# Promate Electronic Co., Ltd. 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
Promate Electronic Co., Ltd.

### Introduction

We have reviewed the accompanying consolidated balance sheets of Promate Electronic Co., Ltd. and its subsidiaries (collectively, the "Group") as of March 31, 2025 and 2024, 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. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the 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 Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries 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 non-significant subsidiaries were NT$406,818 thousand and NT$271,916 thousand, respectively, representing 2.37% and 1.50%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$146,516 thousand and NT127,701 thousand, respectively, representing 1.48% and 1.10%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2025 and 2024, the amounts of combined comprehensive income(loss) of these subsidiaries were (NT$6,404) thousand and NT$1,265 thousand, respectively, representing (2.02%) and 0.24%, respectively, of the consolidated total comprehensive income. In addition, as disclosed in note 14 to the consolidated financial statements, as of March 31, 2025 and 2024, the total carrying amounts of the investments accounted for using the equity method were NT$10,180 and NT$6,046 thousand, respectively. For the three-month periods ended March 31, 2025 and 2024, the share of loss of associates accounted for using equity method were NT$1,702 and NT$9,954 thousand, respectively. The amount of the related equity-method investments as well as the additional disclosures to the consolidated financial statements was based on the equity-method investees' unreviewed financial statements for the same reporting periods.

**Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries 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 give a true and fair view of 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 then 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 Nai-Hua Kuo and Jui Chuan Chih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 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 audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors’ 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’ report and consolidated financial statements shall prevail.*

## PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS**
**(In Thousands of New Taiwan Dollars)**

| | March 31, 2025 (Reviewed) | | December 31, 2024 (Audited) | | March 31, 2024 (Reviewed) | |
|---|---|---|---|---|---|---|
| **ASSETS** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents (Notes 6) | $ 3,588,791 | 21 | $ 3,017,637 | 18 | $ 2,540,682 | 14 |
| Financial assets at fair value through profit or loss - current (Notes 7) | 73,051 | 1 | 74,583 | 1 | 78,639 | 1 |
| Financial assets at amortized cost - current (Notes 9) | 71,992 | 1 | 221,505 | 1 | 88,196 | 1 |
| Contract assets - current (Notes 26) | 3,068 | - | - | - | 3,549 | - |
| Notes receivable (Notes 11) | 49,727 | - | 56,443 | - | 33,314 | - |
| Accounts receivable (Notes 11) | 6,036,597 | 35 | 5,920,210 | 35 | 7,875,811 | 43 |
| Accounts receivable from related parties (Notes11 and 33) | 1,018 | - | 178 | - | 97 | - |
| Other receivables (Notes 11) | 1,539,889 | 9 | 1,899,398 | 11 | 1,708,742 | 9 |
| Current tax assets | 268 | - | 307 | - | 444 | - |
| Inventories (Notes 12) | 4,167,758 | 24 | 4,125,318 | 25 | 3,997,159 | 22 |
| Other current assets (Notes 18) | 33,687 | - | 47,457 | - | 24,435 | - |
| Total current assets | 15,565,846 | 91 | 15,363,036 | 91 | 16,351,068 | 90 |
| NON-CURRENT ASSETS | | | | | | |
| Financial assets at fair value through profit or loss - noncurrent (Notes 7) | 2,272 | - | 2,314 | - | - | - |
| Financial assets at fair value through other comprehensive income - noncurrent (Notes 8) | 391,314 | 2 | 318,717 | 2 | 317,456 | 2 |
| Investments accounted for using the equity method（Note 14） | 10,180 | - | 7,454 | - | 6,046 | - |
| Property, plant and equipment (Notes 15) | 389,355 | 2 | 372,333 | 2 | 374,526 | 2 |
| Right-of-use assets (Notes 16) | 96,860 | 1 | 99,602 | 1 | 120,307 | 1 |
| Other intangible assets (Notes 17) | 1,874 | - | 2,252 | - | 3,800 | - |
| Deferred tax assets | 284,453 | 2 | 263,258 | 1 | 257,036 | 1 |
| Prepayments for business facilities (Notes 18) | 6,730 | - | 9,086 | - | - | - |
| Refundable Deposits (Notes 18) | 405,365 | 2 | 465,840 | 3 | 713,077 | 4 |
| Other assets (Notes 18) | 5,233 | - | 5,233 | - | - | - |
| Total non-current assets | 1,593,636 | 9 | 1,546,089 | 9 | 1,792,248 | 10 |
| TOTAL | $17,159,482 | 100 | $16,909,125 | 100 | $18,143,316 | 100 |
| **LIABILITIES AND EQUITY** | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term borrowings (Notes 19) | $ 3,316,179 | 20 | $ 3,076,205 | 18 | $ 3,890,559 | 22 |
| Short-term bills payable (Notes 19) | 80,000 | 1 | - | - | 40,000 | - |
| Contract liabilities – current (Notes 26) | 363,985 | 2 | 391,850 | 3 | 297,930 | 2 |
| Notes payable (Notes 21) | 20,640 | - | 31,122 | - | 29,630 | - |
| Accounts payable (Notes 21) | 3,125,872 | 18 | 3,447,909 | 21 | 4,066,281 | 22 |
| Accounts payable to related parties (Notes 21 and 33) | 24,406 | - | 24,501 | - | 39,744 | - |
| Other payables (Notes 22) | 1,208,144 | 7 | 1,204,715 | 7 | 1,090,944 | 6 |
| Current tax liabilities | 337,689 | 2 | 188,337 | 1 | 262,797 | 2 |
| Provisions- current (Notes 23) | 11,254 | - | 20,570 | - | 7,896 | - |
| Lease liabilities - current (Notes 16 and 33) | 33,868 | - | 35,363 | - | 36,887 | - |
| Other current liabilities (Note 22) | 855,069 | 5 | 818,554 | 5 | 768,440 | 4 |
| Total current liabilities | 9,377,106 | 55 | 9,239,126 | 55 | 10,531,108 | 58 |
| NON-CURRENT LIABILITIES | | | | | | |
| Financial liabilities at fair value through profit or loss - current (Notes 7) | 168 | - | 195 | - | 292 | - |
| Bonds Payable (Notes 20) | 121,128 | 1 | 130,045 | 1 | 298,856 | 2 |
| Long-term borrowings (Notes 19) | - | - | 100,000 | 1 | 100,000 | 1 |
| Provisions- noncurrent (Notes23) | 15,270 | - | 13,454 | - | 67,652 | - |
| Deferred tax liabilities | 16,005 | - | 58,445 | - | 33,505 | - |
| Lease liabilities - noncurrent (Notes 16 and 33) | 61,012 | - | 64,044 | - | 79,753 | - |
| Net defined benefit liabilities - noncurrent | 32,148 | - | 32,454 | - | 35,249 | - |
| Guarantee Deposits (Notes 22) | 299,031 | 2 | 360,821 | 2 | 512,472 | 3 |
| Total non-current liabilities | 544,762 | 3 | 759,458 | 4 | 1,127,779 | 6 |
| Total liabilities | 9,921,868 | 58 | 9,998,584 | 59 | 11,658,887 | 64 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 25) | | | | | | |
| Share capital | | | | | | |
| Ordinary shares | 2,190,360 | 13 | 2,188,509 | 13 | 2,155,399 | 12 |
| Capital surplus | 1,671,236 | 10 | 1,663,564 | 10 | 1,525,334 | 8 |
| Retained earnings | | | | | | |
| Legal reserve | 1,121,864 | 6 | 1,121,864 | 7 | 1,037,136 | 6 |
| Special reserve | 28,489 | - | 28,489 | - | 16,424 | - |
| Unappropriated earnings | 1,668,363 | 10 | 1,400,363 | 8 | 1,332,562 | 7 |
| Total retained earnings | 2,818,716 | 16 | 2,550,716 | 15 | 2,386,122 | 13 |
| Other equity | ( 4,278 ) | - | ( 23,675 ) | - | ( 21,553 ) | - |
| Total equity attributable to owners of the Company | 6,676,034 | 39 | 6,379,114 | 38 | 6,045,302 | 33 |
| NON-CONTROLLING INTERESTS (Notes 25) | 561,580 | 3 | 531,427 | 3 | 439,127 | 3 |
| Total equity | 7,237,614 | 42 | 6,910,541 | 41 | 6,484,429 | 36 |
| TOTAL | $17,159,482 | 100 | $16,909,125 | 100 | $18,143,316 | 100 |

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

# PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**
**(Reviewed, Not Audited)**

| | For the Three Months Ended March 31 | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | Amount | % | Amount | % |
| OPERATING REVENUE (Notes 26 and 33) | | | | |
| Sales | $ 7,856,129 | 100 | $ 11,358,526 | 100 |
| OPERATING COSTS (Notes 12, 27 and 33) | | | | |
| Cost of sales | ( 7,168,431 ) | ( 91 ) | ( 10,479,135 ) | ( 92 ) |
| GROSS PROFIT | 687,698 | 9 | 879,391 | 8 |
| OPERATING EXPENSES (Notes 27 and 33) | | | | |
| Selling and marketing expenses | ( 240,180 ) | ( 3 ) | ( 311,582 ) | ( 3 ) |
| General and administrative expenses | ( 41,171 ) | ( 1 ) | ( 31,752 ) | - |
| Research and development expenses | ( 32,975 ) | - | ( 26,795 ) | - |
| Total operating expenses | ( 314,326 ) | ( 4 ) | ( 370,129 ) | ( 3 ) |
| OPERATING PROFIT | 373,372 | 5 | 509,262 | 5 |
| NON-OPERATING INCOME AND EXPENSES (Notes 27 and 33) | | | | |
| Interest income | 11,203 | - | 6,733 | - |
| Other income | 4,794 | - | 2,857 | - |
| Other gains and losses | 61,346 | 1 | 205,515 | 2 |
| Finance costs | ( 42,557 ) | ( 1 ) | ( 72,671 ) | ( 1 ) |
| Share of loss of associates | ( 1,702 ) | - | ( 9,954 ) | - |
| Total non-operating income and expenses | 33,084 | - | 132,480 | 1 |
| PROFIT BEFORE INCOME TAX | 406,456 | 5 | 641,742 | 6 |
| INCOME TAX EXPENSE (Notes 28) | ( 87,751 ) | ( 1 ) | ( 130,079 ) | ( 1 ) |
| NET PROFIT FOR THE PERIOD | 318,705 | 4 | 511,663 | 5 |
| OTHER COMPREHENSIVE INCOME (LOSS) (Notes25) | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income | ( 5,994 ) | - | 5,068 | - |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | 325 | - | ( 866 ) | - |

(Continued)

# PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**
**(Reviewed, Not Audited)**

| | For the Three Months Ended March 31 | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | Amount | % | Amount | % |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translating the financial statements of foreign operations | 1,673 | - | 2,304 | - |
| Unrealized gain on investments in debt instruments at fair value through other comprehensive income | 3,949 | - | 2,895 | - |
| Income tax relating to items that may be reclassified subsequently to profit or loss | ( 1,124 ) | - | ( 1,040 ) | - |
| Other comprehensive income (loss) for the period, net of income tax | ( 1,171 ) | - | 8,361 | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | $ 317,534 | 4 | $ 520,024 | 5 |
| NET PROFIT ATTRIBUTABLE TO: | | | | |
| Owners of the Company | $ 290,011 | 4 | $ 483,395 | 5 |
| Non-controlling interests | 28,694 | - | 28,268 | - |
| | $ 318,705 | 4 | $ 511,663 | 5 |
| TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO: | | | | |
| Owners of the Company | $ 287,397 | 4 | $ 490,331 | 5 |
| Non-controlling interests | 30,137 | - | 29,693 | - |
| | $ 317,534 | 4 | $ 520,024 | 5 |
| EARNINGS PER SHARE (Note 29) | | | | |
| Basic | $ 1.32 | | $ 2.27 | |
| Diluted | $ 1.30 | | $ 2.22 | |

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

## PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**(In Thousands of New Taiwan Dollars)**
**(Reviewed, Not Audited)**

| | Equity Attributable to Owners of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Issued Capital | | | Retained Earnings | | | Other Equity | | | | |
| | Shares (Thousands) | Share Capital | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Differences on Translating the Financial Statements of Foreign Operation | Unrealized Gain on financial Assets at Fair Value Through Other Comprehensive Income | Total | Noncontrolling Interests | Total Equity |
| BALANCE AT JANUARY 1, 2024 | 212,431 | $ 2,124,314 | $ 1,394,116 | $ 1,037,136 | $ 16,424 | $ 849,167 | ($ 4,319) | ($ 24,170) | $ 5,392,668 | $ 409,434 | $ 5,802,102 |
| Conversion of convertible bonds to common stock | 3,109 | 31,085 | 131,218 | - | - | - | - | - | 162,303 | - | 162,303 |
| Net profit for the three months ended March 31, 2024 | - | - | - | - | - | 483,395 | - | - | 483,395 | 28,268 | 511,663 |
| Other comprehensive income (loss) for the three months ended March 31, 2024 net of income tax | - | - | - | - | - | - | 1,875 | 5,061 | 6,936 | 1,425 | 8,361 |
| Total comprehensive income (loss) for the three months ended March 31, 2024 | - | - | - | - | - | 483,395 | 1,875 | 5,061 | 490,331 | 29,693 | 520,024 |
| BALANCE AT MARCH 31, 2024 | 215,540 | $ 2,155,399 | $ 1,525,334 | $ 1,037,136 | $ 16,424 | $ 1,332,562 | ($ 2,444) | ($ 19,109) | $ 6,045,302 | $ 439,127 | $ 6,484,429 |
| BALANCE AT JANUARY 1, 2025 | 218,851 | $ 2,188,509 | $ 1,663,564 | $ 1,121,864 | $ 28,489 | $ 1,400,363 | ($ 954) | ($ 22,721) | $ 6,379,114 | $ 531,427 | $ 6,910,541 |
| Disposal of funds forfeited from employee stock ownership trusts | - | - | 48 | - | - | - | - | - | 48 | 16 | 64 |
| Conversion of convertible bonds to common stock | 185 | 1,851 | 7,624 | - | - | - | - | - | 9,475 | - | 9,475 |
| Disposal of investments in equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | ( 22,011) | - | 22,011 | - | - | - |
| Net profit for the three months ended March 31, 2025 | - | - | - | - | - | 290,011 | - | - | 290,011 | 28,694 | 318,705 |
| Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax | - | - | - | - | - | - | 1,261 | ( 3,875) | ( 2,614) | 1,443 | ( 1,171) |
| Total comprehensive income (loss) for the three months ended March 31, 2025 | - | - | - | - | - | 290,011 | 1,261 | ( 3,875) | 287,397 | 30,137 | 317,534 |
| BALANCE AT MARCH 31, 2025 | 219,036 | $ 2,190,360 | $ 1,671,236 | $ 1,121,864 | $ 28,489 | $ 1,668,363 | $ 307 | ($ 4,585) | $ 6,676,034 | $ 561,580 | $ 7,237,614 |

