AMPAK Technology, Inc. and Subsidiaries

Consolidated Financial Report and Independent Auditor's Review Report

Q1 of 2025 and 2024

Address: 6F.-2, No. 23, Huanke 1st Road, Zhubei City,
Hsinchu County
Tel: (03)6009666

§ Table of Contents §

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
AMPAK Technology Inc.

Introduction

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

Scope of Review

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.

Conclusion

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

The engagement partners on the reviews resulting in this independent auditors' review report are Han-Ni Fang and Ching-Ting Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

April 30, 2025

Notice to Readers

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

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

AMPAK Technology, Inc. and Subsidiaries

Consolidated Balance Sheet

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

Unit: NTD thousand

代碼	Assets	March 31, 2025 Amount	%	December 31, 2024 Amount	%	March 31, 2024 Amount	%
	Current Assets						
1100	Cash and cash equivalents (Notes 4 and 6)	$ 1,055,151	31	$ 1,239,480	36	$ 883,609	28
1136	Financial assets at amortized cost - current (Notes 4 and 8)	487,547	14	420,785	12	93,730	3
1170	Accounts receivable, net (Notes 4, 9, 21 and 28)	330,697	10	341,366	10	349,243	11
1200	Other receivables (Notes 4, 9 and 28)	24,199	1	18,386	1	22,688	1
1220	Current income tax assets	14,770	-	14,770	-	6,985	-
130X	Inventories (Notes 4 and 10)	498,164	14	394,464	12	766,427	24
1470	Other current assets (Notes 4 and 15)	40,367	1	28,926	1	21,214	1
11XX	Total Current Assets	2,450,895	71	2,458,177	72	2,143,896	68
	Non-current Assets						
1510	Financial assets at fair value through profit or loss - non-current (Note 17)	-	-	50	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	78,116	2	34,994	1	41,482	1
1535	Financial assets at amortized cost - non-current (Notes 4, 8 and 29)	121,760	4	126,101	4	181,455	6
1600	Property, plant and equipment (Notes 4, 12 and 29)	657,570	19	662,212	19	676,010	22
1755	Right-of-use assets (Notes 4 and 13)	175	-	307	-	702	-
1805	Goodwill (Note 4)	29,717	1	29,717	1	29,717	1
1821	Other intangible assets (Notes 4 and 14)	29,311	1	31,519	1	18,700	1
1840	Deferred income tax assets (Note 4)	34,174	1	33,743	1	36,090	1
1920	Other non-current assets (Notes 4, 15 and 19)	36,855	1	43,141	1	12,068	-
15XX	Total Non-current Assets	987,678	29	961,784	28	996,224	32
1XXX	Total Assets	$ 3,438,573	100	$ 3,419,961	100	$ 3,140,120	100

Code	Liabilities and Owner's Equity	March 31, 2025 Amount	%	December 31, 2024 Amount	%	March 31, 2024 Amount	%
	Current Liabilities						
2100	Short-term loans (Notes 16 and 29)	$ 122,000	4	$ 157,000	5	$ 143,000	5
2130	Contractual liabilities (Notes 4 and 21)	14,514	-	16,290	-	10,048	-
2170	Accounts payable	382,736	11	375,916	11	248,755	8
2180	Accounts payable to related parties (Note 28)	36,558	1	29,155	1	16,857	-
2219	Other payables (Notes 18, 25 and 28)	345,746	10	156,817	5	373,590	12
2230	Current income tax liabilities (Note 4)	32,345	1	15,984	-	25,898	1
2280	Lease liabilities - current (Notes 4 and 13)	181	-	316	-	538	-
2320	Long-term borrowings due within one year (Notes 16 and 29)	3,515	-	3,495	-	114,270	4
2399	Other current liabilities (Notes 18 and 28)	26,779	1	30,519	1	53,635	2
21XX	Total Current Liabilities	964,374	28	785,492	23	986,591	32
	Non-current Liabilities						
2500	Financial liabilities at fair value through profit or loss - non-current (Note 17)	1,863	-	-	-	-	-
2530	Corporate bonds payable (Note 17)	479,665	14	476,939	14	-	-
2540	Long-term loans (Notes 16 and 29)	64,744	2	65,637	2	340,105	11
2570	Deferred income tax liabilities (Note 4)	2,912	-	2,435	-	2,610	-
2580	Lease liabilities - non-current (Notes 4 and 13)	-	-	-	-	181	-
2670	Other non-current liabilities (Note 18)	12,452	-	12,294	-	15,200	-
25XX	Total Non-current Liabilities	561,636	16	557,305	16	358,096	11
2XXX	Total Liabilities	1,526,010	44	1,342,797	39	1,344,687	43
	Equity attributable to owners of parent (Notes 4 and 20)						
	Share capital						
3110	Common share capital	668,484	20	668,368	20	662,269	21
3130	Bond conversion entitlement	-	-	116	-	-	-
3100	Total share capital	668,484	20	668,484	20	662,269	21
3200	Capital reserve	931,480	27	931,480	27	807,665	26
	Retained earnings						
3310	Legal reserve	184,022	5	184,022	5	156,237	5
3320	Special reserve	60,132	2	60,132	2	56,384	2
3350	Undistributed earnings	104,095	3	273,367	8	162,498	5
3300	Total retained earnings	348,249	10	517,521	15	375,119	12
3490	Other equity	(53,847)	(2)	(47,352)	(1)	(59,545)	(2)
31XX	Total equity attributable to owners of parent	1,894,366	55	2,070,133	61	1,785,508	57
36XX	Non-controlling interests (Note 20)	18,197	1	7,031	-	9,925	-
3XXX	Total Owner's Equity	1,912,563	56	2,077,164	61	1,795,433	57
	Total Liabilities and Owner's Equity	$ 3,438,573	100	$ 3,419,961	100	$ 3,140,120	100

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

AMPAK Technology, Inc. and Subsidiaries

Consolidated Comprehensive Income Statement

For the three months ended March 31, 2025 and 2024

Unit: NTD thousand, but NTD for earnings per share

Code		For the three months ended March 31, 2025 Amount	%	For the three months ended March 31, 2024 Amount	%
4000	Operating revenue (Notes 4, 21, 28 and 34)	$ 600,929	100	$ 520,051	100
5000	Operating costs (Notes 10, 22 and 28)	(459,151)	(77)	(413,777)	(80)
5900	Gross profit from operations	141,778	23	106,274	20
	Operating expenses (Notes 4, 14, 22, and 28)				
6100	Marketing expenses	(13,098)	(2)	(10,129)	(2)
6200	Administrative expenses	(24,584)	(4)	(24,504)	(5)
6300	Research and development expenses	(42,215)	(7)	(34,287)	(6)
6000	Total operating expenses	(79,897)	(13)	(68,920)	(13)
6900	Net operating income	61,881	10	37,354	7
	Non-operating income and expenses (Notes 4, 22 and 28)				
7100	Interest income	11,687	2	6,888	1
7010	Other income	411	-	1,110	-
7020	Other gains and losses	12,533	2	38,399	8
7050	Financial cost	(3,665)	-	(2,623)	-
7000	Total non-operating income and expenses	20,966	4	43,774	9
7900	Profit before tax	82,847	14	81,128	16
7950	Income tax expense (Notes 4 and 23)	(17,563)	(3)	(16,364)	(3)
8200	Net profit of the period	65,284	11	64,764	13

(continued on the next page)

(continued from the previous page)

Code		For the three months ended March 31, 2025		For the three months ended March 31, 2024	
		Amount	%	Amount	%
	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	($ 6,495)	(1)	$ 587	-
8300	Total other comprehensive income	(6,495)	(1)	587	-
8500	Total comprehensive income	$ 58,789	10	$ 65,351	13
	Profit attributable to:				
8610	Owners of parent	$ 64,697	11	$ 64,764	12
8620	Non-controlling interests	587	-	-	-
8600		$ 65,284	11	$ 64,764	12
	Comprehensive income attributable to:				
8710	Owners of parent	$ 58,202	10	$ 65,351	13
8720	Non-controlling interests	587	-	-	-
8700		$ 58,789	10	$ 65,351	13
	Earnings per share (Note 24)				
9750	Basic	$ 0.97		$ 0.98	
9850	Diluted	$ 0.96		$ 0.97	

