

Stock Code: 6261

YoungTek Electronics Corp. and Its Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

Three Months Ended March 31, 2025 and 2024

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. 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.

§Table of Contents§

Contents	Page	Financial Statement Notes Number
I. Cover Page	1	-
II. Table of Contents	2	-
III. Independent Auditors' Report	3~4	-
IV. Consolidated Balance Sheet	5	-
V. Consolidated Statement of Comprehensive Income	6~7	-
VI. Consolidated Statement of Changes in Equity	8	-
VII. Consolidated Statement of Cash Flows	9~10	-
VIII. Notes to the Consolidated Financial Statements		
1. Company History	11	1
2. Date and Procedures for Approval of Financial Statements	11	2
3. Application of New and Amended Standards and Interpretations	11~13	3
4. Summary of Significant Accounting Policies	13~14	4
5. Significant Accounting Judgments, Estimates, and Key Sources of Assumption Uncertainties	15	5
6. Description of Important Accounting Items	15~54	6~31
7. Related Party Transactions	54~57	32
8. Pledged Assets	58	33
9. Significant Contingent Liabilities and Unrecognized Contractual Commitments	-	-
10. Significant Disaster Losses	-	-
11. Significant Subsequent Events	-	-
12. Information on Foreign Currency Assets and Liabilities with Significant Impact	58~59	34
13. Disclosure Items		
(1) Information Related to Significant Transactions	60、62~67	35
(2) Information on Invested Companies	60、68	35
(3) Information on Investments in Mainland China	60、69~71	35
14. Segment Information	61	36

Independent Auditors' Report

To: YoungTek Electronics Corp.,

Preface

The consolidated balance sheets of YoungTek Electronics Corp. and its subsidiaries as of March 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows period for three months ended March 31, 2025 and 2024, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies), have been reviewed by the accountant. According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission, it is the responsibility of management to prepare and fairly present the consolidated financial statements. The accountant’s responsibility is to express a conclusion on the consolidated financial statements based on the review.

Scope

Except for the matters described in the Basis for Qualified Conclusion section, the accountant conducted the review in accordance with Standards on Review Engagements No. 2410 “Review of Financial Information”. The procedures performed in reviewing the consolidated financial statements include inquiries (primarily with personnel responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of a review is substantially less than that of an audit and consequently, the accountant may not become aware of all significant matters that might be identified in an audit. Accordingly, the accountant does not express an audit opinion.

Basis for Qualified Conclusion

As described in Note 13 to the consolidated financial statements, the financial statements of certain non-significant subsidiaries included in the aforementioned consolidated financial statements for the same period have not been reviewed by accountants. Their total assets as of March 31, 2025 and 2024 were NT\$ (same currency hereafter) 748,412 thousand and NT\$1,720,889 thousand, representing 9.03% and 20.21% of the consolidated total assets respectively; total liabilities were NT\$91,977 thousand and NT\$163,900 thousand, representing 4.98% and 11.04% of the consolidated total liabilities respectively; and their total comprehensive income for the periods for the three months ended March 31, 2025 and 2024 were NT\$(36,069) thousand and NT\$(39,760) thousand, representing (69.19)% and (35.56)% of the consolidated total comprehensive income respectively. Furthermore, as described in Note 14 to the consolidated financial statements, the investment balances accounted for using equity method as of March 31, 2025 and 2024 were NT\$152,882 thousand and NT\$164,983 thousand respectively, and their share of profit or loss for the periods for the three months ended March 31, 2025 and 2024 were NT\$(3,548) thousand and NT\$(876) thousand respectively, which were all recognized and disclosed based on the unreviewed

financial statements of the investee companies for the same period. In addition, the relevant information on the reinvested enterprises as described in Note 35 to the consolidated financial statements related to the aforementioned subsidiaries and investees was also not reviewed by the accountant

Qualified Conclusion

Based on our review, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain non-significant subsidiaries and investee companies been reviewed by accountants as described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Youngtek Electronics Corporation and its subsidiaries as of March 31, 2025 and 2024, and their consolidated financial performance and cash flows for the periods 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.