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

# PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In Thousands of New Taiwan Dollars)**
**(Reviewed, Not Audited)**

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | $ 406,456 | $ 641,742 |
| Adjustments for: | | |
| Expected loss (gain) on credit impairment | 489 | 16,585 |
| Depreciation expenses | 17,848 | 17,820 |
| Amortization expenses | 378 | 825 |
| Net loss (gain) on financial assets or liabilities at fair value through profit or loss | ( 108 ) | ( 5,712 ) |
| Finance costs | 42,557 | 72,671 |
| Interest income | ( 11,203 ) | ( 6,733 ) |
| Dividend income | ( 5 ) | ( 4 ) |
| Share of loss of associates accounted for using the equity method | 1,702 | 9,954 |
| Recognition of provisions | 10,186 | 76,391 |
| Gain on reversal of decline in inventory | ( 20,227 ) | ( 135,388 ) |
| Gain on Lease Modification | - | 215 |
| Changes in operating assets and liabilities | | |
| Financial assets mandatorily classified as at fair value through profit or loss | 2,352 | ( 43,264 ) |
| Decrease (increase) in contract assets | ( 3,068 ) | - |
| Notes receivable | 6,716 | 11,861 |
| Account receivables | ( 116,913 ) | ( 2,248,381 ) |
| Account receivables from related parties | ( 840 ) | 197 |
| Other receivables | 358,813 | 398,990 |
| Inventories | ( 22,241 ) | 958,056 |
| Other current assets | 13,937 | 19,458 |
| Contract liabilities | ( 27,865 ) | ( 13,295 ) |
| Notes payable | ( 10,482 ) | 20,156 |
| Account payables | ( 322,037 ) | ( 590,382 ) |
| Account payables to related parties | ( 95 ) | 19,610 |
| Other payables | 3,338 | 112,946 |
| Provisions | ( 17,686 ) | ( 12,467 ) |
| Net defined benefit liabilities | ( 306 ) | ( 335 ) |
| Other current liabilities | 36,515 | 60,093 |
| Cash generated from (used in) operations | 348,211 | ( 618,391 ) |
| Interest paid | ( 41,908 ) | ( 58,654 ) |
| Income tax paid | ( 2,794 ) | ( 1,571 ) |
| Net cash generated from (used in) operating activities | 303,509 | ( 678,616 ) |

(Continued)

## PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In Thousands of New Taiwan Dollars)**
**(Reviewed, Not Audited)**

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of financial assets at fair value through other comprehensive income | (79,070) | - |
| Acquisition of financial assets at amortized cost | (74,535) | (29,538) |
| Proceeds from disposal of financial assets at amortized cost | 224,826 | 11,705 |
| Acquisition of property, plant and equipment | (9,799) | (1,851) |
| Refundable deposits refunded | 60,475 | 32,072 |
| Increase in prepayments for business facilities | (13,649) | - |
| Interest received | 11,203 | 6,733 |
| Other dividends received | 5 | 4 |
| Net cash used in investing activities | 119,456 | 19,125 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in short-term loans | 239,974 | 836,627 |
| Increase in short-term notes and bills payable | 80,000 | - |
| Decrease in short-term notes and bills payable | - | (60,000) |
| Decrease of long-term debt | (100,000) | - |
| Payments of lease liabilities | (10,689) | (13,035) |
| Guarantee deposits refunded | (61,790) | (40,690) |
| Disposal of funds forfeited from employee stock ownership trusts | 64 | - |
| Net cash generated from financing activities | 147,559 | 722,902 |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | 630 | 1,406 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 571,154 | 64,817 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 3,017,637 | 2,475,865 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | $ 3,588,791 | $ 2,540,682 |

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

# PROMATE ELECTRONIC CO., LTD. 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)**
**(Reviewed, Not Audited)**

## 1. GENERAL INFORMATION

Promate Electronic Co., Ltd. (the “Company”) is a listed company that was established in May, 1986. The Company is mainly engaged in the distribution and sales of electronic/electrical components, sales of computer software and electrical products and sales of electronic/electrical components.

The Company conducted an IPO on the Taipei Exchange (TPEx) on September, 2002, and its common shares were listed on the Taiwan Stock Exchange (TWSE) since May, 2004.

After carefully evaluating the opportunities of the business unit as well as Promate Electronic as a whole, the Board of Directors concluded that creating a separate entity is the next logical step for the business. As two separate entities, both Promate Electronic and Promate Solutions will have the flexibility and agility necessary to pursue focused avenues of growth. Most importantly, this will enable each entity to more effectively service customers and deliver shareholder value.

As of August 1st, 2013, the Company is pleased to announce that this business unit will form a fully owned subsidiary under the name Promate Solutions Corporation.

The functional currency of the Company is the New Taiwan dollar.

## 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on May 8, 2025.

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

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

   The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

b. The IFRSs endorsed by FSC for application starting from 2026:

| New IFRSs | Effective Date Announced by IASB |
|---|---|
| Amendments to IFRS 9 and IFRS 7“Amendments to the Classification and Measurement of Financial Instruments” | January 1, 2026 (Note 1) |

   Note 1: 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.

   As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

| New IFRSs | Effective Date Announced by IASB (Note 1) |
|---|---|
| “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” | 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 |
| Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 — Comparative Information” | January 1, 2023 |
| IFRS 18 “Presentation and Disclosures in Financial Statements | January 1, 2027 |
| IFRS 19 “Subsidiaries without Public Accountability: Disclosures” | January 1, 2027 |

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosures in Financial Statements”

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

1) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.

2) 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.

3) 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.

4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an 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.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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; and

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 the 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). 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 used by the Company. 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 Group’s interests 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.

See Note 13, Table 4 and 5 for the detailed information of subsidiaries (including the percentage of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to significant accounting policies to the consolidated financial statements for the years 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) Taxation

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. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

## 6. CASH AND CASH EQUIVALENTS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Cash on hand | $ 1,874 | $ 749 | $ 1,497 |
| Checking accounts and demand deposits | 3,039,006 | 2,621,266 | 2,088,690 |
| Cash equivalents (investment with original maturities less than three months) | | | |
| Time deposits | 431,230 | 345,570 | 225,376 |
| Repurchase agreements | 116,681 | 50,052 | 225,119 |
| | $ 3,588,791 | $ 3,017,637 | $ 2,540,682 |

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Financial assets at FVTPL - current | | | |
| Financial assets mandatorily classified as at FVTPL | | | |
| Non-derivative financial assets | | | |
| Domestic quoted shares | $ 9,153 | $ 12,491 | $ 11,159 |
| Foreign non-guaranteed investments | - | - | 66,120 |
| Mutual fund | 63,434 | 61,230 | - |
| Financial assets designated at FVTPL | | | |
| Derivative instruments (not under hedge accounting) | | | |
| Redemption option on convertible bonds (Note20) | 464 | 862 | 1,360 |
| | $ 73,051 | $ 29,393 | $ 78,639 |
| Financial assets at FVTPL – non-current | | | |
| Financial assets mandatorily classified as at FVTPL | | | |
| Non-derivative financial assets | | | |
| Private Funds | $ 2,272 | $ 2,314 | $ - |
| Financial liabilities at FVTPL - current | | | |
| Financial liabilities designated at FVTPL | | | |
| Derivative instruments (not under hedge accounting) | | | |
| Put option on convertible bonds (Note20) | $ 168 | $ 195 | $ 292 |

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Non-current | | | |
| Investments in equity instruments | $ 193,367 | $ 194,173 | $ 192,420 |
| Investments in debt instruments | 197,947 | 124,544 | 125,036 |
| | $ 391,314 | $ 318,717 | $ 317,456 |

a. Investments in equity instruments at FVTOCI:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Non-current | | | |
| Domestic investments | | | |
| Listed shares | | | |
| HIGGSTEC Inc. | $ 42,472 | $ 40,877 | $ 49,051 |
| Tricorntech Corp. | 2,584 | 2,160 | 2,053 |
| Unlisted shares | | | |
| Blutech Inc. | - | 1,200 | 4,800 |
| Foreign investments | | | |
| Private Funds | | | |
| Esquarre IoT Landing Fund,L.P. | 148,311 | 149,936 | 136,516 |
| | $ 193,367 | $ 194,173 | $ 192,420 |

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management 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.

According to the Q&A issued by the FSC, investments in limited partnership held after June 30, 2023 where the contract stipulates a limited duration is subject to the passing of the resolution of the partners' meeting for duration extensions. The Company elected not to retrospectively apply the Q&A "Classification of Investments in a Limited Partnership" issued by the Accounting Research and Development Foundation (ARDF), therefore the abovementioned investments remain classified as investments in equity instruments at FVTOCI.

b. Investments in debt instruments at FVTOCI

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Non-current | | | |
| Foreign investments-corporation bonds | | | |
| AT & T Inc (1) | $ 32,660 | $ 32,129 | $ 31,347 |
| CVS Health Corp.(2) | 25,345 | 24,402 | 25,940 |
| Occidental Petroleum Corp (3) | 34,112 | 33,467 | 32,976 |
| Bank of America Corp (4) | 35,329 | 34,546 | 34,773 |
| Berkshire Hathaway Energy Co. (5) | 70,501 | - | - |
| | $ 197,947 | $ 124,544 | $ 125,036 |

1) The Group purchased corporation bonds due in 2037 issued by AT & T Inc in December 2023, with a coupon rate 5.25% and an effective rate 4.85%.

2) The Group purchased corporation bonds due in 2048 issued by CVS Health Corp in December 2023, with a coupon rate 5.05% and an effective rate 5.14%

3) The Group purchased corporation bonds due in 2031 issued by Occidental Petroleum Corp in December 2023, with a coupon rate 6.125% and an effective rate 4.86%。

4) The Group purchased corporation bonds due in 2038 issued by Bank of America Corp in December 2023, with a coupon rate 7.75% and an effective rate 5.11%.

5) The Group purchased corporation bonds due in 2036 issued by Berkshire Hathaway Energy Co. in January 2025, with a coupon rate 6.125% and an effective rate 5.25%.

6) Refer to Note 10 for information related to credit risk management and impairment evaluation of investments in debt instruments at FVTOCI

## 9. FINANCIAL ASSETS AT AMORTIZED COST

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Current | | | |
| Domestic investments | | | |
| Time deposits with original maturities of more than 3 months | $ 71,992 | $ 221,505 | $ 88,196 |
| Less: Allowance for impairment loss | - | - | - |
| | $ 71,992 | $ 221,505 | $ 88,196 |

a. The interest rates for time deposits with original maturity over 3 months ranged from 0.1%～4.30%, 0.1%～5.25% and 0.61%～4.80% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

b. Refer to Note 10 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.

c. Financial assets at amortized cost as collateral for borrowings are set out in Note 34.

## 10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments are classified as at FVTOCI and as at amortized cost.

March 31, 2025

| | At FVTOCI | At Amortized Cost |
|---|---|---|
| Gross carrying amount | $ 197,168 | $ 71,992 |
| Allowance for impairment loss | - | - |
| Amortized cost | 197,168 | $ 71,992 |
| Fair value adjustment | 779 | |
| | $ 197,947 | |

December 31, 2024

| | At FVTOCI | At Amortized Cost |
|---|---|---|
| Gross carrying amount | $ 127,714 | $ 221,505 |
| Allowance for impairment loss | - | - |
| Amortized cost | 127,714 | $ 221,505 |
| Fair value adjustment | ( 3,170 ) | |
| | $ 124,544 | |

March 31, 2024

| | At FVTOCI | At Amortized Cost |
|---|---|---|
| Gross carrying amount | $ 127,715 | $ 88,196 |
| Allowance for impairment loss | - | - |
| Amortized cost | 127,715 | $ 88,196 |
| Fair value adjustment | ( 2,679 ) | |
| | $ 125,036 | |

In order to minimize credit risk, the Group has tasked its credit management committee with the development and maintenance of a credit risk grading framework for categorizing exposures according to the degree of the risk of default. The credit rating information may be obtained from independent rating agencies, where available, and if not available, the credit management committee uses other publicly available financial information to rate the debtors. The Group’s exposure and the external credit ratings are continuously monitored and assessed for whether there has been a significant increase in credit risk since the last period to the reporting date.

The Group considers the historical default rates of each credit rating supplied by external rating agencies to estimate 12-month or lifetime expected credit losses.