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

AMPAK Technology, Inc. and Subsidiaries

Consolidated Statement of Changes in Equity

For the three months ended March 31, 2025 and 2024

Unit: NTD thousand

		Equity attributable to owners of parent													
		Share capital (Note 20)					Retained earnings (Note 20)				Other Equity				
Code		Number of shares (thousand)	Amount	Bond conversion entitlement	Total	Capital reserve (Note 20)	Legal reserve	Special reserve	Undistributed earnings	Total	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Exchange differences in the translation of financial statements of foreign operations	Total	Non-controlling interests	Total Owner's Equity
A1	Balance on January 1, 2024	66,227	$ 662,269	$ -	$ 662,269	$ 807,665	$ 156,237	$ 56,384	$ 329,528	$ 542,149	($ 60,132)	$ -	$ 1,951,951	$ -	$ 1,951,951
	2023 earnings allocation and distribution														
B5	Cash dividend to shareholders	-	-	-	-	-	-	-	(231,794)	(231,794)	-	-	(231,794)	-	(231,794)
D1	Net profit for the three months ended March 31, 2024	-	-	-	-	-	-	-	64,764	64,764	-	-	64,764	-	64,764
D3	Other comprehensive income after tax for the three months ended March 31, 2024	-	-	-	-	-	-	-	-	-	587	-	587	-	587
D5	Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	-	-	64,764	64,764	587	-	65,351	-	65,351
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	9,925	9,925
Z1	Balance on March 31, 2024	66,227	$ 662,269	$ -	$ 662,269	$ 807,665	$ 156,237	$ 56,384	$ 162,498	$ 375,119	($ 59,545)	$ -	$ 1,785,508	$ 9,925	$ 1,795,433
A1	Balance on January 1, 2025	66,837	$ 668,368	$ 116	$ 668,484	$ 931,480	$ 184,022	$ 60,132	$ 273,367	$ 517,521	($ 47,352)	$ -	$ 2,070,133	$ 7,031	$ 2,077,164
	2024 earnings allocation and distribution														
B5	Cash dividend to shareholders	-	-	-	-	-	-	-	(233,969)	(233,969)	-	-	(233,969)	-	(233,969)
D1	Net profit for the three months ended March 31, 2025	-	-	-	-	-	-	-	64,697	64,697	-	-	64,697	587	65,284
D3	Other comprehensive income after tax for the three months ended March 31, 2025	-	-	-	-	-	-	-	-	-	(6,495)	-	(6,495)	-	(6,495)
D5	Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	-	-	64,697	64,697	(6,495)	-	58,202	587	58,789
I3	Bond conversion certificate conversion	11	116	(116)	-	-	-	-	-	-	-	-	-	-	-
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	10,579	10,579
Z1	Balance on March 31, 2025	66,848	$ 668,484	$ -	$ 668,484	$ 931,480	$ 184,022	$ 60,132	$ 104,095	$ 348,249	($ 53,847)	$ -	$ 1,894,366	$ 18,197	$ 1,912,563

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

AMPAK Technology, Inc. and Subsidiaries

Consolidated Cash Flow Statement

For the three months ended March 31, 2025 and 2024

Unit: NTD thousand

Code		For the three months ended March 31, 2025	For the three months ended March 31, 2024
	Cash flow from (used in) operating activities		
A00010	Profit before tax	$ 82,847	$ 81,128
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	7,071	6,873
A20200	Amortization expense	9,954	1,929
A20900	Financial cost	3,665	2,623
A21200	Interest income	(11,687)	(6,888)
A23800	Inventory impairment and sluggish loss	4,845	5,242
A20400	Net loss on financial assets/liabilities measured at fair value through profit or loss	1,913	-
A24100	Unrealized foreign exchange loss (gain)	(11,175)	(8,513)
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	15,111	11,603
A31180	Other receivables	(5,813)	13,600
A31200	Inventory	(108,545)	103,444
A31240	Other current assets	(11,441)	2,878
A31990	Net defined benefit asset	(27)	(6)
A32125	Contract liabilities	(1,776)	(7,671)
A32150	Accounts payable	12,741	87,860
A32160	Accounts payable - related parties	6,621	(33,152)
A32180	Other payables	(31,688)	(5,494)
A32230	Other current liabilities	(3,740)	14,863
A33000	Cash inflow (outflow) generated from operations	(41,124)	270,319
A33100	Interest received	11,687	6,888
A33300	Interest paid	(3,712)	(2,627)
A33500	Income tax paid	(1,156)	(680)
AAAA	Net cash inflow (outflow) from operating activities	(34,305)	273,900
	Cash flow from (used in) investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(49,617)	-
B00040	Acquisition of financial assets at amortized cost	(481,387)	(31,244)
B00050	Proceeds from disposal of financial assets at amortized cost	420,560	65,776

(continued on the next page)

(continued from the previous page)

Code		For the three months ended March 31, 2025	For the three months ended March 31, 2024
B02700	Purchase of property, plant and equipment	($ 2,297)	($ 11,440)
B04500	Purchase of intangible asset	(117)	(686)
B06700	Increase in other non-current assets	(1,316)	(348)
BBBB	Net cash inflow (outflow) from investing activities	(114,174)	22,058
	Cash flow from (used in) financing activities		
C00200	Decrease in short-term borrowings	(35,000)	-
C01700	Repayments of long-term debt	(873)	(28,125)
C03000	Increase in guarantee deposits received	158	615
C04020	Payments of lease liabilities	(135)	(133)
CCCC	Cash flows from (used in) financing activities	(35,850)	(27,643)
EEEE	Increase (decrease) in cash and cash equivalents of the period	(184,329)	268,315
E00100	Cash and cash equivalents at beginning of the period	1,239,480	615,294
E00200	Cash and cash equivalents at end of the period	$ 1,055,151	$ 883,609

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

AMPAK Technology, Inc. and Subsidiaries

Notes to consolidated financial statements

For the three months ended March 31, 2025 and 2024

(unless otherwise specified, the amount is in NTD thousand)

I. Company History

AMPAK Technology, Inc. (hereinafter referred to as the Company), originally named Taidian Electronics Co., Ltd., is a profit-seeking enterprise established in December 2000 in accordance with the Company Act. The company name was changed to Jiacheng Technology Co., Ltd. in February 2001, and then to AMPAK Technology, Inc. in September 2009.

The Company is mainly engaged in the following business items: manufacturing, wholesale and retail of wireless communication machinery and equipment, manufacturing of electronic components, wholesale and retail of electronic materials, manufacturing of data storage and processing equipment, and manufacturing of wired communication machinery and equipment.

The Company’s shares were approved for public offering from August 12, 2020, and it registered as an emerging market company on November 9, 2020; Furthermore, it listed for trading on the Taipei Exchange on May 24, 2022.

This consolidated financial report is expressed in New Taiwan dollars, the functional currency of the Company.

II. Date and procedure of adoption of the financial report

The consolidated financial report was approved by the board meeting on April 29, 2025.

III. Application of newly issued and revised standards and interpretations

(I) The first application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) (hereinafter referred to as "IFRSs") recognized and published by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

The application of the amended IFRSs recognized and published by the FSC will not cause major changes to the accounting policies of the entities controlled by the Company (hereinafter referred to as the "consolidated company").

(II) <u>IFRSs approved by the FSC applicable in 2026</u>

Newly released/amended/revised standards and interpretation	The effective date of the IASB release
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments", include amended application guidance regarding the classification of financial assets.	January 1, 2026 (Note 1)

Note 1: The amendments are applicable to annual reporting periods beginning on or after January 1, 2026. However, enterprises may choose to apply the amendments earlier, starting from January 1, 2025.

<u>Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments", include amended application guidance regarding the classification of financial assets.</u>

The amendments mainly modify the classification of financial assets include:

1. If the financial asset contains a contingency that can change the time or amount of the contractual cash flow and that the nature of the contingency is not directly related to changes in the basic loan risks and costs (i.e., whether the borrower managed to achieve the decrease of specific carbon emissions volume), the contractual cash flow is entirely for the payment of principal and the interest on the outstanding principal when meeting the following two conditions:
    - All contractual cash flows generated under all possible scenarios (before or after the occurrence of the contingency) are entirely for the payment of principal and interest on the outstanding principal; and
    - There is no significant difference between the contractual cash flow generated under all possible scenarios and the cash flow of financial instruments with the same contractual terms but without contingent characteristics.
2. Clarifying that financial assets with no recourse characteristics refer to the ultimate right of the enterprise to receive cash flows, where the cash flows are contractually limited to those generated by specific assets.
3. Clarifying that a contractually linked instrument creates multiple tranches of securities through a waterfall payment structure to establish the payment priority of financial asset holders, thereby concentrating credit risk and leading

to an imbalanced distribution of cash shortfalls from the underlying pool among different tranches of securities.

Upon initial application of the amendments, they should be applied retrospectively, but there is no need to restate comparative periods. The impact of the initial application should be recognized on the date of initial application. However, if the Company is able to restate the comparative periods without using hindsight, it may choose to restate the comparative periods.

As of the date when this consolidated financial report was approved for release, the consolidated company is still evaluating the impact of the amendment on its financial position and financial performance.

(III) IFRSs issued by the IASB but not approved and effective by the FSC

Newly released/amended/revised standards and interpretation	The effective date of the IASB release (Note 1)
"IFRS Annual Improvements - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments", include amended application guidance regarding the derecognition of liabilities.	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity".	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Investment of Assets Between Investors and Their Affiliates or Joint Ventures"	Undetermined
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 Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless otherwise noted, the above-mentioned new/amended/revised standards or interpretations shall come into effect during the annual reporting period starting after that date.

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- The income statement shall divide items of income and expenses into operating, investing, fundraising, income tax, and suspended operation categories.

- The income statement shall report operating profit or loss, financing profit before tax or loss before tax, as well as subtotals and totals of the profit or loss.
- Provide guidelines to enhance the summarizing and separation requirements: The consolidated company shall identify assets, liabilities, equity, gains, expenses, and cash flow from individual transactions or other matters and carry out the classification and summary based on the common characteristics to allow the single line items reported in the major financial statements to have at least one similar characteristic. Items with non-similarity characteristics shall be separated in the major financial statements and notes. The consolidated company may only mark such items as “others” when a more informative label cannot be identified.
- Addition of disclosures of performance measurement defined by the management: When the consolidated company is carrying out public communications other than financial statements and when users of financial statements are communicating with the management from the perspective of a certain aspect of the overall financial performance of the consolidated company, relevant information on the performance measurement defined by the management shall be disclosed in a single note in the financial statements, including the description off the measurement, the calculation method, the reconciliation of it and the subtotal or total stipulated in the IFRSs, and the effects of relevant reconciliation items on income tax and non-controlling interest.