Deloitte & Touche

CPA Ya-Yun Chang

CPA Mei-Chen Tsai

Financial Supervisory Commission
Approval Document Number
Financial Supervisory Commission
Securities Examination No. 1110348898

Financial Supervisory Commission
Approval Document Number
Financial Supervisory Commission
Securities Examination No. 1010028123

May 9, 2025, Republic of China

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YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

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

Unit: NT\$ thousands

Code	Assets	March 31, 2025		December 31, 2024		March 31, 2024		Code	Liabilities and Equity	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
1100	Current Assets							2100	Current Liabilities						
1120	Cash and Cash Equivalents (Note 6)	\$2,277,597	28	\$2,398,287	28	\$2,811,118	33	2120	Short-term Borrowings (Notes 10, 20 and 33)	\$ 32,571	1	\$ 49,756	-	\$ -	-
1170	Financial Assets measured at Fair Value through Other Comprehensive Income - Current (Note 8)	56,596	1	66,283	1	64,244	1	2130	Financial Liabilities measured at Fair Value through Profit or Loss - Current (Note 7)	561	-	88	-	269	-
1180	Notes and Accounts Receivable (Notes 10 and 26)	993,057	12	979,287	12	1,066,265	13	2170	Contract Liabilities - Current (Notes 26 and 32)	152,538	2	70,265	1	148,391	2
1200	Notes and Accounts Receivable - Related Parties (Note 32)	95,661	1	96,048	1	92,733	1	2180	Notes and Accounts Payable (Note 21)	273,654	3	567,822	7	426,338	5
1210	Other Receivables (Note 10)	5,815	-	19,218	-	6,431	-	2216	Accounts Payable - Related Parties (Note 32)	-	-	-	-	102	-
1460	Other Receivables - Related Parties (Note 32)	-	-	25,540	-	-	-	2219	Dividends payable (Note 25)	513,992	6	-	-	513,992	6
130X	Disposal groups held for sale (Note 12)	-	-	-	-	117,460	1	2230	Other Payables (Note 22)	402,722	5	479,679	6	332,693	4
1470	Inventories (Note 11)	1,318,660	16	1,376,311	16	1,035,522	12	2250	Current Income Tax Liabilities (Notes 4 and 28)	193,013	2	166,280	2	198,888	2
11XX	Other Current Assets (Note 19)	275,215	3	248,533	3	235,211	3	2260	Provisions for liabilities - Current (Note 32)	6,938	-	6,509	-	6,758	-
	Total Current Assets	<u>5,022,601</u>	<u>61</u>	<u>5,209,507</u>	<u>61</u>	<u>5,428,984</u>	<u>64</u>	2280	Liabilities directly associated with disposal groups held for sale (Note 12)	-	-	-	-	149,739	2
1510	Non-current Assets							2399	Lease Liabilities - Current (Notes 16 and 34)	23,219	-	23,276	-	19,087	-
	Financial Assets measured at Fair Value through Profit or Loss - Non-current (Note 7)	29,890	-	30,055	-	14,742	-	21XX	Other Current Liabilities (Note 22)	7,780	-	7,315	-	6,554	-
1517	Financial Assets measured at Fair Value through Other Comprehensive Income - Non-current (Note 8)	342,759	4	399,136	5	402,406	5		Total Current Liabilities	<u>1,606,988</u>	<u>19</u>	<u>1,370,990</u>	<u>16</u>	<u>1,802,811</u>	<u>21</u>
1535	Financial Assets measured at Amortized Cost - Non-current (Notes 9 and 23)	22,303	-	22,237	-	21,005	-	2580	Non-current Liabilities						
1550	Investments Accounted for Using Equity Method (Note 14)	152,882	2	154,702	2	164,983	2	2645	Lease Liabilities - Non-Current (Notes 16 and 32)	232,050	3	243,725	3	188,594	2
1600	Property, Plant and Equipment (Notes 15, 30 and 33)	2,182,784	26	2,161,564	25	2,098,745	25	25XX	Guarantee Deposits Received	8,770	-	8,770	-	7,084	-
1755	Right-of-use Assets (Note 16)	257,216	3	269,782	3	212,194	3		Total Non-current Liabilities	<u>240,820</u>	<u>3</u>	<u>252,495</u>	<u>3</u>	<u>195,678</u>	<u>2</u>
1760	Net Investment Properties (Notes 17 and 30)	-	-	1,558	-	1,654	-	2XXX	Total Liabilities	<u>1,847,808</u>	<u>22</u>	<u>1,623,485</u>	<u>19</u>	<u>1,998,489</u>	<u>23</u>
1780	Intangible Assets (Notes 18 and 30)	48,819	1	37,488	1	32,057	-		Equity Attributable to Owners of the Company (Note 25)						
1840	Deferred Tax Assets (Notes 4 and 28)	87,891	1	85,705	1	82,068	1	3110	Share Capital						
1915	Prepayments for Equipment	80,469	1	96,915	1	21,320	-	3200	Ordinary share	1,284,980	16	1,284,980	15	1,284,980	15
1975	Net Defined Benefit Assets (Notes 4 and 24)	54,494	1	51,310	1	29,908	-	3310	Capital Reserve	2,439,095	29	2,439,404	29	2,440,706	29
1990	Other Non-current Assets (Notes 19 and 32)	5,754	-	5,751	-	2,932	-	3320	Retained Earnings						
15XX	Total Non-current Assets	<u>3,265,261</u>	<u>39</u>	<u>3,316,203</u>	<u>39</u>	<u>3,084,014</u>	<u>36</u>	3350	Legal Reserve	1,208,208	15	1,208,208	14	1,155,550	14
							3300	Special Reserve	17,785	-	17,785	-	32,695	-	
							3350	Unappropriated Earnings	1,392,074	17	1,786,864	21	1,404,303	16	
							3300	Total Retained Earnings	2,618,067	32	3,012,857	35	2,592,548	30	
							3400	Other Equity	(85,623)	(1)	(28,548)	-	(19,251)	-	
							31XX	Total Equity	6,256,519	76	6,708,693	79	6,298,983	74	
							36XX	Non-controlling Interests (Notes 13 and 25)	183,535	2	193,532	2	215,526	3	
							3XXX	Total Equity	<u>6,440,054</u>	<u>78</u>	<u>6,902,225</u>	<u>81</u>	<u>6,514,509</u>	<u>77</u>	
1XXX	Total Assets	<u>\$8,287,862</u>	<u>100</u>	<u>\$8,525,710</u>	<u>100</u>	<u>\$8,512,998</u>	<u>100</u>		Total Liabilities and Equity	<u>\$8,287,862</u>	<u>100</u>	<u>\$8,525,710</u>	<u>100</u>	<u>\$8,512,998</u>	<u>100</u>