The Group's current credit risk grading framework comprises the following categories:

| Category | Description | Basis for Recognizing Expected Credit Losses |
|---|---|---|
| Normal | The counterparty has a low risk of default and a strong capacity to meet contractual cash flows | 12-month ECLs |

Gross carrying amount and applicable expected credit loss rate of investments in debt instruments are as follows:

March 31, 2025

| | | Gross carrying amount | |
|---|---|---|---|
| Category | Expected Loss Rate | At FVTOCI | At Amortized Cost |
| Normal | 0%-0.01% | $ 197,947 | $ 71,992 |

December 31, 2024

| | | Gross carrying amount | |
|---|---|---|---|
| Category | Expected Loss Rate | At FVTOCI | At Amortized Cost |
| Normal | 0%-0.01% | $ 124,544 | $ 221,505 |

March 31, 2024

| | | Gross carrying amount | |
|---|---|---|---|
| Category | Expected Loss Rate | At FVTOCI | At Amortized Cost |
| Normal | 0%-0.01% | $ 125,036 | $ 88,196 |

## 11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Notes receivable-from operation | | | |
| At amortized cost | | | |
| Gross carrying amount | $ 49,727 | $ 56,443 | $ 33,314 |
| Less: Allowance for impairment loss | - | - | - |
| | $ 49,727 | $ 56,443 | $ 33,314 |
| | | | |
| Accounts receivables | | | |
| At amortized cost | | | |
| Gross carrying amount | $ 6,132,587 | $ 6,015,674 | $ 7,957,981 |
| Gross carrying amount- related parties | 1,018 | 178 | 97 |
| Less: Allowance for impairment loss | ( 95,990 ) | ( 95,464 ) | ( 82,170 ) |
| | $ 6,037,615 | $ 5,920,388 | $ 7,875,908 |
| | | | |
| Overdue receivables | | | |
| At amortized cost | | | |
| Gross carrying amount | $ 14,441 | $ 14,441 | $ 14,441 |
| Less: Allowance for impairment loss | ( 14,441 ) | ( 14,441 ) | ( 14,441 ) |
| | $ - | $ - | $ - |
| | | | |
| Other receivables | | | |
| Accounts receivables at FVTOCI | $ 1,410,246 | $ 1,757,191 | $ 1,601,557 |
| Tax refund receivables | 103,139 | 110,477 | 83,778 |
| Customs duty refund receivables | 1,255 | 1,433 | 2,415 |
| Receivables for disposal of financial asset | 15,513 | 16,210 | 14,807 |
| Others | 9,736 | 14,087 | 6,185 |
| | $ 1,539,889 | $ 1,899,398 | $ 1,708,742 |

**a.** Notes Receivable and Accounts Receivables

The average credit period of the sales of goods was 90-150 days. No interest was charged on accounts receivables. 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 accounts debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group measures the loss allowance for all accounts receivables at an amount equal to lifetime ECLs. The expected credit losses on accounts receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, and the current and future economic conditions of the industry as well as the overall economy. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts 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 notes receivables and accounts receivable based on the Group's provision matrix.

March 31, 2025

| | Not Past Due | Less than 30 Days | 31 to 60 Days | 61 to 90 Days | Over 90 Days | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.01%-1.00% | 0.01%-31.9% | 0.01%-45.82% | 0.01%-55.38% | 0.05%-100% | |
| Gross carrying amount | $ 5,618,872 | $ 476,909 | $ 67,218 | $ 20,278 | $ 14,496 | $ 6,197,773 |
| Loss allowance (Lifetime ECL) | ( 29,790 ) | ( 49,154 ) | ( 16,970 ) | ( 72 ) | ( 14,445 ) | ( 110,431 ) |
| Amortized cost | $ 5,589,082 | $ 427,755 | $ 50,248 | $ 20,206 | $ 51 | $ 6,087,342 |

December 31, 2024

| | Not Past Due | Less than 30 Days | 31 to 60 Days | 61 to 90 Days | Over 90 Days | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.01%-1.00% | 0.01%-20.14% | 0.01%-32.37% | 0.01%-37.6% | 0.05%-100% | |
| Gross carrying amount | $ 5,253,882 | $ 740,913 | $ 50,974 | $ 26,445 | $ 14,522 | $ 6,086,736 |
| Loss allowance (Lifetime ECL) | ( 30,984 ) | ( 50,361 ) | ( 7,133 ) | ( 6,986 ) | ( 14,441 ) | ( 109,905 ) |
| Amortized cost | $ 5,222,898 | $ 690,552 | $ 43,841 | $ 19,459 | $ 81 | $ 5,976,831 |

March 31, 2024

| | Not Past Due | Less than 30 Days | 31 to 60 Days | 61 to 90 Days | Over 90 Days | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.00%-2.19% | 0.05%-45.81% | 0.05%-62.88% | 0.05%-92.36% | 100% | |
| Gross carrying amount | $ 7,408,886 | $ 506,637 | $ 73,233 | $ 2,411 | $ 14,666 | $ 8,005,833 |
| Loss allowance (Lifetime ECL) | ( 37,339 ) | ( 37,379 ) | ( 5,831 ) | ( 1,396 ) | ( 14,666 ) | ( 96,611 ) |
| Amortized cost | $ 7,371,547 | $ 469,258 | $ 67,402 | $ 1,015 | $ - | $ 7,909,222 |

The movements of the loss allowance of accounts receivables and overdue receivables were as follows:

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Ending Balance | $ 109,905 | $ 79,935 |
| Add: Amount of expected loss recognized | 489 | 16,585 |
| Foreign exchange gains and losses | 37 | 91 |
| Ending Balance | $ 110,431 | $ 96,611 |

The amounts and the details of the factoring agreements for accounts receivable of the Group are set out in Notes 32 (5).

**b.** Others Receivables

In order to minimize credit risk, the management of the Group has assigned a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that appropriate action is taken to recover overdue other receivables. In addition, the Group reviews the recoverable amount of each individual other receivable on the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts.

The Company recognizes adequate impairment when there is information indicating that the debtor is in severe financial difficulty without realistic prospect of recovery.

## 12. INVENTORIES

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Raw materials and work in process | $ 340,199 | $ 305,313 | $ 301,572 |
| Merchandise inventories | 3,827,559 | 3,820,005 | 3,695,587 |
| | $ 4,167,758 | $ 4,125,318 | $ 3,997,159 |

Operating costs summarized by nature are as below:

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Cost of Goods Sold | $ 7,186,782 | $ 10,614,497 |
| Service cost | 1,876 | 26 |
| Rrecovery gain on inventory impairment (1) | ( 20,227 ) | ( 135,388 ) |
| | $ 7,168,431 | $ 10,479,135 |

1) Previous write-downs were reversed because slow moving inventories were sold.

## 13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The entities incl*uded* in the consolidated statements are listed below.

| | | | Proportion of Ownership (%) | | |
|---|---|---|---|---|---|
| Investor | Investee | Nature of Activities | March 31, 2025 | December 31, 2024 | March 31, 2024 |
| Promate Electronic Co., Ltd | Promate Solutions Corporation. | Production and sale of electronic products | 66.21% | 66.21% | 66.21% |
| | PROMATE INTERNATIONAL CO., LTD. | Investment | 100% | 100% | 100% |
| | HAPPY ON SUPPLY CHAIN MANAGEMENT LTD. | Warehouse and logistic device | 100% | 100% | 100% |
| | PROMATE ELECTRONICS COMPANY USA | Sales of electronic/ electrical components | 100% | 100% | 100% |
| | CT Continental Corporation | International trade | 90% | 90% | 90% |
| | FindingsTech Inc., | Information software service | 100% | 100% | - |
| PROMATE INTERNATIONAL CO., LTD. | Promate Electronic (Shenzhen) Co., Ltd. | International trade | 100% | 100% | 100% |
| | Promate Electronic (Shanghai) Co., Ltd | International trade | 100% | 100% | 100% |
| Promate Solutions Corporation. | Promate Japan Inc. | International trade | 100% | 100% | 100% |

The Company acquired 100% of the equity of FindingsTech Inc. on September, 2024 for operational considerations of group development.

The financial statements of some non-significant subsidiaries included in the consolidated financial statements for the three months ended March 31, 2025 and 2024 were not reviewed.

These non-significant subsidiaries were Promate International, Happy on, Promate USA, Promate Electronic (Shenzhen), Promate Electronic (Shanghai), Promate Japan, CTC and FindingsTech.

As of March 31 2025 and 2024 the combined total assets of these non-significant subsidiaries were NT$406,818 thousand and NT$271,916 thousand, respectively, representing 2.37% and 1.50%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$146,516 thousand and NT$127,701 thousand, respectively, representing 1.48% and 1.10%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2025 and 2024, the amounts of combined comprehensive income (loss) of these subsidiaries were (NT$6,404) thousand, and NT$1,265 thousand, respectively, representing (2.02%) and 0.24%, respectively, of the consolidated total comprehensive income.

b. Details of subsidiaries that have material non-controlling interests

| | Proportion of Ownership and Voting Rights Held by Non-controlling Interests | | |
|---|---|---|---|
| **Name of Subsidiary** | **March 31, 2025** | **December 31, 2024** | **March 31, 2024** |
| Promate Solutions and its subsidiaries | 33.79% | 33.79% | 33.79% |

See Table 5 for the information on place of incorporation and principal place of business.

| | Profit (Loss) Allocated to Non-controlling Interests For the Three Months Ended March 31 | | Accumulated Non-controlling Interests | | |
|---|---|---|---|---|---|
| **Name of Subsidiary** | **2025** | **2024** | **March 31, 2025** | **December 31, 2024** | **March 31, 2024** |
| Promate Solutions and its subsidiaries | $ 28,866 | $ 28,238 | $ 555,699 | $ 525,374 | $ 433,022 |

The summarized financial information below represents amounts before intragroup eliminations.

Promate Solutions and its subsidiaries

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Current assets | $ 1,989,402 | $ 1,996,523 | $ 1,724,299 |
| Non-current assets | 472,203 | 391,239 | 392,822 |
| Current liabilities | ( 761,147 ) | ( 768,514 ) | ( 762,421 ) |
| Non-current liabilities | ( 55,891 ) | ( 64,428 ) | ( 73,191 ) |
| Equity | $ 1,644,567 | $ 1,554,820 | $ 1,281,509 |
| | | | |
| Equity attributable to: | | | |
| The Parent Company | $ 1,088,868 | $ 1,029,446 | $ 848,487 |
| Non-controlling interests of Promate Solutions | 555,699 | 525,374 | 433,022 |
| | $ 1,644,567 | $ 1,554,820 | $ 1,281,509 |

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Revenue | $ 539,534 | $ 521,528 |
| | | |
| Net income for the period | $ 85,429 | $ 83,568 |
| Other comprehensive income for the period | 4,272 | 4,218 |
| Total comprehensive income for the period | $ 89,701 | $ 87,786 |
| | | |
| Net income attributable to: | | |
| The Parent Company | $ 56,563 | $ 55,330 |
| Non-controlling interests of Promate Solutions | 28,866 | 28,238 |
| | $ 85,429 | $ 83,568 |
| | | |
| Total comprehensive income (loss) attributable to: | | |
| The Parent Company | $ 59,391 | $ 58,093 |
| Non-controlling interests of Promate Solutions | 30,310 | 29,693 |
| | $ 89,701 | $ 87,786 |
| | | |
| Net cash flow from: | | |
| Operating activities | $ 145,255 | $ 333,155 |
| Investing activities | 53,108 | ( 837 ) |
| Financing activities | ( 8,740 ) | ( 9,400 ) |
| Foreign exchange translation | 11,568 | 11,384 |
| Net cash inflow (outflow) | $ 201,191 | $ 334,302 |

## 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Associates that are not individually material | | | |
| Twin Beans Limited Corporation | $ 6,266 | $ 7,454 | $ 6,046 |
| Blutech Inc. | 3,914 | - | - |
| | $ 10,180 | $ 7,454 | $ 6,046 |

Associates that are not individually material is as below:

| | | | Proportion of Ownership (%) | | |
|---|---|---|---|---|---|
| Investee | Nature of Activities | Location | March 31, 2025 | December 31, 2024 | March 31, 2024 |
| Twin Beans Limited Corporation | Wholesale of Precision Instruments | Taiwan | 20.61% | 20.61% | 20.61% |
| Blutech Inc. | Wholesale of Precision Instruments | Taiwan | 18.86% | 8.70% | 8.70% |

In January, 2025, the Group acquired 961.5 thousand shares at the price of NT$ 9,615 thousand; as a result, the Group acquired 18.86% interest in Blutech Inc. The Group hold one of the five seats of the board of directors of the company and obtained the significant influence on the company.

In January, 2024, the Group acquired 1,600 thousand shares at the price of NT$ 16,000 thousand; as a result, the Group acquired 20.61% interest in Twin Beans Limited Corporation and obtained the significant influence on the company.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive loss of those investments were calculated based on the financial statements that have not been audited.