Except for the abovementioned effects, if the consolidated Company continues to evaluate the other impacts of different standards and amendments to the interpretation of the financial status and financial performance as of the date of approval of the consolidated financial statements for publication, the relevant impacts shall be disclosed when the evaluation is completed.

IV. Summary of significant accounting policies

(I) Declaration of Compliance

This consolidated financial report is prepared in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not contain all IFRS Accounting Standards disclosures required by the entire annual financial statements.

(II) Basis of Preparation

Other than financial instruments measured at fair value and net defined benefit assets recognized at the present value of defined benefit obligations less the fair value of plan assets, the consolidated financial report is prepared based on historical costs.

Fair value measurement is divided into levels 1 to 3 according to the observability and importance of relevant input values:

1. Level 1 input value: refers to the quoted price (unadjusted) of the same assets or liabilities available in the active market on the measurement date.
2. Level 2 input value: refers to the direct (i.e., price) or indirect (i.e., derived from price) observable input value of assets or liabilities other than the quotation of level 1.
3. Level 3 input value: refers to the unobservable input value of assets or liabilities.

(III) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and the entities (subsidiaries) controlled by the Company. In the consolidated statement of comprehensive income, the operating income of the acquired or affiliated subsidiaries since the acquisition date or until the disposal date has been included. The financial statements of the subsidiaries have been adjusted so that their accounting policies are consistent with those of the consolidated company. In the preparation of the consolidated financial statements, all transactions, account balances, gains and expense losses among the entities have been eliminated. The total comprehensive income of the subsidiaries is attributable to the owners and is the non-controlling interest of the Company, even if the non-controlling interest becomes a loss.

Where the change of ownership rights of the subsidiaries of the consolidated company does not result in a loss of control, it shall be treated as an equity transaction. The book values of the consolidated company and non-controlling interests have been adjusted to reflect the change in the relative interests in subsidiaries. The difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and belongs to the owners of the Company.

For details of subsidiaries, shareholding ratio and business items, please refer to Note 11 and Table 3.

(IV) Other Significant Accounting Policies

Except the following notes, please refer to Summary of Significant Accounting Policies in the consolidated financial report of 2024.

1. Defined benefits and post-retirement benefits

The pension cost of the interim period is calculated based on the pension cost rate determined by actuarial calculation from the end of the previous year to the end of the current period, and adjusted for major market fluctuations of the current period, as well as major plan amendments, repayments or other major one-off events.

2. Other long-term employee benefits

The accounting treatment for other long-term employee benefits is the same as that for defined benefit retirement plans. However, the related remeasurement amounts are recognized in profit or loss.

3. Income tax expenses

Income tax expense is the sum of current income tax and deferred income tax changes. The income tax of the interim period is assessed on an annual basis, and the profit before tax of the interim period is calculated at the tax rate applicable to the expected annual total earnings.

V. Main sources of uncertainty in significant accounting judgments, estimates, and assumptions

The major sources of uncertainty in significant accounting judgments, estimates, and assumptions adopted in this consolidated financial report are the same as those in the consolidated financial report for 2024.

VI. Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and working capital	$ 182	$ 156	$ 191
Bank checking accounts and demand deposit accounts	649,714	678,207	453,818
Cash equivalents			
Bank term deposits with an original maturity in 3 months	405,255	561,117	429,600
	$ 1,055,151	$ 1,239,480	$ 883,609

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

Equity instrument investment

	March 31, 2025	December 31, 2024	March 31, 2024
Non-current			
Domestic investments			
Listed stocks	$ 59,872	$ 17,085	$ -
Unlisted stocks	424	424	26,986
Subtotal	60,296	17,509	26,986
Foreign investments			
Unlisted stocks	17,820	17,485	14,496
	$ 78,116	$ 34,994	$ 41,482

The consolidated company invests in the stocks above based on its medium and long-term strategies and expects to make profits through long-term investment. In the opinion of the management of the consolidated company, if the short-term fair value fluctuation of such investment is included in the income, it is not consistent with the aforesaid long-term investment plan, so they chose to designate such investment as measured at fair value through other comprehensive income.

In June 2024, the consolidated company adjusted its investment positions to diversify risks by selling ordinary shares of PCL (Hsinchu) Co., Ltd. for NT$3,681 thousand. The unrealized loss of NT$31,862 thousand related to the financial assets measured at fair value through other comprehensive income was transferred to retained earnings.

Starting from December 2024, the consolidated company purchased common shares of GEMTEK Technology Co., Ltd. from the centralized securities market, and since it is a mid- to long-term strategic investment, it was designated as measured at fair value through other comprehensive income.

VIII. Financial assets measured at amortized cost

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Domestic investments			
Time deposits with an original maturity exceeding 3 months	$ 487,547	$ 420,785	$ 93,730
Non-current			
Domestic investments			
Time deposits with an original maturity exceeding 3 months	$ 121,760	$ 126,101	$ 181,455

For information about pledged financial assets at amortized cost, please refer to Note 29.

IX. Accounts and other receivables (including related parties), net

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable			
Measured at amortized cost			
Total book value	$ 330,697	$ 341,366	$ 349,252
Less: Loss allowance	-	-	(9)
	$ 330,697	$ 341,366	$ 349,243
Other receivables (including related parties)			
Measured at amortized cost			
Total book value	$ 24,199	$ 18,386	$ 22,688

Total book value measured at cost after amortization

The average credit period of the consolidated company for commodity sales is 30 to 90 days, and the accounts receivable are not subject to interest. The impairment assessment of accounts receivable is based on individual assessment, aging analysis, historical experience, and analysis of the current financial situation of customers to estimate the amount that cannot be recovered.

The consolidated company recognizes the loss allowance of accounts receivable according to the expected credit loss during the period of existence. The expected credit loss during the existence period is calculated by the preparation matrix, which considers the past default records of customers and their current financial situation, and the industrial economic situation. As the historical experience of credit loss of the consolidated company shows that there is no significant difference in the loss pattern of different customer groups, the preparation matrix does not further distinguish customer groups, and only uses the overdue days of accounts receivable to determine the expected credit loss rate.

If there is evidence that the counterparty is facing serious financial difficulties and the consolidated company cannot reasonably expect the recoverable amount, for example, if the transaction counterparty is in liquidation, the consolidated company will directly write off the relevant receivables but will continue the recourse activities, and the amount recovered due to recourse will be recognized as income.

The consolidated company measures the provision for loss of accounts receivable according to the preparation matrix as follows:

March 31, 2025

	Not overdue	1 to 90 days overdue	91 to 180 days overdue	181 to 270 days overdue	271 to 365 days overdue	More than 365 days overdue	Total
Expected credit impairment rate	-	-	-	-	-	-	
Total book value	$ 289,035	$ 41,655	$ -	$ -	$ 7	$ -	$ 330,697
Loss allowance (expected credit impairment during the existence period)	-	-	-	-	-	-	-
Amortized cost	$ 289,035	$ 41,655	$ -	$ -	$ 7	$ -	$ 330,697

December 31, 2024

	Not overdue	1 to 90 days overdue	91 to 180 days overdue	181 to 270 days overdue	271 to 365 days overdue	More than 365 days overdue	Total
Expected credit impairment rate	-	-	-	-	-	-	
Total book value	$ 333,157	$ 8,202	$ -	$ 7	$ -	$ -	$ 341,366
Loss allowance (expected credit impairment during the existence period)	-	-	-	-	-	-	-
Amortized cost	$ 333,157	$ 8,202	$ -	$ 7	$ -	$ -	$ 341,366

March 31, 2024

	Not overdue	1 to 90 days overdue	91 to 180 days overdue	181 to 270 days overdue	271 to 365 days overdue	More than 365 days overdue	Total
Expected credit impairment rate	-	0.01%	-	-	-	-	
Total book value	$ 321,497	$ 27,755	$ -	$ -	$ -	$ -	$ 349,252
Loss allowance (expected credit impairment during the existence period)	(6)	(3)	-	-	-	-	(9)
Amortized cost	$ 321,491	$ 27,752	$ -	$ -	$ -	$ -	$ 349,243

Information on changes in the loss allowance of accounts receivable is as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Opening and closing balance	$ -	$ 9

X. Inventory

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	$ 323,365	$ 298,233	$ 603,561
Work in progress	64,379	19,988	74,282
Finished products and commodities	110,420	76,243	88,584
	$ 498,164	$ 394,464	$ 766,427

The cost of goods sold related to inventories for the three months ended March 31, 2025 and 2024 was NT$459,151 thousand and NT$413,777 thousand respectively. The cost of goods sold includes the losses for market price decline and obsolete and slow-moving inventories, which are NT$4,845 thousand and NT$5,242 thousand respectively.