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

(Please refer to the audit report of Deloitte & Touche dated May 9, 2025)

Manager: Wei-Tang Hsiao

Chairman: Ping-Lung Wang

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended March 31, 2025 and 2024

Unit: NT\$1,000, except earnings per share expressed in NT\$

Code		January 1 to March 31, 2025		January 1 to March 31, 2024	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 26 and 34)	\$ 994,046	100	\$ 937,128	100
5000	Operating Costs (Notes 11, 18, 24, 27 and 32)	742,862	75	660,529	70
5900	Gross Profit	251,184	25	276,599	30
	Operating Expenses (Notes 10, 18, 24, 27 and 32)				
6100	Selling Expenses	50,268	5	38,479	4
6200	Administrative Expenses	49,555	5	48,302	5
6300	Research and Development Expenses	93,264	9	81,161	9
6450	Expected credit impairment (reversal gain) loss	(38,015)	(4)	15,359	2
6000	Total Operating Expenses	155,072	15	183,301	20
6500	Other Income and Expenses, Net (Notes 27 and 32)	8,525	1	9,031	1
6900	Net operating income	104,637	11	102,329	11
	Non-operating Income and Expenses				
7100	Interest Income (Note 27)	9,809	1	10,267	1
7010	Other Income (Note 27)	840	-	719	-
7020	Other Gains and Losses (Notes 14 and 27)	24,507	2	37,704	4
7050	Finance Costs (Notes 27 and 32)	(2,415)	-	(1,378)	-
7060	Share of Profit or Loss of Associates Accounted for Using Equity Method (Note 14)	(3,548)	-	(876)	-
7000	Total Non-operating Income and Expenses	29,193	3	46,436	5
7900	Income before income tax	133,830	14	148,765	16
7950	Income Tax Expense (Notes 4 and 28)	27,268	3	37,039	4
8000	Net income for the period from continuing operations	106,562	11	111,726	12
8100	Loss from Discontinued Operations (Note 12)	-	-	(7,017)	(1)
8200	Net income for the period (Continued the next page)	106,562	11	104,709	11

(Brought forward)