## 15. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Group

| | Freehold Land | Buildings | Machinery Equipment | Transportation Equipment | Office Equipment | Miscellaneous Equipment | Equipment and Construction in Progress | Total |
|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | |
| Balance on January 1, 2025 | $ 212,223 | $ 193,057 | $ 91,222 | $ 20,389 | $ 70,165 | $ 133,483 | $ 3,000 | $ 723,539 |
| Additions | - | - | - | - | 5,124 | 4,675 | - | 9,799 |
| Disposals | - | - | ( 39) | - | - | - | - | ( 39) |
| Reclassifications | - | - | 576 | - | 1,147 | 9,733 | 4,382 | 15,838 |
| Effect of foreign currency | - | 643 | 98 | 96 | 83 | 60 | - | 980 |
| Balance on March 31, 2025 | $ 212,223 | $ 193,700 | $ 91,857 | $ 20,485 | $ 76,519 | $ 147,951 | $ 7,382 | $ 750,117 |
| Accumulated depreciation | | | | | | | | |
| Balance at January 1, 2025 | $ - | $ 100,535 | $ 76,459 | $ 17,445 | $ 56,522 | $ 100,245 | $ - | $ 351,206 |
| Disposals | - | - | ( 39) | - | - | - | - | ( 39) |
| Depreciation expense | - | 1,667 | 1,836 | 227 | 733 | 4,490 | - | 8,953 |
| Effect of foreign currency | - | 439 | 11 | 65 | 79 | 48 | - | 642 |
| Balance on March 31, 2025 | $ - | $ 102,641 | $ 78,267 | $ 17,737 | $ 57,334 | $ 104,783 | $ - | $ 360,762 |
| Carrying amount on March 31, 2025 | $ 212,223 | $ 91,059 | $ 13,590 | $ 2,748 | $ 19,185 | $ 43,168 | $ 7,382 | $ 389,355 |
| Carrying amounts on December 31, 2024 and January 1, 2025 | $ 212,223 | $ 92,522 | $ 14,763 | $ 2,944 | $ 13,643 | $ 33,238 | $ 3,000 | $ 372,333 |
| Cost | | | | | | | | |
| Balance on January 1, 2024 | $ 212,223 | $ 192,035 | $ 86,457 | $ 20,469 | $ 67,404 | $ 122,144 | $ - | $ 700,732 |
| Additions | - | - | 11 | - | 19 | 1,821 | - | 1,851 |
| Effect of foreign currency | - | 548 | 3 | 131 | 221 | 68 | - | 971 |
| Balance on March 31, 2024 | $ 212,223 | $ 192,583 | $ 86,471 | $ 20,600 | $ 67,644 | $ 124,033 | $ - | $ 703,554 |
| Accumulated depreciation | | | | | | | | |
| Balance at January 1, 2024 | $ - | $ 93,238 | $ 71,157 | $ 18,022 | $ 53,450 | $ 84,678 | $ - | $ 320,545 |
| Depreciation expense | - | 1,655 | 1,470 | 220 | 1,123 | 3,301 | - | 7,769 |
| Effect of foreign currency | - | 347 | 2 | 113 | 210 | 42 | - | 714 |
| Balance on March 31, 2024 | $ - | $ 95,240 | $ 72,629 | $ 18,355 | $ 54,783 | $ 88,021 | $ - | $ 329,028 |
| Carrying amount on March 31, 2024 | $ 212,223 | $ 97,343 | $ 13,842 | $ 2,245 | $ 12,861 | $ 36,012 | $ - | $ 374,526 |

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

| | |
|---|---|
| Buildings- Office in China | 20 years |
| Buildings- Office in Taiwan | 61 years |
| Buildings- Plant in Taiwan | 25-35 years |
| Machinery Equipment | 3-10 years |
| Transportation Equipment | 3-10 years |
| Office Equipment | 3-10 years |
| Miscellaneous Equipment | 3-20 years |

Property, plant and equipment pledged as collateral for borrowings are set out in Note 34.

## 16. LEASE ARRANGEMENTS

a. Right-of-use assets

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Carrying amounts | | | |
| Buildings | $ 93,903 | $ 96,024 | $ 114,172 |
| Transportation equipment | 2,957 | 3,578 | 6,135 |
| | $ 96,860 | $ 99,602 | $ 120,307 |

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Additions to right-of-use assets | | |
| Buildings | $ 9,018 | $ 32,375 |
| Transportation equipment | - | 1,676 |
| | $ 9,018 | $ 34,051 |
| Depreciation charge for right-of-use assets | | |
| Buildings | $ 8,270 | $ 8,937 |
| Transportation equipment | 625 | 1,114 |
| | $ 8,895 | $ 10,051 |

Expect for the aforementioned addition and 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 |
|---|---|---|---|
| Carrying amounts | | | |
| Current | $ 33,868 | $ 35,363 | $ 36,887 |
| Non-current | $ 61,012 | $ 64,044 | $ 79,753 |

Range of discount rate for lease liabilities was as follows:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Buildings | 2.75%～4.75% | 2.75%～4.75% | 2.75%～4.75% |
| Transportation equipment | 4.75%～5.69% | 4.75%～5.69% | 5.69%～6.00% |

c. Material lease-in activities and terms

The Group leased a number of cars for use by business personnel or warehouse personnel for 3 years. The lease contracts for these cars do not contain terms for the right of renewal or the right of purchase.

The Group also leased certain buildings for use as plant and office for a period 2 to 5 years. The lease contracts for offices located in Taiwan specify that the lease payments will be adjusted by customer price index each year. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Expenses relating to low-value asset leases | $ 1,505 | $ 309 |
| Total cash outflow for lease | ($ 13,075) | ($ 14,943) |

The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 17. OTHER INTANGIBLE ASSETS

| | Computer Software |
|---|---|
| Cost | |
| Balance at January 1, 2025 | $ 24,396 |
| Disposals | ( 2,523 ) |
| Effect of foreign currency | 4 |
| Balance at March 31, 2025 | $ 21,877 |
| | |
| Accumulated amortization | |
| Balance at January 1, 2025 | $ 22,144 |
| Amortization expenses | 378 |
| Disposals | ( 2,523 ) |
| Effect of foreign currency | 4 |
| Balance at March 31, 2025 | $ 20,003 |
| | |
| Carrying amounts at March 31, 2025 | $ 1,874 |
| Carrying amounts at December 31, 2024 and January 1, 2025 | $ 2,252 |
| | |
| Cost | |
| Balance at January 1, 2024 | $ 24,389 |
| Effect of foreign currency | 4 |
| Balance at March 31, 2024 | $ 24,393 |
| | |
| Accumulated amortization | |
| Balance at January 1, 2024 | $ 19,764 |
| Amortization expenses | 825 |
| Effect of foreign currency | 4 |
| Balance at March 31, 2024 | $ 20,593 |
| | |
| Carrying amounts at March 31, 2024 | $ 3,800 |

Other intangible assets were amortized on a straight-line basis over their estimated useful lives as follows

| | |
|---|---|
| Computer Software | 2-10 years |

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Amortization expenses summarized by function: | | |
| Selling and marketing expenses | $ 14 | $ 14 |
| General and administrative expenses | 299 | 467 |
| Research and development expenses | 65 | 344 |
| | $ 378 | $ 825 |

## 18. OTHER ASSETS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Current | | | |
| Prepayments | $ 31,824 | $ 46,296 | $ 17,334 |
| Others | 1,863 | 1,161 | 7,091 |
| | $ 33,687 | $ 47,457 | $ 24,435 |

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Non-current | | | |
| Prepayments for business facilities | $ 6,730 | $ 9,086 | $ - |
| Refundable deposits (1) | 405,365 | 465,840 | 713,077 |
| Goodswill (2) | 5,233 | 5,233 | - |
| | $ 417,328 | $ 480,159 | $ 713,077 |

1) Refundable deposits are mainly paid to suppliers as performance bond.

2) The Company acquired FandingsTec Inc. on September 3, 2024, resulting in related goodwill of NT$ 5,233 thousand, which is mainly due to the expected benefits from the future cooperation between the AI and digital health market and the Company.

## 19. BORROWINGS

a. Short-term borrowings

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Unsecured borrowings | | | |
| Bank loans (1) | $ 2,538,827 | $ 2,650,000 | $ 2,860,500 |
| Bank loans - letters of credit (2) | 777,352 | 426,205 | 1,030,059 |
| | $ 3,316,179 | $ 3,076,205 | $ 3,890,559 |

1) The effective weighted average interest rates for bank loans ranged from 1.85%~3.5%, 1.85%～1.92% and 1.66%~1.95% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

2) The effective weighted average interest rate for letters of credit loans was 4.97%~5.02%, 5.11%~5.34% and 1.69%~6.19% per annum a as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

b. Short-term bills payable

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Commercial paper | $ 80,000 | $ - | $ 40,000 |
| Less: Unamortized discount on bills payable | - | - | - |
| | $ 80,000 | $ - | $ 40,000 |

The effective weighted average interest rates for commercial papers ranged from 1.918% and 1.838% per annum as of March 31, 2025 and 2024, respectively.

c. Long-term borrowings

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Secured borrowings (Note 34) | | | |
| Bank loans | $ - | $ 100,000 | $ 100,000 |

The bank loan is secured by the Group's own land and buildings (refer to Note 34). The maturity date of the loan as of December 31, 2024 and March 31, 2024 was November 17, 2025 and August 30, 2026. However, the Company has repaid it in advance for operational considerations. As of December 31, 2024 and March 31, 2024, the effective annual interest rates are 1.98% and 1.79%, respectively.

## 20. Convertible Bond

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Domestic unsecured convertible bonds | $ 129,000 | $ 139,100 | $ 323,900 |
| Less：Discounts on bonds payable | ( 7,872 ) | ( 9,055 ) | ( 25,044 ) |
| | $ 121,128 | $ 130,045 | $ 298,856 |

**Unsecured Domestic Convertible Bonds - Fourth Issue**

On November 10, 2023, the Company issued the fourth domestic unsecured convertible bonds in Taiwan, with an aggregate principal amount of $500,000 thousand and a face value of 100 thousand per bond certificate. In addition, the bond is publicly underwritten by bidding auction, and the issuance price is face value multiplied by 101%. The annual interest rate of the issuance coupon is 0%, the issuance period is five years, and the maturity date is November 10, 2028.

The major terms are as follows:

a. In the period of circulation from three months after the issuance of the convertible corporate bonds to forty business days before the maturity of the bonds, the Company may notify the bondholders under the conversion measures and redeem all bonds in cash at the nominal amount when the agreed conditions are met.

b. The bondholders have the right to request the Company to repurchase the bonds at a price equal to the face value, plus interest compensation three and four years after the issuuance date.

The annual interest rates for the redemption are 100.7519% and 101.0038% for three and four years after the issuance date, respectively

c. The bondholders may request the Company to convert the bonds into the Company’s ordinary sharesat any time within the period from the following day after three months from the issuance date to maturity date.

d. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. The conversion price at issuance was NT$ 56.65.

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 1.76% per annum on initial recognition.

| | |
|---|---|
| Proceeds from issuance (less transaction costs of $5,120 thousand) | $ 499,880 |
| Equity component (less transaction costs allocated to the equity component of $410 thousand) | ( 39,990 ) |
| Put right | ( 1,650 ) |
| Redemption right | 100 |
| Liability component on the date of issuance (less transaction costs allocated to the liability component of $4,710 thousand) | 458,340 |
| Interest charged at an effective interest rate of 1.74% | 998 |
| Interest charged at an effective interest rate of 1.76% | 1,821 |
| Conversion of corporate bond payable into common shares | ( 162,303 ) |
| Liability component on March 31, 2024 | 298,856 |
| Interest charged at an effective interest rate of 1.76% | 2,513 |
| Conversion of corporate bond payable into common shares | ( 171,324 ) |
| Liability component on December 31, 2024 | 130,045 |
| Interest charged at an effective interest rate of 1.76% | 559 |
| Conversion of corporate bond payable into common shares | ( 9,476 ) |
| Liability component on March 31, 2025 | $ 121,128 |

## 21. NOTES AND ACCOUNTS PAYABLE

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Notes payable | | | |
| Non-trade | $ 20,640 | $ 31,122 | $ 29,630 |
| | | | |
| Accounts payable | | | |
| Trade | $ 3,125,872 | $ 3,447,909 | $ 4,066,281 |
| Trade - related parties | $ 24,406 | $ 24,501 | $ 39,744 |

The average credit period for purchases of certain goods was 30-120 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 22. OTHER LIABILITIES

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Current | | | |
| Other payables | | | |
| Accrued commissions | $ 19,128 | $ 20,739 | $ 50,829 |
| Payables for salaries or bonuses | 169,743 | 220,054 | 201,415 |
| Payables for annual leave | 13,000 | 22,000 | 20,500 |
| Payables for compensation of employees and remuneration of directors | 203,000 | 167,000 | 161,000 |
| Subsidiaries' payables for compensation of employees and remuneration of directors | 60,000 | 49,000 | 45,000 |
| Accrued freights | 23,652 | 14,794 | 20,538 |
| Payables for dividends | 519 | 519 | 519 |
| Accrued Interests | 8,303 | 8,212 | 20,636 |
| Payables for maintenance and repairs | 35,498 | 35,351 | 28,116 |
| Others | 675,301 | 667,046 | 542,391 |
| | $ 1,208,144 | $ 1,204,715 | $ 1,090,944 |
| | | | |
| Others | | | |
| Refund liability (1) | $ 820,868 | $ 779,284 | $ 750,845 |
| Others | 34,201 | 39,270 | 17,595 |
| | $ 855,069 | $ 818,554 | $ 768,440 |
| | | | |
| Non-current | | | |
| Other liabilities | | | |
| Guarantee deposits(2) | $ 299,031 | $ 360,821 | $ 512,472 |

1) Refund liabilities is based on historical experience, management’s judgments and other known reasons for which estimated product returns and rebates may occur in the reporting period. Refund liability is recognized as a reduction of operating income in the periods in which the related goods are sold.

2) Guarantee deposits

   Guarantee deposits are mainly collected from customers.

## 23. PROVISIONS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Current | | | |
| Warranties | $ 11,254 | $ 20,570 | $ 7,896 |
| Non-current | | | |
| Warranties | $ 15,270 | $ 13,454 | $ 67,652 |

| | Warranties For the Year Ended March 31, 2025 | Warranties For the Year Ended March 31, 2024 |
|---|---|---|
| Beginning Balance | $ 34,024 | $ 11,624 |
| Additions | 10,186 | 76,391 |
| Use | ( 17,686 ) | ( 12,467 ) |
| Ending Balance | $ 26,524 | $ 75,548 |

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under sale of goods legislation. The estimate had been made on the basis of historic warranty trends, and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

## 24. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were $161 thousand and $138 thousand for the three months ended March 31, 2025 and 2024, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2024 and 2023.

## 25. EQUITY

a. Share capital

Common stock

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Number of shares authorized (in thousands) | 300,000 | 300,000 | 250,000 |
| Shares authorized | $ 3,000,000 | $ 3,000,000 | $ 2,500,000 |
| Number of shares issued and fully paid (in thousands) | 219,036 | 218,851 | 215,540 |
| Shares issued | $ 2,190,360 | $ 2,188,509 | $ 2,155,399 |

The change in the Company's share capital is mainly due to the conversion of convertible bonds for the three months ended March 31, 2025 and 2024.