XI. Subsidiary

Subsidiaries included in the consolidated financial statements

The main entities of the consolidated financial statements are as follows:

			Percentage of ownership interest and voting rights			
Name of investing company	Name of subsidiary	Nature of business	March 31, 2025	December 31, 2024	March 31, 2024	Description
The Company	SparkLAN Communications, Inc. (SparkLAN)	Communications business	96.84%	96.84%	100%	Note

The subsidiaries above listed in the consolidated financial statements have been reviewed by CPAs.

Note: In March 2024, the Board resolved to issue the 2023 remuneration of employees in stock and issue 333 thousand new shares. The Board resolved in September 2024 that the capital increase base date was September 20, 2024, resulting in the decrease of the Company’s shareholding ratio in SparkLAN Communications, Inc. to 96.84%.

XII. Property, plant and equipment

Self-use

	Self-owned land	Buildings	Machinery and equipment	Other equipment	Construction in progress	Total
Cost						
Balance on January 1, 2024	$ 340,650	$ 305,260	$ 52,750	$ 80,413	$ 1,692	$ 780,765
Addition	-	-	2,068	249	-	2,317
Inward transfer of construction in progress	-	-	1,692	-	(1,692)	-
Disposal	-	-	-	(116)	-	(116)
Balance on March 31, 2024	$ 340,650	$ 305,260	$ 56,510	$ 80,546	$ -	$ 782,966
Accumulated depreciation						
Balance on January 1, 2024	$ -	$ 9,695	$ 29,402	$ 61,234	$ -	$ 100,331
Depreciation expense	-	4,357	1,147	1,237	-	6,741
Disposal	-	-	-	(116)	-	(116)
Balance on March 31, 2024	$ -	$ 14,052	$ 30,549	$ 62,355	$ -	$ 106,956
Net amount on March 31, 2024	$ 340,650	$ 291,208	$ 25,961	$ 18,191	$ -	$ 676,010
Cost						
Balance on January 1, 2025	$ 340,650	$ 308,464	$ 50,619	$ 80,739	$ -	$ 780,472
Addition	-	-	2,297	-	-	2,297
Balance on March 31, 2025	$ 340,650	$ 308,464	$ 52,916	$ 80,739	$ -	$ 782,769
Accumulated depreciation						
Balance on January 1, 2025	$ -	$ 27,282	$ 25,196	$ 65,782	$ -	$ 118,260
Depreciation expense	-	4,436	1,309	1,194	-	6,939
Balance on March 31, 2025	$ -	$ 31,718	$ 26,505	$ 66,976	$ -	$ 125,199
Net amount on December 31, 2024 and January 1, 2025	$ 340,650	$ 281,182	$ 25,423	$ 14,957	$ -	$ 662,212
Net amount on March 31, 2025	$ 340,650	$ 276,746	$ 26,411	$ 13,763	$ -	$ 657,570

For the three months ended March 31, 2025 and 2024, there were no signs of any impairment, so the consolidated company did not conduct an impairment assessment.

Depreciation expense is accrued on a straight-line basis according to the following durability years:

Buildings	50 years
Machinery and equipment	2 to 10 years
Other equipment	2 to 10 years

Please refer to Note 29 for the amount of self-use property, plant, and equipment set as a loan guarantee.

XIII. Lease agreement

(I) Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Book value of right-of-use assets			
Transportation equipment	$ 175	$ 307	$ 702

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Depreciation expenses of right-of-use assets		
Transportation equipment	$ 132	$ 132

Except for the depreciation expenses recognized above, there were no significant sublease or impairment in the right-of-use assets of the consolidated company for the three months ended March 31, 2025 and 2024.

(II) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Book value of lease liabilities			
Current	$ 181	$ 316	$ 538
Non-current	$ -	$ -	$ 181

The range of discount rates for lease liabilities is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Transportation equipment	1.30%	1.30%	1.30%

(III) Other lease information

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Short-term rental expenses	$ 140	$ 170
Total cash (outflow) from lease	($ 276)	($ 306)

XIV. Other intangible assets

	March 31, 2025	December 31, 2024	March 31, 2024
Patent rights	$ 49	$ 54	$ 64
Computer software	14,263	15,775	868
Customer relations	14,999	15,690	17,768
	$ 29,311	$ 31,519	$ 18,700

Except for the amortization expenses recognized above, there were no significant addition, disposal or impairment in the intangible assets of the consolidated company for the three months ended March 31, 2025 and 2024.

Amortization expense is accrued on a straight-line basis according to the following durability years:

Patent rights	20 years
Computer software	1 to 3 years
Customer relations	11 years

Summary of amortization expenses by function:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Marketing expenses	$ 31	$ -
Marketing expenses	692	692
Administrative expenses	56	238
R&D expenses	1,546	-
	$ 2,325	$ 930

XV. Other assets

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Business tax carry forward	$ 25,535	$ 14,706	$ 15,133
Prepaid expenses	5,853	4,344	5,664
Prepayments	8,976	9,585	128
Others	3	291	289
	$ 40,367	$ 28,926	$ 21,214

(continued on the next page)

(continued from the previous page)

	March 31, 2025	December 31, 2024	March 31, 2024
Non-current			
Deferred expenses	$ 27,606	$ 33,920	$ 1,450
Refundable deposits	910	910	3,051
Overdue receivables	17,142	17,142	17,142
Allowance for impairment losses - overdue receivables	(17,142)	(17,142)	(17,142)
Net defined welfare assets (Note 19)	8,339	8,311	7,567
	$ 36,855	$ 43,141	$ 12,068

XVI. Borrowings

(I) Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Secured loans (Note 29)			
Bank loans	$ 62,000	$ 97,000	$ 143,000
Unsecured loans			
Credit loans	60,000	60,000	-
	$ 122,000	$ 157,000	$ 143,000

The consolidated company uses financial assets measured at amortized cost as collateral (see Note 29). As of March 31, 2025 and December 31 and March 31, 2024, the interest rates on bank secured loans were 1.63% to 2.04%, 1.62% to 2%, and 1.41% to 1.61%, respectively.

(II) Long-term loans

	March 31, 2025	December 31, 2024	March 31, 2024
Secured loans (Note 29)			
Bank loans (1)	$ 68,259	$ 69,132	$ 70,000
Bank loans (2)	-	-	224,175
Unsecured loans			
Credit loans (2)	-	-	10,200
Credit loans (3)	-	-	150,000
Less: Current portion due within one year	(3,515)	(3,495)	(114,270)
	$ 64,744	$ 65,637	$ 340,105

(1) The consolidated company borrowed using property, plant, and equipment as collateral (please refer to Note 29) with loan interest rates of 2.04%, 2.05%,

and 1.79%, respectively, on March 31, 2025 and December 31 and March 31, 2024, respectively. The borrowing period is from September 2021 to September 2041 with the first 36 months constituting a grace period and principal and interest to be amortized over 17 years. The loan drawdown this time is used to purchase land and offices.

(2) The interest rate on the bank's long-term loan was 1.77% as of March 31, 2024. Of this amount, NT$224,175 thousand is secured by property, plant, and equipment (refer to Note 29). The disbursed amount was used for purchasing land and office buildings. The loan period is from October 2022 to October 2042, with principal and interest to be repaid over 20 years. The consolidated company repaid the loan early in June 2024.

(3) The interest rate of long-term bank borrowings was 1.90% as of March 31, 2024. The borrowing period is from July 2023 to July 2025, and the principal and interest are amortized over 2 years. This amount used was for the distribution of cash dividends. The consolidated company repaid the loan early in June 2024.

XVII. Corporate bonds payable

	March 31, 2025	December 31, 2024	March 31, 2024
Domestic unsecured convertible bonds	$ 479,665	$ 476,939	$ -
Less: Current portion due within one year	-	-	-
	$ 479,665	$ 476,939	$ -

To repay the bank borrowings and replenish the working capital, the Company issued unsecured convertible bonds in Taiwan on June 5, 2024. The issuance is as follows:

(I) Total issuance amount: NT$603,000 thousand

(II) Par value: NT$100 thousand per bond

(III) Coupon rate: 0%

(IV) Effective interest rate: 2.2821%

(V) Carrying amount at the time of issuance: NT$560,728 thousand

(VI) Duration: June 5, 2024 to June 5, 2027

(VII) Conversion period:

Except for the period of suspension of conversion, creditors may request to convert all convertible bonds held into ordinary shares of the Company from the day after three months from the issuance date (September 6, 2024) to June 5, 2027 (expiry date) according to the corporate bond conversion regulations at any time. The period of suspension of conversion is as follows:

(1) The book closure period of ordinary shares.

(2) 15 business days before the book closure date for stock grants the book closure date for cash dividends or the book closure date for the capital increase in cash through share subscription to the base date of rights distribution applied by the Company with TPEx.

(3) The base day for the capital reduction to one day prior to the trading date for the re-issuance of stocks.

(4) Other book closure periods according to the law.

(VIII) Conversion price and its adjustment:

The creditors may request the Company to convert the bonds they hold into ordinary shares of the Company at NT$158.8 per share. After the issuance, if the issued ordinary shares of the Company increase, the conversion price will be adjusted according to the regulations. As of March 31, 2025, the conversion price was adjusted to NT$155.1.

(IX) Repayment of bonds at maturity:

On the maturity date of the bonds, the issuing company will repay the bonds in cash in one lump sum based on the face value of the bonds.

(X) Bondholders' sell-back options:

Two years after the issuance of the corporate bonds (June 5, 2026), the bondholders may notify the Company in writing in accordance with the conversion regulations to request the Company to redeem the corporate bonds held by them with cash at the par value of the bonds.

