ 500 (\$ 16,393)	-	-	US\$ 500 (\$ 16,603)	(4,232)	100	(4,232)	16,908	-
Pantek Technology Corp.	Pantek Trade (Shenzhen) Co., Ltd.	Selling and marketing of communication components	US\$ 4,500	b, 3)	US\$ 3,000 (\$ 98,355)	-	-	US\$ 3,000 (\$ 99,615)	(7,572)	100	(7,572)	(127,936)	-
Alltek Group Corp.	Pantek Trade (Shenzhen) Co., Ltd.	Selling and marketing of communication components	US\$ 4,500	b, 4)	US\$ 1,500 (\$ 49,178)	-	-	US\$ 1,500 (\$ 49,808)	(7,572)	-	-	-	-

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
Alltek Technology Corp.	US\$ 750 (\$ 24,904)	US\$ 2,506 (\$ 83,212)	\$ 2,964,069
Pantek Technology Corp.	US\$ 3,000 (\$ 99,615)	US\$ 3,000 (\$ 99,615)	384,728
Alltek Group Corp.	US\$ 1,500 (\$ 49,808)	US\$ 1,500 (\$ 49,808)	1,211,033

Note 1: Investment types are classified as follows:

a. The investment was made directly in China.

b. The investment was made through a company registered in a third region:

1) Reinvested by Alltek Technology (H.K.) Limited.

2) Reinvested by All Pan Co., Ltd.

3) Reinvested by Pantek Global Corp.

4) Directly invested by Alltek Group Corp.

c. Other types.

Note 2: Investment income or loss was recognized according to the financial statement without review.

Note 3: The total amount invested in mainland China shall not exceed 60% of the net worth of Alltek Technology Corp. partners.
\$4,940,115 × 60% = \$2,964,069

The total amount invested in mainland China shall not exceed 60% of the net worth of Pantek Technology Corp. partners.
\$641,213 × 60% = \$384,728

The total amount invested in mainland China shall not exceed 60% of the net worth of Alltek Group Corp. partners.
\$2,018,389 × 60% = \$1,211,033

Note 4: The above transactions have been eliminated on consolidation.

TABLE 9

ALLTEK TECHNOLOGY CORP. AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Trade Receivable (Payable)		Unrealized (Gain) Loss
		Amount	%		Payment Term	Comparison with Normal Transaction	Ending Balance	%	
YMY Co., Ltd.	Sales	\$ 48,261	-	Cost plus a fixed profit	180 days after monthly closing	No significant differences	\$ 95,588	1	\$ 857
Alltek Technology (Shenzhen) Ltd.	Sales	31,864	-	Cost plus a fixed profit	180 days after monthly closing	No significant differences	108,029	1	-

Note: The above transactions have been eliminated on consolidation.