As of March 31, 2025, December 31, 2024, and March 31, 2024, share capital included capital received in advance amounted to $1,851 thousand, $1,100 thousand and $31,085 thousand, respectively.

As of March 31, 2025, 185 thousand of common shares issued from convertible bonds has yet to complete the registration process

b. Capital surplus

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1) | | | |
| Issuance of ordinary shares | $ 291,960 | $ 291,960 | $ 291,960 |
| Conversion of employee stock options | 66,208 | 66,208 | 66,208 |
| Conversion of bonds | 1,424,372 | 1,416,424 | 1,263,698 |
| The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal of acquisition | 45,604 | 45,604 | 45,604 |
| Forfeited share options | 400 | 400 | 400 |
| Disposal of funds forfeited from employee stock ownership trusts | 63 | 15 | - |
| Less: transfer to capital | ( 267,199 ) | ( 267,199 ) | ( 267,199 ) |
| Less: cash dividends paid | ( 73,408 ) | ( 73,408 ) | ( 73,408 ) |
| Less: Treasury stock cancellation | ( 9,461 ) | ( 9,461 ) | ( 9,461 ) |
| | 1,478,539 | 1,470,543 | 1,317,802 |
| May be used to offset a deficit only | | | |
| Changes in percentage of ownership interest in subsidiaries (2) | $ 166,292 | 166,292 | 166,292 |
| From share of changes in equities of associates | 1 | 1 | - |
| | 166,293 | 166,293 | 166,292 |
| May not be used for any purpose | | | |
| Employee share options | 1,250 | 1,250 | 1,250 |
| Share options on Convertible Bond | 25,154 | 25,478 | 39,990 |
| | 26,404 | 26,728 | 41,240 |
| | $ 1,671,236 | $ 1,663,564 | $ 1,525,334 |

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 to once a year).

2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Company made a 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 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 employees' compensation and remuneration of directors after amendment, refer to employees' compensation and remuneration of directors in Note 27, g.

The Company's dividend policy is formulated according to the Company's capital budget, mid- and long-term operational planning and financial status, as well as by reference to the general level of dividends in the industry and capital markets as the basis for dividend policy. Related earnings can be distributed in the form of stock dividends or cash dividends. However, the percentage of cash dividends shall not be less than 20% of the total dividends. The percentage of cash dividends will be increased when future earnings and funds are more abundant.

A legal reserve should be appropriated from earnings until the legal reserve equals the Company’s paid-in capital. The legal reserve may be used to offset any 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 Company's shareholders’ meeting resolved in June 15, 2023 to amend the Articles to appropriate special reserve from the balance of retained earnings of the prior period against “the cumulative net decrease of other equity in the prior period”. If the amount of retained earnings of the prior period is not enough for such appropriation, the Company should further make up the gap by the net profit after tax and the balances of other equity items of current period. Before amending the Articles, the Company appropriated by law from retained earnings of the prior period.

The appropriations of earnings for 2024 and 2023, which have been proposed by the board of directors on April 14, 2025 and approved in the shareholders’ meetings on May 28, 2024 respectively, were as follows:

| | Appropriation of Earnings For the Year Ended December 31 | |
|---|---|---|
| | **2024** | **2023** |
| Legal reserve | $ 139,985 | $ 84,728 |
| Special reserve | $ - | $ 12,065 |
| Cash dividends | $ 876,144 | $ 751,857 |
| Stock dividends | $ 387,694 | |
| Cash dividends per share (NT$) | $ 4.00 | $ 3.50 |
| Stock dividends per share (NT$) | $ 1.77 | |

The appropriation of earnings for 2024 was subject to the resolution in the shareholders’ meeting to be held on May 28, 2025.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Beginning Balance | ($ 954) | ($ 4,319) |
| Recognized during the period | | |
| Exchange differences arising on translating the financial statements of foreign operations | 1,577 | 2,345 |
| Income tax effect | ( 316) | ( 470) |
| Other comprehensive income recognized for the period | 1,261 | 1,875 |
| Ending Balance | $ 307 | ($ 2,444) |

2) Unrealized gain or loss on Financial Assets at FVTOCI

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Beginning Balance | ($ 22,721) | ($ 24,170) |
| Recognized for the period | | |
| Unrealized gain (loss) - equity instruments | ( 6,286) | 4,247 |
| Unrealized gain (loss) - debt instruments | 2,615 | 1,917 |
| Income tax effect | ( 204) | ( 1,103) |
| Other comprehensive income recognized for the period | ( 3,875) | 5,061 |
| Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal | 22,011 | - |
| Ending Balance | ($ 4,585) | ($ 19,019) |

f. Non-controlling interests

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Beginning Balance | $ 531,427 | $ 409,434 |
| Share of profit (loss) for the period | 28,694 | 28,268 |
| Other comprehensive income during the period | | |
| Exchange differences arising on translating the foreign operations | 77 | ( 33 ) |
| Unrealized gain on FVTOCI financial assets | 1,366 | 1,458 |
| Disposal of funds forfeited from employee stock ownership trust | 16 | - |
| Ending Balance | $ 561,580 | $ 439,127 |

## 26. REVENUE

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Revenue from contracts with customers | | |
| Revenue from sale of goods | $ 7,840,072 | $ 11,353,135 |
| Revenue from NRE service | 12,922 | 1,904 |
| Revenue from repair | 1,727 | 3,059 |
| | 7,854,721 | 11,358,098 |
| Other operating income | | |
| Service revenue | 1,408 | 428 |
| | $ 7,856,129 | $ 11,358,526 |

a. Revenue from contracts with customers

Revenue from the sale of goods

Revenue from the sale of goods mainly comes from the distribution of electronic components and the sale and manufacture of industrial computer monitors and customized products. Goods are categorized into electronic components (application-specific and LCD display products, linear/distributed components, application-specific and image processing ICs) as well as embedded control systems, medical displays, and application-specific display modules (e.g., medical, factory automation, military, outdoor use, and sports equipment). The Group sells goods at the agreed prices stipulated in contracts, quotations or orders.

Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers' request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

b. Contract balances

| | March 31, 2025 | December 31, 2024 | March 31, 2024 | January 1, 2024 |
|---|---|---|---|---|
| Notes and Accounts receivables (Note 11) | $ 6,087,342 | $ 5,976,831 | $ 7,909,222 | $ 5,689,575 |
| Contract assets | | | | |
| Design of product | $ 3,068 | $ - | $ 3,549 | $ 3,549 |
| Less : allowance | - | - | - | - |
| | $ 3,068 | $ - | $ 3,549 | $ 3,549 |

| | March 31, 2025 | December 31, 2024 | March 31, 2024 | January 1, 2024 |
|---|---|---|---|---|
| Contract liabilities | | | | |
| Sale of goods | $ 291,791 | $ 338,756 | $ 222,568 | $ 238,849 |
| Design of product | 72,194 | 53,094 | 75,362 | 72,376 |
| | $ 363,985 | $ 391,850 | $ 297,930 | $ 311,225 |

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

c. Disaggregation of revenue

For the three months ended March 31, 2025

| | Reportable Segment | | | | | |
|---|---|---|---|---|---|---|
| | Application-specific and LCD Display Products | Linear/ Distributed Components | Image Processing ICs | Application-specific ICs | Others | Total |
| Types of goods or services | | | | | | |
| Revenue from the sale of goods | $1,533,927 | $2,580,963 | $2,042,501 | $1,296,875 | $ 385,806 | $7,840,072 |
| Service revenue | 14,648 | - | - | - | 1,409 | 16,057 |
| | $1,548,575 | $2,580,963 | $2,042,501 | $1,296,875 | $ 387,215 | $7,856,129 |

For the three months ended March 31, 2024

| | Reportable Segment | | | | | |
|---|---|---|---|---|---|---|
| | Application-specific and LCD Display Products | Linear/ Distributed Components | Image Processing ICs | Application-specific ICs | Others | Total |
| Types of goods or services | | | | | | |
| Revenue from the sale of goods | $1,249,775 | $2,811,550 | $1,649,523 | $5,271,795 | $ 370,492 | $11,353,135 |
| Service revenue | 4,963 | - | - | - | 428 | 5,391 |
| | $1,254,738 | $2,811,550 | $1,649,523 | $5,271,795 | $ 370,920 | $11,358,526 |

## 27. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS AND OTHER COMPREHENSIVE INCOME (LOSS)

a. Interest income

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Interest income | | |
| Bank deposits | $ 3,283 | $ 3,269 |
| Financial assets at FVTOCI | 3,560 | 1,855 |
| Financial assets at amortized cost | 3,378 | 318 |
| Bonds with repurchase agreement | 354 | 1,291 |
| Financial assets at FVTPL | 628 | - |
| | $ 11,203 | $ 6,733 |

b. Other income

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Rental income | | |
| Other operating lease | $ 273 | $ 1,097 |
| Dividend income | | |
| Financial assets at FVTPL | 5 | 4 |
| Other | 4,516 | 1,756 |
| | $ 4,794 | $ 2,857 |

c. Other gains and losses

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Gain (loss) on financial instruments | | |
| Mandatorily measured at FVTPL | $ 108 | $ 5,712 |
| Net foreign exchange gains (losses) | 66,694 | 206,890 |
| Gain on lease modification | - | ( 215 ) |
| Bank charge | ( 5,456 ) | ( 6,872 ) |
| | $ 61,346 | $ 205,515 |

d. Finance costs

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Interest on bank loans | $ 41,118 | $ 69,251 |
| Interest on convertible corporate bond | 558 | 1,821 |
| Interest on lease liabilities | 881 | 1,599 |
| | $ 42,557 | $ 72,671 |

e. Depreciation and amortization

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| An analysis of deprecation by function | | |
| Operating costs | $ 276 | $ 223 |
| Operating expenses | 17,572 | 17,597 |
| | $ 17,848 | $ 17,820 |
| | | |
| An analysis of amortization by function | | |
| Operating costs | $ - | $ - |
| Operating expenses | 378 | 825 |
| | $ 378 | $ 825 |

f. Employee benefits expense

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Short-term benefits | $ 185,317 | $ 226,160 |
| Post-employment benefits (see Note 24) | | |
| Defined contribution plans | 7,676 | 7,497 |
| Defined benefit plans | 161 | 138 |
| | 7,837 | 7,635 |
| Other employee benefits | 12,433 | 13,487 |
| Total employee benefits expense | $ 205,587 | $ 247,282 |
| | | |
| An analysis of employee benefits expense by function | | |
| Operating costs | $ 16,759 | $ 14,795 |
| Operating expenses | 188,828 | 232,487 |
| | $ 205,587 | $ 247,282 |

g. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation and remuneration of directors at the rates 7.5%-10% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company expects to resolve the amendments to the Company's Articles of Incorporation at its 2025 AGM. The amendments explicitly stipulate the allocation of no less than 7% of the compensation for its non-executive employees.

Employees' compensation and remuneration of directors for the three months ended March 31, 2025 and 2024 were as follows:

Accrual rate

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Employees' compensation | 7.6% | 7.5% |
| Remuneration of directors | 1.7% | 1.5% |

Amount

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Employees' compensation | $ 29,500 | $ 49,000 |
| Remuneration of directors | $ 6,500 | $ 10,000 |

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

The compensation to employees and remuneration to the directors of 2024 and 2023 were approved by the Company's board of directors on March 12, 2025 and March 13, 2024, respectively.

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| | Cash | Cash |
| Employees' compensation | $ 140,000 | $ 84,000 |
| Remuneration of directors | $ 27,000 | $ 18,000 |

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

Information on the compensation of employees and remuneration of directors 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 | $ 940,200 | $ 1,489,877 |
| Foreign exchange losses | ( 873,506 ) | ( 1,282,987 ) |
| Net foreign exchange gains and losses | $ 66,694 | $ 206,890 |

## 28. INCOME TAXES RELATING TO CONTINUING

a. Income tax recognized in profit or loss

Major components of tax expense (income) recognized in profit or loss are as follows:

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Current tax | | |
| In respect of the current period | $ 148,103 | $ 70,560 |
| Adjustment for prior years | 4,082 | - |
| | 152,185 | 70,560 |
| Deferred tax | | |
| In respect of the current period | ( 64,434 ) | 59,519 |
| Income tax expense recognized in profit or loss | $ 87,751 | $ 130,079 |

b. Income tax expense recognized in other comprehensive income

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Deferred tax | | |
| In respect of current period | | |
| Translating the financial statements of foreign operations | ( $ 335 ) | ( $ 462 ) |
| Unrealized gain on FVTOCI financial assets | ( 464 ) | ( 1,444 ) |
| Income tax recognized in other comprehensive income (loss) | ( $ 799 ) | ( $ 1,906 ) |

c. Income tax assessments

The tax returns of the Company through 2022 have been assessed by the tax authorities.

The tax returns of Promate Solutions Corporation through 2023 have been assessed by the tax authorities.