(XI) The Company's right of redemption:

Three months after the issuance of the bonds (September 6, 2024) and up to 40 days prior to the expiry of the issuance period (April 26, 2027), if the closing price of the Company's ordinary shares on TPEx exceeds 30% (inclusive) of the then conversion price for 30 consecutive business days or when the outstanding balance of the bonds is lower than 10% of the initial total issuance amount, the issuance company may redeem all of its bonds with cash at the par value of the bonds.

The convertible bonds include asset, liability and equity components. The equity component is presented as capital reserve - share options under equity. The asset and liability component are presented as assets embedded in derivative financial products and non-derivative financial liabilities. The appraisal of the fair value of the liabilities embedded in derivative financial products as of March 31, 2025 was NT$1,863 thousand. The amount of non-derivative financial liabilities measured at amortized cost as of March 31, 2025 was NT$479,665 thousand. The effective interest rate initially recognized was 2.2821%.

Issuance consideration (deduct the transaction cost of NT$5,210 thousand)	$ 597,790
Equity component (deduct the transaction cost of NT$318 thousand amortized to equity)	(36,462)
Financial liabilities at fair value through profit or loss - non-current	(600)
Liability component on the issuance date (deduct the transaction cost of NT$4,892 thousand amortized to liabilities)	$ 560,728
Liability component as of January 1, 2025	$ 476,939
Interest calculated at the effective interest rate of 2.2821%	2,726
Corporate bonds payable converted to ordinary shares	-
Liability component as of March 31, 2025	$ 479,665

XVIII. Other liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Other payables			
Salary and bonus payable	$ 11,886	$ 15,701	$ 11,286
Employees' remuneration payable	71,944	88,325	82,304
Directors' remuneration payable	5,904	4,472	6,155
Expenses payable	11,609	11,958	15,763
Dividend payable	233,969	-	231,794
Others	10,434	36,361	26,288
	$ 345,746	$ 156,817	$ 373,590
Other liabilities			
Temporary credits	$ 25,472	$ 27,622	$ 50,246
Others	1,307	2,897	3,389
	$ 26,779	$ 30,519	$ 53,635
Non-current			
Other liabilities			
Guarantee deposits received	$ 12,452	$ 12,294	$ 15,200

XIX. Post-employment benefit plan

The pension expenses related to defined benefit plans recognized for the three months ended March 31, 2025 and 2024 were calculated based on the pension cost rate determined through actuarial calculation on December 31, 2024 and 2023, and the amounts are NT$(27) thousand and NT$(6) thousand, respectively.

XX. Equity

(I) Share capital

1. Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
The authorized number of shares (thousand shares)	100,000	100,000	100,000
The authorized share capital	$ 1,000,000	$ 1,000,000	$ 1,000,000
The number of issued shares fully paid for (thousand shares)	66,848	66,837	66,227
The issued share capital	$ 668,484	$ 668,368	$ 662,269

Common shares are issued at a par value of NT$10, and each share has one voting right and the right to receive dividends.

2. Bond conversion entitlement

	March 31, 2025	December 31, 2024	March 31, 2024
Number of shares converted with alteration registration not completed (thousand shares)	-	11	-
Share capital converted with alteration registration not completed	$ -	$ 116	$ -

Carry out the alteration registration after the issuance of the new shares on the base day for the capital increase according to the law.

(II) Capital reserve

	March 31, 2025	December 31, 2024	March 31, 2024
It may be used to cover losses, distribute cash or replenish share capital. (1)			
Premium from share issuance	$ 805,406	$ 805,406	$ 805,406
Conversion premium of corporate bonds	89,861	89,861	-
Employee stock options	2,228	2,228	2,228
Can only be used to cover losses			
Recognition of changes in ownership interests in subsidiaries (2)	3,350	3,350	-
Other - exercise of vesting rights	31	31	31
May not be used for any purposes			
Share options (3)	30,604	30,604	-
	$ 931,480	$ 931,480	$ 807,665

1. This type of capital reserve may be used to make up for losses, and when the Company has no losses, it may also be used to distribute cash or for capital appropriation; when used for capital appropriation, it is limited to a certain percentage of the paid-in capital every year.
2. The capital reserve is the effects of equity transactions recognized due to the changes in the equity of subsidiaries or the adjustments to the capital reserve of subsidiaries that the Company recognizes by using the equity method when the Company has not obtained or disposed of the equity of subsidiaries.
3. The capital reserve is the value of share options recognized for issuing convertible bonds.

(III) Retained earnings and dividend policy

According to the provisions of the earnings distribution policy in the Company's Articles of Incorporation, if there is a surplus in the annual final accounts, taxes shall be paid in accordance with the law, and after making up the cumulative loss, 10% shall be set aside as the legal reserve, and the rest shall be appropriated as or reversed from special reserve according to laws and regulations. If there is still a balance, the board meeting shall formulate an earnings distribution proposal for it together with the cumulative undistributed surplus, and submit it to the shareholders' meeting for a resolution to distribute dividends to shareholders. The Company's Articles of Incorporation specify the employee and director remuneration distribution policy, which can be referred to in Note 22(7) regarding employee and director remuneration.

The legal reserve should be appropriated until its balance reaches the total paid-in share capital of the Company. The legal reserve may be used to make up for losses. When the Company has no losses, the portion of the legal reserve exceeding 25% of the total paid-in share capital may be distributed in cash in addition to being appropriated as share capital.

When the Company made the provision for special reserve for the net deduction amount of other equity accumulated in the previous period, the provision was made only for the undistributed earnings in the previous period.

The Company held its board meeting and its general shareholders' meeting on March 4, 2025 and May 24, 2024, respectively, and made the following resolutions on the distribution of earnings for 2024 and 2023:

	Earnings distribution plan		Cash dividend per share (NT$)	
	2024	2023	2024	2023
Legal reserve	$ 20,717	$ 27,785		
Provision (reversal) of special reserve	(12,779)	3,748		
Cash dividend	233,969	231,794	$ 3.5	$ 3.5

The cash dividends for 2024 were approved for distribution by the Board of Directors on March 4, 2025, while the distribution of the remaining earnings is pending approval at the annual general shareholders' meeting, which is scheduled to be held on May 27, 2025.

(IV) Non-controlling interests

	March 31, 2025	March 31, 2024
Beginning balance	$ 7,031	$ -
Net profit of the period	587	-
Changes in ownership interests in subsidiaries	10,579	9,925
Ending balance	$ 18,197	$ 9,925

The board meeting on March 4, 2025 resolved to approve the distribution of the remuneration of employees of NT$10,579 thousand fully in shares for the subsidiary SparkLAN and the distribution is 501 thousand shares calculated based on the net worth per share of NT$21.12 in the financial report of SparkLAN in the preceding year, resulting in the changes in the ownership interest in the subsidiary of the Company. As of the approval date for the publication of the consolidated financial report, SparkLAN has not distributed shares.

The Board meeting on March 5, 2024 (on behalf of the shareholders' meeting) resolved to approve the distribution of the remuneration of employees of NT$9,925 thousand fully in shares for the subsidiary SparkLAN and the distribution is 333 thousand shares calculated based on the net worth per share of NT$29.81 in the financial report of SparkLAN in the preceding year. On September 10, 2024, the Board resolved that the ex-right base day is September 20, 2024, resulting in changes of the Company's ownership in SparkLAN Communications, Inc. SparkLAN Communications, Inc. completed the alteration registration on October 16, 2024.

XXI. Income

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Customer contract revenue		
Revenue from product sales	$ 600,929	$ 520,051

(I) Contract balance

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Accounts receivable (Note 9)	$ 330,697	$ 341,366	$ 349,252	$ 351,766
Contractual liabilities - current				
Product sales	$ 14,514	$ 16,290	$ 10,048	$ 17,719

(II) Breakdown of customer contract revenue

Please refer to note 34 for the revenue breakdown.

XXII. Net profit

(I) Interest income

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Bank deposits	$ 11,687	$ 6,888

(II) Other income

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Revenue from sales of materials	$ -	$ 744
Others	411	366
	$ 411	$ 1,110

(III) Other gains and losses

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Losses on financial assets and financial liabilities		
Financial assets mandatorily measured at fair value through profit or loss	($ 50)	$ -
Financial liabilities held for trading	(1,863)	-
Net foreign currency exchange gain	14,446	38,399
	$ 12,533	$ 38,399

(IV) Financial cost

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Bank loan interest	$ 3,664	$ 2,620
Lease liability interest	1	3
	$ 3,665	$ 2,623

(V) Depreciation and amortization

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Summary of depreciation expenses by function		
Operating costs	$ 91	$ 88
Operating expenses	6,980	6,785
	$ 7,071	$ 6,873

(continued on the next page)

(continued from the previous page)

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Summary of amortization expenses by function		
Operating costs	$ 45	$ 5
Operating expenses	9,909	1,924
	$ 9,954	$ 1,929

Please refer to Note 14 for information on the allocation of intangible asset amortization expenses to each unit item.