Code	Description	January 1 to March 31, 2025		January 1 to March 31, 2024	
		Amount	%	Amount	%
	Other Comprehensive Income (Note 25)				
8310	Items That Will Not Be Reclassified Subsequently to Profit or Loss:				
8316	Unrealized Valuation Gain (Loss) on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	(\$ 66,064)	(7)	(\$ 21,288)	(2)
8320	Share of Other Comprehensive Income of Associates Accounted for Using the Equity Method	731	-	-	-
8360	Items That May Be Reclassified Subsequently to Profit or Loss:				
8361	Exchange Differences on Translating the Financial Statements of Foreign Operations	10,901	1	28,381	3
8300	Total Other Comprehensive Income	(54,432)	(6)	7,093	1
8500	Total comprehensive income for the period	\$ 52,130	5	\$ 111,802	12
	Profit (Loss) Attributable to:				
8610	Owners of the Company	\$ 119,202	12	\$ 114,117	12
8620	Non-controlling Interests	(12,640)	(1)	(9,408)	(1)
8600		\$ 106,562	11	\$ 104,709	11
	Total Comprehensive Income (Loss) Attributable to:				
8710	Owners of the Company	\$ 62,127	6	\$ 112,651	12
8720	Non-controlling Interests	(9,997)	(1)	(849)	-
8700		\$ 52,130	5	\$ 111,802	12
	Earnings per Share (Note 29)				
	From Continuing and Discontinued Operations				
9750	Basic	\$ 0.93		\$ 0.89	
9850	Diluted	\$ 0.92		\$ 0.88	
	From Continuing Operations				
9710	Basic	\$ 0.93		\$ 0.94	
9810	Diluted	\$ 0.92		\$ 0.94	

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

(Please refer to the audit report of Deloitte & Touche dated May 9, 2025)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended March 31, 2025 and 2024

Unit: NTD\$ thousand, unless otherwise specified

Code		Equity Attributable to Owners of the Company						Other Equity Items			
		Retained Earnings				Unappropriated Earnings	(\$ 91,401)	\$ 73,616	\$ 6,699,342	\$ 216,375	\$ 6,915,717
		Share Capital	Capital Reserve	Legal Reserve	Special Reserve						
A1	Balance on January 1, 2024	\$ 1,284,980	\$ 2,439,724	\$ 1,155,550	\$ 32,695	\$ 1,804,178	(\$ 91,401)	\$ 73,616	\$ 6,699,342	\$ 216,375	\$ 6,915,717
B5	2023 surplus distribution and allocation Cash Dividends to Shareholders of the Company	-	-	-	-	(513,992)	-	-	(513,992)	-	(513,992)
C3	Arising from Donation Received	-	35	-	-	-	-	-	35	-	35
C7	Changes in Equity of Associates Accounted for Using Equity Method	-	947	-	-	-	-	-	947	-	947
D1	Net Income from January 1 to March 31, 2024	-	-	-	-	114,117	-	-	114,117	(9,408)	104,709
D3	Other Comprehensive Income from January 1 to March 31, 2024	-	-	-	-	-	19,822	(21,288)	(1,466)	8,559	7,093
D5	Total Comprehensive Income from January 1 to March 31, 2024	-	-	-	-	114,117	19,822	(21,288)	112,651	(849)	111,802
Z1	Balance as of March 31, 2024	\$ 1,284,980	\$ 2,440,706	\$ 1,155,550	\$ 32,695	\$ 1,404,303	(\$ 71,579)	\$ 52,328	\$ 6,298,983	\$ 215,526	\$ 6,514,509
A1	Balance on January 1, 2025	\$ 1,284,980	\$ 2,439,404	\$ 1,208,208	\$ 17,785	\$ 1,786,864	(\$ 64,977)	\$ 36,429	\$ 6,708,693	\$ 193,532	\$ 6,902,225
B5	2024 surplus distribution and allocation Cash Dividends to Shareholders of the Company	-	-	-	-	(513,992)	-	-	(513,992)	-	(513,992)
C7	Changes in Equity of Associates Accounted for Using Equity Method	-	(309)	-	-	-	-	-	(309)	-	(309)
D1	Net Income from January 1 to March 31, 2025	-	-	-	-	119,202	-	-	119,202	(12,640)	106,562
D3	Other Comprehensive Income from January 1 to March 31, 2025	-	-	-	-	-	8,258	(65,333)	(57,075)	2,643	(54,432)
D5	Total Comprehensive Income from January 1 to March 31, 2025	-	-	-	-	119,202	8,258	(65,333)	62,127	(9,997)	52,130
Z1	Balance as of March 31, 2025	\$ 1,284,980	\$ 2,439,095	\$ 1,208,208	\$ 17,785	\$ 1,392,074	(\$ 56,719)	(\$ 28,904)	\$ 6,256,519	\$ 183,535	\$ 6,440,054