## 29. EARNINGS PER SHARE

**Unit: NT$ Per Share**

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Basic earnings per share | $ 1.32 | $ 2.27 |
| Diluted earnings per share | $ 1.30 | $ 2.22 |

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

Net Profit for the Period

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Income for the period attributable to owners of the Company | $ 290,011 | $ 483,395 |
| Earnings used in the computation of basic earnings per share | 290,011 | 483,395 |
| Effect of potentially dilutive ordinary shares: | | |
| The after-tax interest of convertible bonds | 447 | 1,457 |
| Earnings used in the computation of diluted earnings per share | $ 290,458 | $ 484,852 |

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Weighted average number of ordinary shares in computation of basic earnings per share | 218,887 | 213,218 |
| Effect of potentially dilutive ordinary shares: | | |
| Employees' compensation | 1,908 | 1,445 |
| Corporate bond | 2,426 | 3,722 |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | 223,221 | 218,385 |

If the Group offered to settle compensation or bonuses paid to employees in cash or shares, the Group assumed the entire amount of the compensation or bonus would be settled in shares, and if the resulting potential shares have a dilutive effect, these shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

## 30. CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities

For the three months ended March 31, 2025

| | | | Non-cash Changes | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Balance as of January 1, 2024** | **Cash Flows** | **Net change in Lease** | **Conversion of convertible bonds** | **Interest Amortized** | **Foreign Currency Exchange Rates** | **Others** | **Balance as of March 31, 2024** |
| Short-term borrowings | $ 3,076,205 | $ 239,974 | $ - | $ - | $ - | $ - | $ - | $ 3,316,179 |
| Short-term bills payable | - | 80,000 | - | - | - | - | - | 80,000 |
| Long-term borrowings | 100,000 | ( 100,000) | - | - | - | - | - | - |
| Guarantee deposits received | 360,821 | ( 61,790) | - | - | - | - | - | 299,031 |
| Bonds Payable | 130,045 | - | - | ( 9,475) | 558 | - | - | 121,128 |
| Lease liabilities | 99,407 | ( 10,689) | 5,609 | - | 881 | 553 | ( 881) | 94,880 |
| | $ 3,766,478 | $ 147,495 | $ 5,609 | ($ 9,475) | $ 1,439 | $ 553 | ($ 881) | $ 3,911,218 |

For the three months ended March 31, 2024

| | Balance as of January 1, 2024 | Cash Flows | Non-cash Changes | | | | | Balance as of March 31, 2024 |
|---|---|---|---|---|---|---|---|---|
| | | | Net change in Lease | Conversion of convertible bonds | Interest Amortized | Foreign Currency Exchange Rates | Others | |
| Short-term borrowings | $ 3,053,932 | $ 836,627 | $ - | $ - | $ - | $ - | $ - | $ 3,890,559 |
| Short-term bills payable | 100,000 | ( 60,000 ) | - | - | - | - | - | 40,000 |
| Long-term borrowings | 100,000 | - | - | - | - | - | - | 100,000 |
| Guarantee deposits received | 553,162 | ( 40,690 ) | - | - | - | - | - | 512,472 |
| Bonds Payable | 459,338 | - | | ( 162,303 ) | 1,821 | - | - | 298,856 |
| Lease liabilities | 105,303 | ( 13,035 ) | 22,536 | - | 1,599 | 1,836 | ( 1,599 ) | 116,640 |
| | $ 4,371,735 | 722,902 | $ 22,536 | ( $ 162,303 ) | $ 3,420 | $ 1,836 | ( $ 1,599 ) | 4,978,527 |

## 31. CAPITAL MNAGEMENT

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 shareholders through the optimization of the debt and equity balance.

Adopting a prudent risk management strategy and regularly reviewing the strategy, the Group engages in overall planning based on business development strategies and operational needs, in order to determine the appropriate capital structure of the Group.

The Group is not subject to any externally imposed capital requirements.

## 32. FINANCIAL INSTRUMENTS

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

March 31, 2025

| | Carrying Amount | Fair Value | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial liabilities | | | | | |
| Financial liabilities at amortized cost: | | | | | |
| Convertible Bond | $ 121,128 | $ 129,000 | $ - | $ - | $ 129,000 |

December 31, 2024

| | Carrying Amount | Fair Value | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial liabilities | | | | | |
| Financial liabilities at amortized cost: | | | | | |
| Convertible Bond | $ 130,045 | $ 139,100 | $ - | $ - | $ 139,100 |

March 31, 2024

| | Carrying Amount | Fair Value | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial liabilities | | | | | |
| Financial liabilities at amortized cost: | | | | | |
| Convertible Bond | $ 298,856 | $ 323,900 | $ - | $ - | $ 323,900 |

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

1) Fair value hierarchy

March 31, 2025

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Domestic listed shares and emerging market shares | $ 9,153 | $ - | $ - | $ 9,153 |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Foreign non-guaranteed investments | 63,434 | - | - | 63,434 |
| Private Funds | - | - | 2,272 | 2,272 |
| Derivate instruments | | | | |
| Redemption option on convertible bonds | - | 464 | - | 464 |
| | $ 72,587 | $ 464 | $ 2,272 | $ 75,323 |
| Financial assets at FVTOCI | | | | |
| Investments in equity | | | | |
| Domestic listed shares and emerging market shares | $ 45,056 | $ - | $ - | $ 45,056 |
| Private Funds | - | - | 148,311 | 148,311 |
| Investments in debt | | | | |
| Foreign corporation bonds | 197,947 | - | - | 197,947 |
| | $ 243,003 | $ - | $ 148,311 | $ 391,314 |
| Financial liabilities at FVTPL | | | | |
| Derivate instruments | | | | |
| Put option on convertible bonds | $ - | $ 168 | $ - | $ 168 |

December 31, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Domestic listed shares and emerging market shares | $ 12,491 | $ - | $ - | $ 12,491 |
| Mutual fund | 61,230 | - | - | 61,230 |
| Private Funds | - | - | 2,314 | 2,314 |
| Derivate instruments | | | | |
| Redemption option on convertible bonds | - | 862 | - | 862 |
| | $ 73,721 | $ 862 | $ 2,314 | $ 76,897 |
| Financial assets at FVTOCI | | | | |
| Investments in equity | | | | |
| Domestic listed shares and emerging market shares | $ 43,037 | $ - | $ - | $ 43,037 |
| Domestic unlisted shares | - | - | 1,200 | 1,200 |
| Private Funds | - | - | 149,936 | 149,936 |
| Investments in debt | | | | |
| Foreign corporation bonds | 124,544 | - | - | 124,544 |
| | $ 167,581 | $ - | $ 151,136 | $ 318,717 |
| Financial liabilities at FVTPL | | | | |
| Derivate instruments | | | | |
| Put option on convertible bonds | $ - | $ 195 | $ - | $ 195 |

March 31, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Domestic listed shares and emerging market shares | $ 11,159 | $ - | $ - | $ 11,159 |
| Foreign non-guaranteed investments | - | 66,120 | - | 66,120 |
| Derivate instruments | | | | |
| Redemption option on convertible bonds | - | 1,360 | - | 1,360 |
| | $ 11,159 | $ 67,480 | $ - | $ 78,639 |
| Financial assets at FVTOCI | | | | |
| Investments in equity | | | | |
| Domestic listed shares and emerging market shares | $ 51,104 | $ - | $ - | $ 51,104 |
| Domestic unlisted shares | - | - | 4,800 | 4,800 |
| Private Funds | - | - | 136,516 | 136,516 |
| Investments in debt | | | | |
| Foreign corporation bonds | 125,036 | - | - | 125,036 |
| | $176,140 | $ - | $141,316 | $317,456 |
| Financial liabilities at FVTPL | | | | |
| Derivate instruments | | | | |
| Put option on convertible bonds | $ - | $ 292 | $ - | $ 292 |

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

For the three months ended March 31, 2025

| | Financial Assets at FVTPL | Financial Assets at FVTOCI |
|---|---|---|
| Financial Instruments | Equity Instrument | Equity Instrument |
| Beginning Balance | $ 2,314 | $ 151,136 |
| Recognized in other gains and losses | ( 42 ) | - |
| Recognized in other comprehensive income | - | ( 1,625 ) |
| Reclassifications | - | ( 1,200 ) |
| Ending Balance | $ 2,272 | $ 148,311 |
| Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the period | ( $ 42 ) | $ - |

For the three months ended March 31, 2024

| Financial Instruments | Financial Assets at FVTOCI<br>Equity Instrument |
|---|---|
| Beginning Balance | $ 136,984 |
| Recognized in other comprehensive income | 4,332 |
| Ending Balance | $ 141,316 |
| | |
| Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the period | $ - |

3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

| **Financial Instruments** | **Valuation Techniques and Input** |
|---|---|
| Derivative financial instruments-Redemption and put option on convertible bonds | The binomial option pricing model：evaluated by the observable closing price of the stocks, risk-free interest rate, and risk discount rate at the balance sheet date. |

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The fair values of unlisted shares are determined by using the market approach or the asset approach. In the market approach, the fair values are estimated based on the market transaction prices of comparable companies, taking into account the difference between the evaluated target and the analogous target, and calculating the fair value with an appropriate multiplier. In the asset approach, the total value of individual assets and liabilities covered by each evaluation object was adopted to calculate a business entity valuation.

c. Categories of financial instruments

| | **March 31, 2025** | **December 31, 2024** | **March 31, 2024** |
|---|---|---|---|
| Financial assets | | | |
| Financial assets at FVTPL | | | |
| Mandatorily classified as at FVTPL | $ 75,323 | $ 76,897 | $ 78,639 |
| Financial assets at amortized cost (Note 1) | 11,693,379 | 11,581,211 | 12,959,919 |
| Financial assets at FVTOCI | | | |
| Equity instruments | 193,367 | 194,173 | 192,420 |
| Debt instruments | 197,947 | 124,544 | 125,036 |
| | | | |
| Financial liabilities | | | |
| Financial liabilities at FVTPL | | | |
| Financial liabilities designated at FVTPL | 168 | 195 | 292 |
| Measured at amortized cost (Note 2) | 8,195,400 | 8,375,318 | 10,068,486 |

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes and accounts receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term loans, short-term bills payable, notes and accounts payable, other payables, convertible bonds payable, long-term loans and guarantee deposits.

d. Financial risk management objectives and policies

The Group’s major financial instruments included equity and debit investments, accounts receivables, accounts payables and borrowings. The Group's Corporate Treasury monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including foreign currency risk, interest rate risk and other price 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 (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

   a) Foreign currency risk

      The Company and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group manages the risk that fluctuations in foreign currency could have on foreign-currency denominated assets and future cash flow by using forward exchange contracts, which was governed by the Group's policies

      The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 37.

      Sensitivity analysis

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

      The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The 1% sensitivity rate 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, and adjusted their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pretax profit and other equity associated with the 1% strengthening of the New Taiwan dollar against the relevant currency. For a 1% weakening of 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. Dollar Impact** | |
|---|---|---|
| | **For the Three Months Ended March 31** | |
| | **2025** | **2024** |
| Profit or loss | $ 45,866 (i) | $ 51,602 (i) |

      (i) This was mainly attributable to the exposure outstanding on U.S. dollar-denominated accounts receivables, accounts payables and loans, which were not hedged at the end of the reporting period

      The Group's sensitivity to foreign currency increased during the current year mainly due to the increase of accounts receivable balance in the USD.

      In management's opinion, the sensitivity analysis did not reflect the inherent exchange rate risk because the exposure at the end of the year did not reflect the exposure during the period.

   b) Interest rate risk

      The Group evaluates hedging activities regularly to align with interest rate views and defined risk appetite and ensures that the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows.

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Fair value interest rate risk | | | |
| Financial assets | $ 817,850 | $ 741,671 | $ 663,727 |
| Financial liabilities | 174,880 | $ 99,407 | 156,640 |
| Cash flow interest rate risk | | | |
| Financial assets | 2,581,314 | $ 2,120,727 | 1,721,533 |
| Financial liabilities | 3,316,179 | $ 3,176,205 | 3,990,559 |

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year. For floating-rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 50 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 been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profits for the three months ended March 31, 2025 and 2024 would decrease/increase by NT$919 thousand and NT$2,836 thousand, respectively, mainly attributable to the Group's exposure to the floating-interest rates on bank borrowings and bank deposits

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and beneficiary certificates. 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 evaluate when it is necessary to increase the risk aversion position.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had fluctuated by 3%, the pre-tax profit for the three months ended March 31, 2025 and 2024 would have increased/decreased by $2,260 thousand and $2,359 thousand as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the three months ended March 31, 2025 and 2024 would have increase/decreased by $11,739 thousand and $9,524 thousand as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to equity prices increased mainly because of its increase in equity securities.

2) Credit risk

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be mainly from the following:

a) The carrying amount of the financial assets recognized in the balance sheets; and

b) The maximum amount payable by the Group due to financial guarantees provided by the Group, regardless of possibility.

Financial assets are potentially affected by the failure of the Group's counterparties to fulfill their contractual obligations. The Group's credit risk is evaluated based on contracts whose fair value at the end of the financial reporting period is positive. The Group's counterparties are financial institutions and companies with sound credit ratings. The Group has a dedicated unit that regularly monitors counterparty credit exposure levels every year, so no significant credit risk is expected.

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 allowances are made for irrecoverable amounts.

The Company did transactions with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

The maximum credit exposure of the Group is the net carrying amount of financial assets after deducting the amount that can be offset against each other and the impairment loss recognized in accordance with the regulations without considering collateral and other credit enhancement policies.

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 and 2024, the Group's available unutilized bank loan facilities set out in section (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 had 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 agreed repayment dates.

To the extent that interest flows are floating, the undiscounted amount was derived from the yield curve at the end of the year.