(VI) Employee benefit expenses

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Post-employment benefits		
Defined contribution plan	$ 1,519	$ 1,378
Defined benefit plan (Note 19)	(27)	(6)
	1,492	1,372
Other employee benefits	44,095	41,779
Total employee benefits	$ 45,587	$ 43,151
Summary by function		
Operating costs	$ 4,836	$ 4,631
Operating expenses	40,751	38,520
	$ 45,587	$ 43,151

(VII) Remuneration of employees, directors and supervisors

In accordance with the Articles of Incorporation, after making up the losses with the pre-tax profit of the current year, the Company appropriates 5% to 15% of the balance as the employees' remuneration, and no more than 2% as the directors' remuneration.

In accordance with the amendment to the Securities and Exchange Act in August 2024, the Company plans to amend its Articles of Incorporation at the 2025 shareholders' meeting, specifying that no less than 10% of the employee remuneration allocated for the year shall be distributed to entry-level employees.

The estimated employees' remuneration (including entry-level employees' remuneration) and directors' remuneration for the three months ended March 31, 2025 and 2024 are as follows:

Estimated proportion

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Employees' remuneration	10%	10%
Directors' remuneration	1%	1%

Amount

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Employees' remuneration	$ 8,721	$ 8,646
Directors' remuneration	$ 872	$ 865

If there is still any change in the amount after the issuance date of the annual consolidated financial statements, it shall be handled according to the change of accounting estimate and adjusted and recorded in the next year.

The resolutions on the employees' remuneration and directors' remuneration for 2024 and 2023 by the board meetings on March 4, 2025 and March 5, 2024, respectively, are as follows:

	2024	2023
	Cash	Cash
Employees' remuneration	$ 30,618	$ 34,642
Directors' remuneration	3,062	3,464

There is no difference between the actual distribution amounts of employees' remuneration and directors' remuneration for 2024 and 2023 and the amounts recognized in the consolidated financial statements for 2024 and 2023.

Please visit the "Market Observation Post System" of the Taiwan Stock Exchange Corporation for the Company's board resolution on the employees' remuneration and directors' and supervisors' remuneration.

XXIII. Income tax

(I) Income tax recognized in profit and loss

The main components of income tax expenses are as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Income tax of the current period		
Incurred during the period	$ 17,517	$ 11,855
Deferred income tax		
Incurred during the period	46	4,509
Income tax expenses recognized as profit and loss	$ 17,563	$ 16,364

(II) Approved income tax

The tax filing of the Company and SparkLAN Communications, Inc. up to 2022 has been approved by the tax collection authority.

XXIV. Earnings per share

The earnings used for calculating earnings per share and weighted average number of common shares are as follows:

Net profit of the period

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Net income used to calculate basic earnings per share	$ 64,697	$ 64,764
Impact of potential common shares with dilution effect:		
Interests of convertible bonds	2,726	-
Net income used to calculate diluted earnings per share	$ 67,423	$ 64,764

Number of shares

Unit: thousand shares

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
The weighted average number of common shares used for calculating basic earnings per share	66,848	66,227
Impact of potential common shares with dilution effect:		
Employees' remuneration	232	228
Convertible bonds	3,247	-
The weighted average number of common shares used for calculating diluted earnings per share	70,327	66,455

If the consolidated company has the option to pay employees' remuneration in stock or cash, the calculation of diluted earnings per share is based on the assumption that the employees' remuneration will be issued in stock, and the weighted average number of outstanding shares will be included in the calculation of diluted earnings per share when the potential common shares are diluted. When calculating the diluted earnings per share before the issuance of employees' remuneration shares in the next annual resolution, the dilution effect of such potential common shares shall also be considered.

XXV. Cash flow information

The consolidated company conducted the following non-cash financing activities for 2025 and for the three months ended March 31, 2024:

The board meeting on March 4, 2025 resolved to distribute a cash dividend of NT$233,969 thousand, which has not been distributed as of March 31, 2025.

The board meeting on March 5, 2024 resolved to distribute a cash dividend of NT$231,794 thousand, which has not been distributed as of March 31, 2024.

XXVI. Capital risk management

Based on the characteristics of the current operation of the industry, the future development of the company, and factors such as changes in the external environment, the consolidated company plans the capital, research and development expenses, dividend payments and other needs in the future, so as to ensure that all enterprises in the group can improve the shareholder value in the long run by optimizing the debt and equity balance on the premise of continuing operation.

The key management of the consolidated company reviews the capital structure of the group from time to time, including consideration of the cost of various types of capital and related risks. Based on the recommendation of the key management, the consolidated company will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares, and issuing new bonds or repaying old bonds.

XXVII. Financial instrument

(I) Fair value information - financial instruments not measured at fair value

Except for those set out in the following table, the management of the consolidated company believes that the book value of financial assets and financial liabilities not measured at fair value approaches its fair value.

March 31, 2025

	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
- Corporate bonds payable	$ 479,665	$ 562,773	$ -	$ -	$ 562,773

December 31, 2024

	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
- Corporate bonds payable	$ 476,939	$ 596,766	$ -	$ -	$ 596,766

March 31, 2024: None.

(II) Fair value information - financial instruments measured at fair value on a repetitive basis

1. Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Equity instrument investment				
- Domestic and foreign listed stocks	$ 59,872	$ -	$ -	$ 59,872
- Domestic and foreign unlisted stocks	-	-	18,244	18,244
Total	$ 59,872	$ -	$ 18,244	$ 78,116
Financial liabilities at fair value through profit or loss				
Derivatives	$ -	$ -	$ 1,863	$ 1,863

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivatives	$ -	$ -	$ 50	$ 50
Financial assets measured at fair value through other comprehensive income				
Equity instrument investment				
- Domestic and foreign listed stocks	$ 17,085	$ -	$ -	$ 17,085
- Domestic and foreign unlisted stocks	-	-	17,909	17,909
Total	$ 17,085	$ -	$ 17,909	$ 34,994

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Equity instrument investment				
- Domestic and foreign unlisted stocks	$ -	$ -	$ 41,482	$ 41,482

There was no transfer of fair value measurement between Level 1 and Level 2 for the three months ended March 31, 2025 and 2024.

2. Adjustment of Level 3 fair value measurement of financial instruments

For the three months ended March 31, 2025

Financial assets	Financial assets measured at fair value through other comprehensive income Equity instruments
Beginning balance	$ 17,909
Addition	-
Recognized in other comprehensive income (Unrealized gains (losses) on financial assets at fair value through other comprehensive income)	335
Ending balance	$ 18,244

For the three months ended March 31, 2024

Financial assets	Financial assets measured at fair value through other comprehensive income
	Equity instruments
Beginning balance	$ 40,895
Recognized in other comprehensive income (Unrealized gains (losses) on financial assets at fair value through other comprehensive income)	587
Ending balance	$ 41,482

3. Evaluation technology and input value of Level 3 fair value measurement

The fair value of unlisted stocks without an active market is assessed using the market approach.

The market approach refers to the estimation of the fair value of investment targets by referring to the transaction prices and related information that are comparable in the market.

(III) Types of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Financial assets measured at amortized cost (Note 1)	$ 2,020,264	$ 2,147,028	$ 1,533,776
Measured at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	-	50	-
Financial assets measured at fair value through other comprehensive income			
Equity instrument investment	78,116	34,994	41,482
Financial liabilities			
Measured at fair value through profit or loss			
Held for trading	1,863	-	-
Measured at amortized cost (Note 2)	1,447,416	1,277,253	1,251,777

Note 1: The balance refers to financial assets at amortized cost, including cash and cash equivalents, financial assets at amortized cost, accounts receivable (including related parties), other receivables (including related parties), and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, accounts payable (including related parties), other payables (including related parties), guarantee deposits received, long-term borrowings due within one year, long-term borrowings, and corporate bonds payable.

(IV) Purpose and policy of financial risk management

The main financial instruments of the consolidated company include equity and debt instrument investment, accounts receivable, accounts payable, and loans. The financial management department of the consolidated company provides services for all business units, coordinates the entry into domestic and international financial markets, and supervises and manages the financial risks related to the operation of the consolidated company by analyzing the internal risk report of the exposure according to the risk level and breadth. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

The consolidated company hedges risk exposure through derivative financial instruments to mitigate the impact of the risk. The use of derivative financial instruments is regulated by the policies adopted by the board meeting of the consolidated company, which are the written principles for exchange rate risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of residual working capital. The internal auditors continuously recheck the policy compliance and exposure limit. The consolidated company does not trade financial instruments (including derivative financial instruments) for speculative purposes.

The Financial Management Department reports to the board meeting after the completion of derivative trading.

1. Market risk

The main financial risks borne by the consolidated company due to its operating activities are the risk from foreign currency exchange rate change (see (1) below) and interest rate change risk (see (2) below) and other price changes (see (3) below).

There is no change in the exposure of the consolidated company to the market risk of financial instruments and the management and measurement of such exposure.

(1) Exchange rate risk

The consolidated companies are engaged in foreign currency denominated sales and purchase transactions, which result in exposure to exchange rate changes.

Please refer to Note 32 for the book value of monetary assets and monetary liabilities (including monetary items written off under non-functional currency in the consolidated financial statements) of the consolidated company denominated in non-functional currency on the balance sheet date.

Sensitivity analysis

The consolidated company is mainly affected by the exchange rate fluctuations of US dollar.