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

(Please refer to the audit report of Deloitte & Touche dated May 9, 2025)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended March 31, 2025 and 2024

Unit: NT\$ thousands

Code		January 1 to March 31, 2025	January 1 to March 31, 2024
	Cash Flow from Operating Activities		
A00010	Income Before Income Tax from Continuing Operations	\$ 133,830	\$ 148,765
A00020	Loss Before Income Tax from Discontinued Operations	- 133,830	(7,017) 141,748
A10000	Net Income Before Tax for the Period	133,830	141,748
A20010	Revenue and Expense Items:		
A20100	Depreciation Expense	157,152	106,071
A20200	Amortization Expense	5,006	3,426
A20300	Expected credit impairment (reversal gain) loss	(38,015)	15,359
A20400	Loss on financial assets at fair value through profit or loss	638	351
A20900	Finance Costs	2,415	3,117
A21200	Interest Income	(9,809)	(10,280)
A22300	Share of Profit (Loss) of Associates Accounted for Using Equity Method	3,548	876
A22500	Impairment loss on disposed of property, plant and equipment	-	2,426
A23700	Inventory Write-down and Obsolescence Loss	28,663	17,614
A24100	Foreign Exchange Net Gain	(7,786)	(8,480)
A30000	Net Changes in Operating Assets and Liabilities		
A31150	Notes and Accounts Receivable	40,106	20,133
A31160	Notes and Accounts Receivable - Related Parties	387	475
A31180	Other Receivables	35,774	2,041
A31200	Inventory	9,127	(82,269)
A31240	Other Current Assets	(26,682)	(9,014)
A32125	Contract Liabilities	82,273	(23,569)
A32150	Notes and Accounts Payable	(292,014)	93,203
A32160	Accounts Payable - Related Parties	-	87
A32180	Other Payables	(47,152)	(73,879)
A32200	Provisions for liabilities	429	784
A32230	Other Current Liabilities	465	(4,462)
A32240	Net Defined Benefit Assets	(3,184)	(2,931)
A33000	Cash Generated from Operations	75,171	192,827
A33100	Interest Received	10,949	9,890
A33300	Interest Paid	(1,907)	(3,039)
A33500	Income Tax Paid	(692)	(547)
AAAA	Net Cash Inflow from Operating Activities	<u>83,521</u>	<u>199,131</u>

(Continued on the next page)

(Brought forward)

Code		January 1 to March 31, 2025	January 1 to March 31, 2024
	Cash Flows from Investing Activities		
B00040	Acquisition of Financial Assets at Amortized Cost	(\$ 66)	(\$ 55)
B02700	Acquisition of Property, Plant and Equipment	(184,432)	(26,437)
B02800	Proceeds from Disposal of Property, Plant and Equipment	-	13,057
B03700	Increase in Refundable Deposits	(3)	-
B03800	Decrease in Refundable Deposits	-	255
B04500	Acquisition of Intangible Assets	(12,318)	(5,403)
B07100	Prepayment for purchases of equipment Decrease (Increase)	<u>16,446</u>	(<u>965</u>)
BBBB	Net Cash Outflow from Investing Activities	(<u>180,373</u>)	(<u>19,548</u>)
	Cash Flows from Financing Activities		
C00200	Decrease in Short-term Borrowings	(17,185)	-
C04020	Lease principal repayment	(7,351)	(6,189)
C09900	Arising from Donation Received	-	35
CCCC	Net Cash Outflow from Financing Activities	(<u>24,536</u>)	(<u>6,154</u>)
DDDD	Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>698</u>	<u>2,254</u>
EEEE	Cash and Cash Equivalents New (Decreases) Increase	(120,690)	175,683
E00100	Beginning balance of cash and cash equivalents	<u>2,398,287</u>	<u>2,640,259</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 2,277,597</u>	<u>\$ 2,815,942</u>

Reconciliation of Cash and Cash Equivalents at End of Period

Code		March 31, 2025	March 31, 2024
E00210	Cash and cash equivalents presented in consolidated balance sheet	\$ 2,277,597	\$ 2,811,118
E00212	Cash and cash equivalents included in disposal groups held for sale	-	4,824
E00200	Ending balance of cash and cash equivalents	<u>\$ 2,277,597</u>	<u>\$ 2,815,942</u>

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

(Please refer to the audit report of Deloitte & Touche dated May 9, 2025)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2025 and 2024

(Unless otherwise specified NTD thousand,)

1. Company History

YoungTek Electronics Corp. (hereinafter referred to as "the company") is a corporation approved for establishment on July 22, 1991 in Hsinchu City. Its main businesses include electronic components manufacturing, machinery equipment manufacturing, and manufacturing for export.