March 31, 2025

| | Less Than 1 Year | 2-3 Years | 4-5 Years | Over 5 Years |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| Short-term borrowings | $3,402,758 | $ - | $ - | $ - |
| Short-term bills payable | 80,000 | - | - | - |
| Notes payables | 20,640 | - | - | - |
| Accounts payables | 3,125,872 | - | - | - |
| Accounts payables to related parties | 24,406 | - | - | - |
| Other payables | 1,208,144 | - | - | - |
| Lease liabilities | 45,974 | 45,352 | 33,024 | - |
| Bond payable | - | - | 129,000 | - |
| | $7,907,794 | $ 45,352 | $ 162,024 | $ - |

December 31, 2024

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | **Less than 1 year** | **2-3 years** | **4-5 years** | **Over 5 years** |
| Non-derivative financial liabilities | | | | |
| Short-term borrowings | $3,148,838 | $ - | $ - | $ - |
| Notes payables | 31,122 | - | - | - |
| Accounts payables | 3,447,909 | - | - | - |
| Accounts payables to related parties | 24,501 | - | - | - |
| Other payables | 1,204,715 | - | - | - |
| Lease liabilitiest | 47,583 | 57,676 | 35,479 | - |
| Bond payable | - | - | 139,100 | - |
| Long-term borrowings | 1,976 | 101,317 | - | |
| | $7,906,644 | $ 158,993 | $ 174,579 | $ - |

March 31, 2024

| | **Less Than 1 Year** | **2-3 Years** | **4-5 Years** | **Over 5 Years** |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| Short-term borrowings | $3,999,121 | $ - | $ - | $ - |
| Short-term bills payable | 40,000 | - | - | - |
| Notes payables | 29,630 | - | - | - |
| Accounts payables | 4,066,281 | - | - | - |
| Accounts payables to related parties | 39,744 | - | - | - |
| Other payables | 1,090,944 | - | - | - |
| Lease liabilities | 72,903 | 124,322 | 44,176 | - |
| Bond payable | - | - | 323,900 | - |
| Long-term borrowings | 1,794 | 1,196 | - | - |
| | $9,340,417 | $ 125,517 | $ 368,076 | $ - |

b) Financing facilities

| | **March 31, 2025** | **December 31, 2024** | **March 31, 2024** |
|---|---|---|---|
| Unsecured bank overdraft facilities | | | |
| Amount used | $ 4,080,802 | $ 3,857,011 | $ 4,526,264 |
| Amount unused | 5,757,308 | 6,293,409 | 5,282,443 |
| | $ 9,838,110 | $ 10,150,420 | $ 9,808,707 |
| Secured bank overdraft facilities | | | |
| Amount used | $ - | $ 100,000 | $ 100,000 |
| Amount unused | 400,000 | 300,000 | 300,000 |
| | $ 400,000 | $ 400,000 | $ 400,000 |

e. Transfers of financial assets

Factored accounts receivables were as follows:

March 31, 2025

| Counter-parties | Balance at January 1 | Receivables Factoring Proceeds | Cash Received | Advances Received - Used | Balance at December 31 | Credit Lines |
|---|---|---|---|---|---|---|
| Bank SinoPac | $ 425,980 | $ 541,051 | ( $ 46,420 ) | ( $ 584,817 ) | $ 335,794 | USD 54,000 |
| | USD 12,993 | USD 16,485 | ( USD 1,639 ) | ( USD 17,726 ) | USD 10,113 | |
| Taishin International Bank | 568,072 | 525,323 | ( 101,096 ) | ( 476,660 ) | 515,639 | USD 60,000 |
| | USD 17,327 | USD 15,987 | ( USD 3,382 ) | ( USD 14,403 ) | USD 15,529 | |
| Chang Hwa Bank | 657 | 287 | ( 595 ) | - | 349 | USD 4,000 |
| | USD 20 | USD 9 | ( USD 18 ) | ( USD - ) | USD 11 | |
| E.Sun Bank | 576,897 | 1,382,631 | ( 504,010 ) | ( 1,191,029 ) | 264,489 | USD 219,000 |
| | USD 17,596 | USD 42,173 | ( USD 15,714 ) | ( USD 36,090 ) | USD 7,965 | |
| HSBC Bank | 185,585 | 619,510 | ( 80,609 ) | ( 430,511 ) | 293,975 | USD 20,000 |
| | USD 5,661 | USD 18,920 | ( USD 2,641 ) | ( USD 13,087 ) | USD 8,853 | |
| | $ 1,757,191 | $ 3,068,802 | ( $ 732,730 ) | ( $ 2,683,017 ) | $ 1,410,246 | |
| | USD 53,597 | USD 93,574 | ( USD 23,394 ) | ( USD 81,306 ) | USD 42,471 | |

December 31, 2024

| Counter-parties | Balance at January 1 | Receivables Factoring Proceeds | Cash Received | Advances Received - Used | Balance at December 31 | Credit Lines |
|---|---|---|---|---|---|---|
| Bank SinoPac | $ 612,050 | $ 3,223,020 | ( $ 382,298 ) | ( $ 3,026,792 ) | $ 425,980 | USD 54,000 |
| | USD 19,933 | USD 100,703 | ( USD 12,843 ) | ( USD 94,800 ) | USD 12,993 | |
| Taishin International Bank | 493,563 | 2,891,995 | ( 505,684 ) | ( 2,311,802 ) | 568,072 | USD 60,000 |
| | USD 16,074 | USD 90,189 | ( USD 17,008 ) | ( USD 71,928 ) | USD 17,327 | |
| Chang Hwa Bank | 5,295 | 85,292 | ( 55,995 ) | ( 33,935 ) | 657 | USD 4,000 |
| | USD 172 | USD 2,705 | ( USD 1,795 ) | ( USD 1,062 ) | USD 20 | |
| E.Sun Bank | 659,500 | 10,502,440 | ( 2,999,371 ) | ( 7,585,672 ) | 576,897 | USD 200,000 |
| | USD 21,479 | USD 328,592 | ( USD 96,296 ) | ( USD236,179) | USD 17,596 | |
| HSBC Bank | 220,708 | 1,601,731 | ( 200,555 ) | ( 1,436,299 ) | 185,585 | USD 20,000 |
| | USD 7,187 | USD 49,884 | ( USD 6,805 ) | ( USD 44,605 ) | USD 5,661 | |
| | $ 1,991,116 | $ 18,304,478 | ( $ 4,143,903 ) | ( $14,394,500 ) | $ 1,757,191 | |
| | USD 64,845 | USD 572,073 | ( USD134,747) | ( USD448,574) | USD 53,597 | |

March 31, 2024

| Counter-parties | Balance at January 1 | Receivables Factoring Proceeds | Cash Received | Advances Received - Used | Balance at December 31 | Credit Lines |
|---|---|---|---|---|---|---|
| Bank SinoPac | $ 612,050 | $ 912,609 | ( $ 56,966 ) | ( $ 1,108,361 ) | $ 359,332 | USD 54,000 |
| | USD 19,933 | USD 29,153 | ( USD 2,551 ) | ( USD 35,305 ) | USD 11,229 | |
| Taishin International Bank | 493,563 | 497,113 | ( 43,488 ) | ( 850,298 ) | 96,890 | USD 60,000 |
| | USD 16,074 | USD 15,881 | ( USD 2,245 ) | ( USD 26,682 ) | USD 3,028 | |
| Chang Hwa Bank | 5,295 | 48,571 | ( 10,936 ) | ( 33,935 ) | 8,995 | USD 4,000 |
| | USD 172 | USD 1,550 | ( USD 380 ) | ( USD 1,062 ) | USD 281 | |
| E.Sun Bank | 659,500 | 2,485,674 | ( 205,076 ) | ( 1,976,033 ) | 964,064 | USD 105,000 |
| | USD 21,479 | USD 79,649 | ( USD 8,117 ) | ( USD 62,884 ) | USD 30,127 | |
| HSBC Bank | 220,708 | 306,498 | ( 39,704 ) | ( 315,227 ) | 172,276 | USD 20,000 |
| | USD 7,187 | USD 9,774 | ( USD 14,852 ) | ( USD 10,020 ) | USD 5,384 | |
| | $ 1,991,116 | $ 4,250,465 | ( $ 356,170 ) | ( $ 4,283,854 ) | $ 1,601,557 | |
| | USD 64,845 | USD136,007 | ( USD 28,145 ) | ( USD135,953) | USD 50,049 | |

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

The effective weighted average interest rates for factoring ranged from 5.10%~5.26% for the three months ended March 31, 2025, 5.18%~6.41% for the year ended December 31, 2024, and 6.16%~6.41% for the three months ended March 31, 2024.

Pursuant to the factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Company, while losses from credit risk are borne by banks.

## 33. TRANSACTIONS WITH RELATED PARTIES

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

a. Names and categories of related parties

| Name | Related Party Categories |
|---|---|
| Weikeng Industrial Co., Ltd. | Substantive related party |
| HIGGSTEC Inc. | Substantive related party – The company is a corporate director of the entity. |
| Blutech Inc. | Associate |
| Twin Beans Limited Corporation | Associate |

b. Sales of goods

| | | For the Three months Ended March 31 | |
|---|---|---|---|
| **Line Items** | **Related Party Categories/Name** | **2025** | **2024** |
| Sales | Substantive related party | $ 2,802 | $ 95 |
| | Associate | 40 | - |
| | | $ 2,842 | $ 95 |

c. Purchases of goods

| | For the Three months Ended March 31 | |
|---|---|---|
| **Related Party Categories/Name** | **2025** | **2024** |
| Substantive related party | $ 22,644 | $ 30,450 |

The related-party transactions were conducted under normal terms.

d. Receivables from related parties (excluding loans to related parties)

| Line Items | Related Party Categories/Name | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|---|
| Accounts receivable | Substantive related party | $ 1,018 | $ 178 | $ 97 |

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 subsidiaries.

e. Payables to related parties (excluding loans from related parties)

| Line Items | Related Party Categories/Name | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|---|
| Accounts payables | Substantive related party | $ 24,406 | $ 24,501 | $ 39,744 |

The outstanding accounts payables to related parties are unsecured.

f. Lease arrangements - the Group is lessee

| Line Items | Related Party Categories/Name | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|---|
| Lease liabilities - current | Substantive related party | $ - | $ - | $ 1,897 |

| Related Party Categories/Name | For the Three months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Interest expense | | |
| Substantive related party | $ - | $ 13 |
| | | |
| Rental expense | | |
| Substantive related party | | |
| Weikeng Industrial Co., Ltd. | $ 956 | $ - |

| Lessor | Location | Lease term and Payment Method |
|---|---|---|
| Weikeng Industrial Co., Ltd. | Office building on Huanshan Road, Neihu District | The lease term begins on January 1, 2021 and ends on December 31, 2025. Rent is paid every six months, where the monthly rent is NT$334,500. |

g. Other transactions with related parties

| Line Items | Related Party Categories/Name | For the Three months Ended March 31 | |
|---|---|---|---|
| | | **2025** | **2024** |
| Research and development fee | Substantive related party | $ 423 | $ 119 |
| | | | |
| Operating cost-Subcontracting fee | Substantive related party | | |
| | HIGGSTEC Inc. | $ 12,768 | $ 9,535 |
| | Others | 1 | 2 |
| | | $ 12,769 | $ 9,537 |
| | | | |
| Prepayments for business facilities | Associate | | |
| | Blutech Inc. | $ 5,714 | $ - |

In January, 2025, the Group participated in the cash capital increase of Blutech Inc. and subscribed $ 9,615 thousand, as a result, the Group acquired 18.86% interest in Blutech Inc. The Company served as the company's corporate director, and has significant influence over it, so it is classified as investment using the equity method.

In January, 2024, the Group participated in the cash capital increase of Twin Beans Limited Corporation and subscribed $16,000 thousand. The change registration was completed in February 2024, as a result, the Group acquired 20.61% interest in Twin Beans Limited Corporation, and the subsidiary served as the company's corporate director, and has significant influence over it, so it is classified as investment using the equity method.

h. Compensation of key management personnel

| Line Items | For the Three months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Short-term employee benefits | $ 19,988 | $ 24,697 |
| Other long-term employee benefits | 249 | 195 |
| | $ 20,237 | $ 24,892 |

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

## 34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Land | $ 205,987 | $ 205,987 | $ 205,987 |
| Buildings | 79,179 | 80,431 | 95,296 |
| | $ 285,166 | $ 286,418 | $ 301,283 |

The land and buildings above have been pledged as collateral for bank loans. The Group may not use the pledged assets as collateral for other loans or sell them to other companies.

## 35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

a. Significant commitments

1) As of March 31, 2025, December 31, 2024, and March 31, 2024, unused letters of credit for purchases of inventories were as follows:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| NTD | 110,000 | 110,000 | 160,578 |

2) As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group had issued promissory notes for the facilities of bank loans, the facilities of accounts receivables factoring and for purchase of inventories amounted to $1,100,000 thousand, $1,100,000 thousand and $900,000 thousand, respectively.

3) As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group has issued letters of guarantee for purchase of inventories amounted to $206,410, $205,570 thousand and $209,042 thousand, respectively.

4) As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group has all issued letters of guarantee for tariff guarantee amounted to $66,000, $66,000 thousand and $66,000 thousand, respectively.

b. Contingent liabilities: None

## 36. GNIFICANT EVENTS AFTER THE BALANCE SHEET DATE: NONE

## 37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

March 31, 2025

| | Foreign Currencies | Exchange Rate | | Carrying Amount |
|---|---|---|---|---|
| Financial assets | | | | |
| Monetary items | | | | |
| USD | $ 305,535 | 33.205 | USD:NTD | $ 10,145,297 |
| | | | | |
| Financial liabilities | | | | |
| Monetary items | | | | |
| USD | $ 163,346 | 33.205 | USD:NTD | $ 5,423,912 |
| USD | 4,058 | 7.262 | USD:CNY | 134,746 |
| | | | | $ 5,558,658 |

December 31, 2024

| | Foreign Currencies | Exchange Rate | | Carrying Amount |
|---|---|---|---|---|
| Financial assets | | | | |
| Monetary items | | | | |
| USD | $ 310,659 | 32.785 | USD:NTD | $ 10,184,963 |
| | | | | |
| Financial liabilities | | | | |
| Monetary items | | | | |
| USD | 155,886 | 32.785 | USD:NTD | $ 5,110,713 |
| USD | 3,878 | 7.3015 | USD:CNY | 127,154 |
| | | | | $ 5,237,867 |

March 31, 2024

| | Foreign Currencies | Exchange Rate | | Carrying Amount |
|---|---|---|---|---|
| Financial assets | | | | |
| Monetary items | | | | |
| USD | $ 379,237 | 32.000 | USD:NTD | $ 12,135,599 |
| | | | | |
| Financial liabilities | | | | |
| Monetary items | | | | |
| USD | 212,577 | 32.000 | USD:NTD | $ 6,802,464 |
| USD | 5,403 | 7.260 | USD:CNY | 172,908 |
| | | | | $ 6,975,372 |

The Group is mainly exposed to the USD and CNY The following information was aggregated by the functional currencies of the entities of the Group, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

| | For the Three Months Ended March 31 | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| Foreign Currencies | Exchange Rate | Net Foreign Exchange (Loss) | Exchange Rate | Net Foreign Exchange (Loss) |
| NTD | 1 (NTD:NTD) | $ 68,717 | 1 (NTD:NTD) | $ 206,674 |
| CNY | 4.573 (CNY:NTD) | ( 1,969 ) | 4.408 (CNY:NTD) | 104 |
| HKD | 4.268 (HKD:NTD) | 7 | 4.089 (HKD:NTD) | 19 |
| JPY | 0.223 (JPY:NTD) | ( 61 ) | 0.212 (JPY:NTD) | 93 |
| | | $ 66,694 | | $ 206,890 |

## 38. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. information on investees:

1) Financing provided to others. (None)

2) Endorsement/guarantee provided. (Table 1)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (None)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 2)

6) Significant transactions between the Company and subsidiaries. (Table 3)

b. Information of investees. (Table 4)

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 year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)

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 6)

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 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.