The following table details the sensitivity analysis of the consolidated company when the exchange rate of NTD (functional currency) against each relevant foreign currency changes by 1%. The sensitivity analysis only includes the foreign currency items that are in circulation, and the conversion at the end of the period is adjusted by 1% of the exchange rate change. The positive numbers in the following table represent the amount of net profit before tax that will increase when NTD depreciates by 1% relative to each relevant foreign currency; when NTD appreciates by 1% relative to each relevant foreign currency, its impact on the net profit before tax will be a negative number of the same amount.

	The impact of USD	
	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Profit and loss	$ 7,849	$ 9,242

The impact of foreign currency on profit and loss listed in the table above mainly comes from the USD denominated non-derivative financial assets and liabilities of the consolidated company that are still in circulation on the balance sheet date with the cash flows unhedged.

Changes in the sensitivity to exchange rates of the consolidated company for the three months ended March 31, 2025 and 2024 are primarily due to the decrease in bank deposits denominated in USD and financial assets measured at amortized cost.

(2) Interest rate risk

Interest rate exposure is caused by the fact that entities in the consolidated company borrow funds at both fixed and floating rates. The consolidated company regularly evaluates the hedging activities to make them consistent with the interest rate view and the established risk appetite, so as to ensure that the most cost-effective hedging strategy is adopted.

The book values of the financial assets and financial liabilities of the consolidated company subject to interest rate exposure on the balance sheet date are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value related interest rate risk			
- Financial assets	$ 1,013,546	$ 1,108,003	$ 703,785
- Financial liabilities	601,665	633,939	115,000
Cash flow related interest rate risk			
- Financial assets	650,617	678,064	454,705
- Financial liabilities	68,259	69,132	482,375

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments on the balance sheet date. For floating rate liabilities, it is assumed that the amount of liabilities outstanding on the balance sheet date is also outstanding during the reporting period. The rate of change used by the Group to report interest rates to the key management is 100 basis points of increase or decrease in interest rates, which also represents the management’s assessment of the reasonable range of possible changes in interest rates.

If the interest rate increases/decreases by 100 basis points, and all other variables remain unchanged, the consolidated company’s net profit before tax for the three months ended March 31, 2025 will increase/decrease by NT$1,456 thousand, and its net profit before tax for the three months ended March 31, 2024 will decrease/increase by NT$69 thousand, mainly because the net position of variable interest rate of bank deposits and variable interest rate borrowings of the consolidated company.

The sensitivity of the consolidated company to interest rate changes for the three months ended March 31, 2025, and 2024, was mainly due to the reduction in floating-rate borrowings.

(3) Other price risks

Equity price exposure arising from investments in equity securities held by the consolidated company. The consolidated company appoints personnel to supervise the price risk and assess when it is necessary to increase the hedging position of the hedged risk.

Sensitivity analysis

The following sensitivity analysis is based on the equity price exposure on the balance sheet date.

If the equity price rises/falls by 1%, the other comprehensive income before tax for the three months ended March 31, 2025 and 2024 will increase/decrease by NT$781 thousand and NT$415 thousand, respectively, due to the rise/fall of the fair value of financial assets measured by fair value through other comprehensive income.

There was no significant change in the sensitivity of the consolidated company to equity securities investment in the current year compared with the previous year.

2. Credit risk

Credit risk refers to the risk of the consolidated company’s financial loss caused by default of contractual obligations of the counterparty. As of the balance sheet date, the maximum credit risk exposures of the consolidated company that may cause financial losses due to the performance failure of the counterparty mainly come from: the book value of financial assets recognized in the individual balance sheet.

In order to mitigate the credit risk, the management of the consolidated company has assigned a dedicated team to be responsible for the decision of credit lines and credit approvals and other monitoring procedures to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the consolidated company will review the recoverable amount of accounts receivable one by one on the balance sheet date to ensure that the unrecoverable accounts receivable have been included in appropriate impairment losses. Accordingly, the management of the Company believes that the credit risk of the consolidated company has been significantly reduced.

Accounts receivable cover many customers, scattered in different industries and geographical regions. The consolidated company continuously evaluates the financial status of customers with accounts receivable.

3. Liquidity risk

The consolidated company manages and maintains sufficient cash and cash equivalents to support group operations and mitigate the impact of cash flow fluctuations. The management of the consolidated company supervises the use of bank financing lines and ensures compliance with the terms of loan contracts.

Bank loans are an important source of liquidity for the consolidated company. For the unused financing lines of the consolidated company as of March 31, 2025 and December 31 and March 31, 2024, see (2) below for the description of financing lines.

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

The maturity analysis of the remaining contracts of non-derivative financial liabilities is based on the undiscounted cash flow (including principal and estimated interest) of financial liabilities on the earliest possible repayment date of the consolidated company. Therefore, the series of bank loans that the consolidated company may be required to repay immediately shall not take into account the probability of the bank executing the right immediately in the earliest period in the table below;

the maturity analysis of other non-derivative financial liabilities shall be prepared according to the agreed repayment date.

The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the yield curve on the balance sheet date.

March 31, 2025

	Immediate repayment required or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
No-interest bearing liabilities	$ 207,411	$ 235,655	$ 321,974	$ -	$ -
Fixed rate liabilities	191	90,364	32,128	503,600	-
Floating rate liabilities	406	813	3,657	19,503	56,070
Lease liabilities	45	91	45	-	-
	$ 208,053	$ 326,923	$ 357,804	$ 523,103	$ 56,070

Further information on the maturity analysis of floating rate liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years
Floating rate liabilities	$ 4,876	$ 19,503	$ 24,378	$ 24,378	$ 7,314

December 31, 2024

	Immediate repayment required or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
No-interest bearing liabilities	$ 153,123	$ 335,197	$ 73,568	$ -	$ -
Fixed rate liabilities	249	473	157,995	503,600	-
Floating rate liabilities	407	813	3,660	19,520	57,339
Lease liabilities	45	91	180	-	-
	$ 153,824	$ 336,574	$ 235,403	$ 523,120	$ 57,339

Further information on the maturity analysis of floating rate liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years
Floating rate liabilities	$ 4,880	$ 19,520	$ 24,400	$ 24,400	$ 8,539

March 31, 2024

	Immediate repayment required or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
No-interest bearing liabilities	$ 131,431	$ 140,377	$ 367,394	$ -	$ -
Fixed rate liabilities	137	30,233	85,365	-	-
Floating rate liabilities	28,855	1,363	119,327	133,217	252,398
Lease liabilities	45	91	408	181	-
	$ 160,468	$ 172,064	$ 572,494	$ 133,398	$ 252,398

Further information on the maturity analysis of floating rate liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years
Floating rate liabilities	$ 149,545	$ 133,217	$ 98,793	$ 93,263	$ 60,342

The amount of floating rate instruments of the non-derivative financial liabilities above will change due to the difference between the floating rate and the estimated interest rate on the balance sheet date.

(2) Credit facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loan limit			
- Amount used	$ 60,000	$ 60,000	$ 160,200
- Amount unused	1,206,920	1,196,840	1,198,680
	$ 1,266,920	$ 1,256,840	$ 1,358,880
Secured bank loan limit			
- Amount used	$ 130,259	$ 166,133	$ 437,175
- Amount unused	139,741	103,867	74,745
	$ 270,000	$ 270,000	$ 511,920

XXVIII. Related party transactions

Transactions, account balances, gains and expenses between the Company and its subsidiaries (which are related parties of the Company) are eliminated in full at the time of consolidation, so they are not disclosed in this note. In addition to those disclosed in other notes, the transactions between the consolidated company and other related parties are as follows.

(I) Name and relationship of related parties

Name of related party	Relationship with the consolidated company
GEMTEK Technology Co., Ltd.	Investor with significant influence
Gemtek Electronics (Kunshan) Co., Ltd.	Subsidiary of investor with significant influence
Browan Communications Incorporation	Subsidiary of investor with significant influence

(II) Operating revenue

Type of related party	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Subsidiary of investor with significant influence	$ -	$ 3
Investor with significant influence	677	-
	$ 677	$ 3

There is no significant difference between the sales terms of the consolidated company for the related parties above and those for regular customers.

(III) Purchase (including processing fee)

Type/name of related party	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Investor with significant influence		
GEMTEK Technology Co., Ltd.	$ 26,451	$ 9,248
Subsidiary of investor with significant influence		
Gemtek Electronics (Kunshan) Co., Ltd.	1,362	9,920
	$ 27,813	$ 19,168

For the purchase cost of the related parties above, or the repurchase cost of such related parties with entrusted processing, there is no significant difference between the consolidated company's trading terms and those for general suppliers.

(IV) Receivables from related parties (excluding loans to related parties)

Accounting item	Type/name of related party	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable - related parties	Subsidiary of investor with significant influence	$ -	$ -	$ 3
	Investor with significant influence	529	-	-
		$ 529	$ -	$ 3

Outstanding receivables from related parties without collateral.

(V) Payables to related parties

Accounting item	Type/name of related party	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable - related parties	Investor with significant influence			
	GEMTEK Technology Co., Ltd.	$ 29,669	$ 26,874	$ 8,906
	Subsidiary of investor with significant influence			
	Gemtek Electronics (Kunshan) Co., Ltd.	6,889	2,281	7,951
		$ 36,558	$ 29,155	$ 16,857

Outstanding payables to related parties without collateral.