## 39. SEGMENT INFORMATION

Information reported to the chief operating decision maker ("CODM") for the purpose of resource allocation and assessment of segment performance focuses on the area of operations. The Group's segment information which is disclosed is as follows:

China region:

Manufacturing and distribution agents established in Mainland China and Hong Kong, including Happy On Supply Chain Management Limited, Promate Electronic (Shenzhen) Co., Ltd., and Promate Electronic (Shanghai) Company Limited.

Non-China region:

Manufacturing and distribution agents established outside Mainland China and Hong Kong, including the Company, Promate Solutions Corporation, CT Continental Corporation, FindingsTech Inc., Promate Japan

Inc., and Promate Electronics Company USA.

The CODM considers manufacturing and distribution agent as a separate operating segment. But for financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment, taking into account the following factors:

1) These operating segments have customers with similar risks;

2) These operating segments have the same method of product delivery to customers.

Segment Revenues and Operating Results

Analysis by reportable segment of revenues and operating results of continuing operations was as follows:

| | For the Three Months Ended March 31, 2025 | | |
|---|---|---|---|
| | China Region | Non-China Region | Total |
| Segment revenue | $ 2,394,230 | $ 5,461,899 | $ 7,856,129 |
| Segment income | $ 135,646 | $ 237,726 | $ 373,372 |
| Interest income | | | 11,203 |
| interest expenses | | | ( 42,557 ) |
| Net foreign exchange gains (losses) | | | 66,694 |
| Share of loss of associates | | | ( 1,702 ) |
| Other gains and losses | | | ( 554 ) |
| Profit before income tax | | | $ 406,456 |

| | For the Three Months Ended March 31, 2024 | | |
|---|---|---|---|
| | China Region | Non-China Region | Total |
| Segment revenue | $ 2,037,001 | $ 9,321,525 | $ 11,358,526 |
| Segment income | $ 64,229 | $ 445,033 | $ 509,262 |
| Interest income | | | 6,733 |
| interest expenses | | | ( 72,671 ) |
| Net foreign exchange gains (losses) | | | 206,890 |
| Share of loss of associates | | | ( 9,954 ) |
| Other gains and losses | | | 1,482 |
| Profit before income tax | | | $ 641,742 |

The above revenues were generated through transactions with external customers and among segments. The inter-segment revenues for the three months ended March 31, 2025 and 2024 had been adjusted and eliminated from the consolidated financial statements.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' and supervisors' salaries, share of profits of associates, gain recognized on the disposal of interest in former associates, rental revenue, interest income, gain or loss on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

## PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

**ENDORSEMENT/GUARANTEE PROVIDED**
**FOR THE THREE MONTHS ENDED MARCH 31, 2025**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Endorser/Guarantor</th><th colspan="2">Endorsee/Guarantee</th><th rowspan="2">Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)</th><th rowspan="2">Maximum Amount Endorsed/Guaranteed During the Period</th><th rowspan="2">Outstanding Endorsement/ Guarantee at the End of the Period</th><th rowspan="2">Actual Borrowing Amount</th><th rowspan="2">Amount Endorsed/ Guaranteed by Collaterals</th><th rowspan="2">Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)</th><th rowspan="2">Maximum Collateral/ Guarantee Amounts Allowable (Note 2)</th><th rowspan="2">Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries</th><th rowspan="2">Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent</th><th rowspan="2">Endorsement/ Guarantee Given on Behalf of Companies in Mainland China</th></tr>
<tr><th>Name</th><th>Relationship</th></tr>
<tr><td>0</td><td>The Company</td><td>Promate Electronic (Shanghai) Co., Ltd.</td><td>(1)</td><td>$2,336,612</td><td>$112,650</td><td>$ 91,460</td><td>$ -</td><td>$ -</td><td>1.37%</td><td>$3,338,017</td><td>Y</td><td>N</td><td>Y</td></tr>
</table>

Note 1：The 2 types of relationship between a guarantor and a guarantee are set out as follows:

(1) Companies in which the Company directly and indirectly holds more than 50 percent of the voting shares.

(2) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares

.

Note 2：The endorsement/guarantee limit is determined by the Company in accordance with Articles 36 and 38 of the Securities and Exchange Act and Operational Procedures for Endorsements/Guarantees resolved by the shareholders' meeting: the total amount of endorsement/guarantee provided by the Company shall not exceed 50% of the net worth of the current period. The endorsement/guarantee provided to a single entity shall not exceed 35% of the net worth of the current period.

(1)According to the above regulations, aggregate Endorsement/Guarantee Limit: shall not exceed forty percent (50%) of net worth NT$6,676,034 (in thousands) × 50% = $3,338,017 (in thousands).
(2)According to the above regulations, limits on Endorsement/Guarantee Given on Behalf of Each Party: Shall not exceed thirty percent (35%) of net worth NT$6,676,034 (in thousands) × 35% = $2,336,612 (in thousands).

## PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

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

| Company Name | Related Party | Relationship | Ending Balance | Turnover Rate | Overdue | | Amounts Received in Subsequent Period | Allowance for Impairment Loss |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount | Actions Taken | | |
| The Company | CT Continental Corporation | Subsidiary | Accounts receivable $ 735,318 | 1.68 | $ - | — | 162,227 | $ - |

Note: The revenue from sales to other customers through CT Continental Corp. for the three months ended March 31, 2025 were NT$326,751 thousand. Its accounts receivable as of March 31, 2025 was NT$735,318 thousand
All intercompany transactions have been eliminated from consolidation.

## PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

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

| No. (Note 1) | Investee Company | Counterparty | Flow of Transactions (Note 2) | Transaction Details | | | % to Total Sales or Assets (Note 3) |
|---|---|---|---|---|---|---|---|
| | | | | Financial Statement Account | Amount (Note 4) | Payment Terms | |
| 0 | The Company | CT Continental Corporation | 1 | Accounts receivable | 735,318 | Sales to other customers through CTC; transaction terms vary depending on each customer. | 4.29% |
| | 〃 | Promate Electronic (Shenzhen) Co., Ltd. | 1 | Sale | 56,752 | Transaction terms are not significantly different from those for third parties | 0.72% |
| | 〃 | 〃 | 1 | Accounts receivable | 88,614 | 〃 | 0.52% |
| | 〃 | Promate Electronic (Shanghai) Co., Ltd | 1 | Sale | 50,950 | 〃 | 0.65% |

Note 1: The parent company and its subsidiaries are numbered as follows:
a. “0” for the parent company.
b. Subsidiaries are numbered from “1”.

Note 2: The flow of related-party transactions is as follows:
a. From the parent company to its subsidiary.
b. From the subsidiary to its parent company.
c. Between subsidiaries.

Note 3: For assets and liabilities, amounts are shown as a percentage to consolidated total assets as of March 31, 2024, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the three months ended March 31, 2025.

**TABLE 4**

## PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTEES**
**FOR THE THREE MONTHS ENDED MARCH 31, 2025**
**(In Thousands of New Taiwan Dollars/Foreign Currency)**

| Investor Company | Investee Company | Location | Main Businesses and Products | Investment Amount | | Balance as of March 31, 2025 | | | Net Income (Loss) of the Investee) | Investment Gain (Loss) (Note) | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | March 31, 2025 | December 31, 2024 | Shares (Thousand) | Percentage of Ownership | Carrying Value | | | |
| | With control ability | | | | | | | | | | |
| The Company | Promate Solutions Corporation. | Taiwan | Production and trade of electronic components | $ 297,527 | $ 297,527 | 25,328 | 66.21% | $ 1,086,650 | $ 85,429 | $ 56,744 | Subsidiary |
| | PROMATE INTERNATIONAL CO., LTD. | Hong Kong | General investment | 52,101 | 52,101 | 12,360 | 100.00% | 49,822 | ( 3,647) | ( 3,647) | Subsidiary |
| | HAPPY ON SUPPLY CHAIN MANAGEMENT LTD. | Hong Kong | Warehousing and logistics services | 12,124 | 12,124 | 3,000 | 100.00% | 21,541 | 700 | 700 | Subsidiary |
| | PROMATE ELECTRONICS COMPANY USA | USA | General trade of electronic components | 606 | 606 | 20 | 100.00% | 12,615 | 187 | 187 | Subsidiary |
| | CT Continental Corporation | Taipei, Taiwan | General trade of electronic components | 54,000 | 54,000 | 5,400 | 90.00% | 52,925 | ( 1,722) | ( 1,550) | Subsidiary |
| | FindingsTech Inc. | Taiwan | Information software service | 18,000 | 18,000 | 1,800 | 100.00% | 13,185 | ( 2,073) | ( 2,073) | Subsidiary |
| | Blutech Inc. | Taiwan | Wholesale of Precision Instruments | 1,212 | - | 121 | 15.63% | 3,245 | ( 3,732) | ( 583) | Associate |
| | With control ability | | | | | | | | | | |
| Promate Solutions Corporation | PROMATE JAPAN Inc. | Japan | General trade of electronic components | 2,791 | 2,791 | 100 | 100.00% | 4,763 | ( 251) | ( 251) | Subsidiary |
| | Twin Beans Limited Corporation | Taiwan | Wholesale of Precision Instruments | 16,000 | 16,000 | 1,600 | 20.61% | 6,266 | ( 5,765) | ( 1,188) | Associate |
| | Blutech Inc. | Taiwan | Wholesale of Precision Instruments | 600 | - | 250 | 3.23% | 669 | ( 3,732) | 69 | Associate |

Note: Refer to Table 5 for information on investment in mainland China.

# PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

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

1. For investments in China, disclose the name of the investee, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, gain or loss for the period, carrying amount of the investment, repatriated investment gains:

| Investee Company | Main Businesses and Products | Paid-in Capital | Method of Investment | 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 Income (Losses) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) | Carrying Amount as of March 31, 2025 | Accumulated Repatriation of Investment Income as of March 31, 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Outward | Inward | | | | | | |
| Promate Electronic (Shenzhen) Co., Ltd. | International trade, entrepot trade, trade with companies and trading agents in free trade zones | $ 6,782 (USD 200) | 100% Indirectly invested through Promate International Co, Ltd. （Note 1） | $ 6,782 (USD 200) | $ - | $ - | $ 6,782 USD 200 | ($ 1,493) (Note 3) | 100 | ($ 1,493) (Note 3) | $ 15,398 | $ - |
| Promate Electronic (Shanghai) Co., Ltd | 〃 | 32,500 (USD 1,000) | 〃 （Note 2） | 32,500 (USD 1,000) | - | - | 32,500 USD 1,000 | ( 2,151) (Note 3) | 100 | ( 2,151) (Note 3) | 24,418 | - |

2. Limit on the amount of investment in China

| Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2025 | Investment Amounts Authorized by Investment Commission, MOEA | Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
|---|---|---|
| $39,282<br>USD1,200 | $39,282<br>USD1,200 | $4,342,568 |

Note 1: The Company invested in PROMATE INTERNATIONAL CO., LTD., which later established Promate Electronic (Shenzhen) Co., Ltd. as a wholly-owned subsidiary in mainland China in October 2008. This investment was approved by the Board of Directors and filed with the Investment Commission of the Ministry of Economic Affairs under reference number 9800118390.

Note 2: The Company invested in PROMATE INTERNATIONAL CO., LTD., which later established Promate Electronic (Shanghai) Co., Ltd. as a wholly-owned subsidiary in mainland China in November 2009. This investment was approved by the Board of Directors and filed with the Investment Commission of the Ministry of Economic Affairs under reference number 09900024680.

Note 3: The amount was recognized based on the audited financial statements of the investee company.

Note 4: The investment limit for mainland China is calculated as 60% of the consolidated net equity.

**TABLE 6**

## PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS 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 | | Unit Price | Transaction Details | | Notes/Accounts Receivable (Payable) | | Unrealized Gains or Losses |
|---|---|---|---|---|---|---|---|---|---|
| | | Amount | Percentage | | Payment Terms | Compared to General Transactions | Ending Balance | % of Total | |
| Promate Electronic (Shenzhen) Co., Ltd. | Sales | $ 56,752 | 0.72% | No significant difference | No significant difference | No significant difference | Accounts receivable $88,614 | 1.41% | $ 12 |
| Promate Electronic (Shanghai) Co., Ltd | Sales | 50,950 | 0.65% | 〃 | 〃 | 〃 | Accounts receivable $43,906 | 0.70% | 236 |

1. Endorsements, guarantees or collateral directly and indirectly provided by investee companies in mainland China through businesses in a third area: Table 1.

2. Financial intermediation directly and indirectly provided by investee companies in mainland China through a third area: None.

3. Other transactions that have a material impact on current profit or loss or financial status: None.