(VI) Other related party transactions

Creditor's rights and debts at the end of the period

The balance of other receivables from and payables to related parties (included in other payables) on the balance sheet date is as follows:

Type/name of related party	March 31, 2025	December 31, 2024	March 31, 2024
Other receivables			
Investor with significant influence			
GEMTEK Technology Co., Ltd.	$ 112	$ 468	$ 4
Subsidiary of investor with significant influence			
Gemtek Electronics (Kunshan) Co., Ltd.	-	-	2,710
	$ 112	$ 468	$ 2,714
Other payables			
Investor with significant influence			
GEMTEK Technology Co., Ltd.	$ 70,002	$ 413	$ 70,065
Temporary credits			
Investor with significant influence			
GEMTEK Technology Co., Ltd.	$ 9,150	$ 1,246	$ 13,405
Subsidiary of investor with significant influence			
Gemtek Electronics (Kunshan) Co., Ltd.	6,288	1,907	29,746
	$ 15,438	$ 3,153	$ 43,151

Other receivables of the consolidated company from the related parties above are receivables from procurement. Other payables are dividends payable and advances on behalf of others. The temporary credits are generated from the outsourced processing transactions of the consolidated company which will be written off against the processing accounts payable when the processing is completed.

(VII) Remuneration of key management

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Short-term employee benefits	$ 7,593	$ 9,484
Post-employment benefits	134	129
	$ 7,727	$ 9,613

The remuneration of directors and other key management is determined by the Remuneration Committee according to individual performance and market trends.

XXIX. Assets pledged

The following assets of the consolidated company have been provided as tariff guarantee for imported raw materials and security deposit for financing lines:

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets measured at amortized cost - non-current	$ 121,760	$ 120,280	$ 181,455
Property, plant and equipment	147,473	148,002	631,858
	$ 269,233	$ 268,282	$ 813,313

XXX. Significant contingent liabilities and unrecognized contractual commitments

Other than those stated in other notes, the major commitments and contingencies of the consolidated company on the balance sheet date are as follows: The amount of guaranteed notes issued for the applying the financing lines is NT$30,000 thousand.

XXXI. Post-period events: None.

XXXII. Information on foreign currency financial assets and liabilities with significant impact

The following information is a summary of foreign currencies other than the individual functional currencies of the consolidated company. The disclosed exchange rate refers to the exchange rate of such foreign currencies against functional currencies.

Information on foreign currency financial assets and liabilities with significant impact is as follows:

March 31, 2025

	Foreign currency	Exchange rate	Book value
Foreign currency assets			
Monetary items			
USD	$ 36,607	33.205 (USD:NTD)	$ 1,215,537
Non-monetary items			
Financial assets measured at fair value through other comprehensive income			
USD	537	33.205 (USD:NTD)	$ 17,820
Foreign currency liabilities			
Monetary items			
USD	12,970	33.205 (USD:NTD)	$ 430,684

December 31, 2024

	Foreign currency	Exchange rate	Book value
Foreign currency assets			
Monetary items			
USD	$ 43,120	32.785 (USD:NTD)	$ 1,413,687
Non-monetary items			
Financial assets measured at fair value through other comprehensive income			
USD	533	32.785 (USD:NTD)	$ 17,485
Foreign currency liabilities			
Monetary items			
USD	14,686	32.785 (USD:NTD)	$ 481,489

March 31, 2024

Foreign currency assets	Foreign currency	Exchange rate	Book value
Monetary items			
USD	$ 41,317	32.00 (USD:NTD)	$ 1,322,157
Non-monetary items			
Financial assets measured at fair value through other comprehensive income			
USD	$ 453	32.00 (USD:NTD)	$ 14,496
Foreign currency liabilities			
Monetary items			
USD	12,435	32.00 (USD:NTD)	$ 397,908

Foreign currency exchange gains and losses with significant impact (realized and unrealized):

	For the three months ended March 31, 2025		For the three months ended March 31, 2024	
Functional currency	Exchange rate	Net exchange gain	Exchange rate	Net exchange gain
NTD	1 (NTD:NTD)	$ 14,446	1 (NTD:NTD)	$ 38,399

XXXIII. Disclosures in notes

(I) Information on major transactions:

1. Loans to others. (None)
2. Endorsements/guarantees. (None)
3. Significant securities held at the end of the period. (Table 1)
4. Amount of purchases or sales with related parties reaching NT$100 million or 20% of the paid-in capital. (None)
5. Amount of accounts receivable from related parties reaching NT$100 million or 20% of the paid-in capital. (None)
6. Others: business relationships between parent companies and subsidiaries and among subsidiaries, and important transactions and amounts. (Table 2)

(II) Information on invested enterprises (Table 3)

(III) Information on mainland investment:

1. Name of the investee company in mainland China, main business items, paid-in capital, investment method, capital emitted in and out, shareholding ratio, investment profit and loss, period-end investment book value, repatriated investment profit or loss and investment limit in mainland China. (None)
2. Major transactions with the mainland China investee company directly or indirectly through a third region, and the prices, payment terms, and unrealized profits and losses: (None)
   (1) Purchase amount and percentage, and period-end balance and percentage of related payables.
   (2) Amount and percentage of goods sold, and period-end balance and percentage of related receivables.
   (3) The amount of asset transaction and the profit or loss arising therefrom.
   (4) The period-end balance and the purpose of bill endorsement/guarantee or provision of collateral.
   (5) The maximum balance of financing, the period-end balance, the interest rate range and the total interest of the current period.
   (6) Other transactions that have a significant impact on the current income or financial position.

XXXIV. Department Information

The information provided by the consolidated company to key operational decision-makers for allocating resources and evaluating department performance focuses on the product classification provided. The department of the consolidated company to be reported is the Wireless Communication Product Department.

(I) Department revenue and operating results

The revenue and operating results of the department of the consolidated company to be reported are analyzed as follows:

	Department revenue		Department profit/loss	
	For the three months ended March 31, 2025	For the three months ended March 31, 2024	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Wireless Communication Product Department	$ 600,929	$ 520,051	$ 86,465	$ 61,858
Headquarters management cost			(24,584)	(24,504)
Interest income			11,687	6,888
Other income			411	1,110
Other gains and losses			12,533	38,399
Financial cost			(3,665)	(2,623)
Profit before tax			$ 82,847	$ 81,128

The revenue of the departments reported above is generated from transactions with external customers. There were no inter-department sales for the three months ended March 31, 2025 and 2024.

Departmental income refers to the profits earned by each department, excluding the headquarter management costs, interest income, other income, other benefits and losses, financial costs and income tax expenses that should be apportioned. The measured amount is provided to the key operation decision-makers to allocate resources to departments and evaluate their performance.

(II) Total departmental assets and liabilities

The measured amount of assets and liabilities of the consolidated company has not been provided to the key operational decision-makers, so the measured amount of assets and liabilities of the department is zero.

AMPAK Technology, Inc. and Subsidiaries

Securities held at the end of the period.

March 31, 2025

Table 1

Unit: NTD thousand unless otherwise specified

Holding company	Securities type and name	Relationship with the securities issuer	Accounting item	End of period				Remark
				Number of shares (thousand shares) or number of units (thousand units)	Book value	Shareholding percentage %	Fair value	
AMPAK Technology, Inc.	Stocks							
	GEMTEK Technology Co., Ltd.	Affiliates	Financial assets measured at fair value through other comprehensive income - non-current	2,061	$ 59,872	0.48	$ 59,872	—
	New Garden Co., Ltd.	None	〃	3,333	17,820	6.67	17,820	Note 2
	Hoyao Technology, Inc.	The Company is its corporate director.	〃	200	424	19.05	424	—

Note 1: For information about investment in subsidiaries and associated enterprises, please refer to Table 3.

Note 2: It is converted at the exchange rate of USD:NTD = 1:33.205 on the financial report date.

AMPAK Technology, Inc. and Subsidiaries

Business relationships between parent company and subsidiaries and among subsidiaries, and important transactions and amounts

For the three months ended March 31, 2025

Table 2

Unit: NTD thousand unless otherwise specified

Serial No.	Name of transaction party	Transaction counterparty	Relationship with transaction party	Intercompany transactions			
				Account name	Amount	Trading terms	As a percentage of consolidated total operating revenue or total assets
	For the three months ended March 31, 2025						
0	AMPAK Technology, Inc.	SparkLAN Communications, Inc.	Parent to subsidiary	Sales revenue	$ 11,036	Note 1	1.84%
				Accounts receivable	10,416	Note 1	0.30%

Note 1: There is no significant difference between the sales terms of the consolidated company for the related parties above and those for regular customers.

Note 2: All transactions listed in the above schedule were written off in full when preparing the consolidated financial statements.

AMPAK Technology, Inc. and Subsidiaries

Information on the investee company, location, etc.

For the three months ended March 31, 2025

Table 3

Unit: NTD thousand unless otherwise specified

Name of investing company	Name of investee	Location	Major business items	Original investment amount		Holding at the end of the period			Current profit or loss of investee companies	Investment profit or loss recognized in the current period	Remark
				End of the period	End of last year	Number of shares (thousand)	Ratio	Book value			
AMPAK Technology, Inc.	SparkLAN Communications, Inc.	Taipei City	Communications business	$ 358,570	$ 358,570	10,203	96.84	$ 278,177	$ 18,576	$ 17,297	Note

Note: Investment transactions between reinvestment companies have been written off in full at the time of preparation of the consolidated statements.