The company's stock has been listed and traded on the Securities Exchange of the Republic of China since March 29, 2004.

The company merged with WECON AUTOMATION MACHINERY CORP. through absorption on January 1, 2015, with Wecon being the dissolved company and the company being the surviving entity.

For the principal operating activities of the Company and its subsidiaries, please refer to Note 13 for details.

These consolidated financial statements are presented in the company's functional currency, New Taiwan Dollars.

2. Date and Procedures for Approval of Financial Statements

These consolidated financial statements were approved by the Board of Directors and issued on May 9, 2025.

3. Application of New and Amended Standards and Interpretations

(1) Initial application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretation Bulletins (SIC) (hereinafter referred to as "IFRS accounting standards") recognized and issued by the Financial Supervisory Commission (hereinafter referred to as "FSC")

1. Amendment to IAS 21 Lack of Exchangeability

The application of the amendment to IAS 21 "Lack of Exchangeability" will not cause significant changes to the accounting policies of the Company and the entities controlled by the Company (hereinafter referred to as the "consolidated company").

(2) IFRS Accounting Standards Recognized by the FSC Applicable in 2026

Newly issued/amended/revised standards and interpretations	Effective date issued by the International Accounting Standards Board (IASB)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance for financial asset classification	January 1, 2026 (Note 1)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2026; entities may also elect to apply early from January 1, 2025.

As of the date of approval for the issuance of these consolidated financial statements, the consolidated company has assessed that the aforementioned amendments to standards and interpretations will not have a significant impact on its financial position and financial performance.

(3) IFRS Accounting Standards Issued by the IASB but Not Yet Endorsed and Announced Effective by the FSC

Newly issued/amended/revised standards and interpretations	IASB Issue Date (Note 1)
Annual Improvements to IFRS Accounting Standards – Cycle 11	January 01, 2026
Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance for financial liability derecognition	January 01, 2026
Amendments to IFRS 9 and IFRS 7 Contracts Dependent on Nature-based Power	January 01, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Undetermined
IFRS 17 "Insurance Contracts	January 01, 2023
Amendments to IFRS 17	January 01, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 01, 2023
IFRS 18 Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

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

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. The main changes in this standard include:

- The income statement should classify income and expense items into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement should present operating profit or loss, profit or loss before financing and tax, and profit or loss subtotals and totals.

- Provide guidance to strengthen aggregation and disaggregation requirements: companies must identify assets, liabilities, equity, income, expenses, and cash flows generated from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. Companies should only label items as "other" when they cannot find more informative labels.
- Increase disclosure of management-defined performance measures: when companies communicate outside the financial statements publicly, and communicate management's views on certain aspects of the company's overall financial performance to financial statement users, they should disclose information about management-defined performance measures in a single note to the financial statements, including descriptions of these measures, how they are calculated, reconciliations with subtotals or totals specified in IFRS accounting standards, and the income tax and non-controlling interest effects of reconciling items.

In addition to the impacts mentioned above, as of the approval date of these consolidated financial statements, the company continues to evaluate other impacts of amendments to various standards and interpretations on its financial position and financial performance. The relevant impacts will be disclosed when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Declaration of Compliance

This consolidated financial report has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting endorsed and issued into effect by the FSC. This consolidated financial report does not include all IFRS accounting standard disclosures required for a complete annual financial report.

(2) Basis of Preparation

Except for financial instruments measured at fair value, these consolidated financial statements have been prepared on a historical cost basis.

Fair value measurement is classified into Levels 1 to 3 based on the observability and significance of the inputs:

1. Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
2. Level 2 inputs: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

3. Level 3 inputs: Unobservable inputs for the asset or liability.

(3) Basis of Consolidation

This consolidated financial report includes the financial reports of the company and entities controlled by the company (subsidiaries). The consolidated statement of comprehensive income has incorporated the operating results of acquired or disposed subsidiaries from the date of acquisition or until the date of disposal during the current period. The financial reports of the subsidiaries have been adjusted to ensure their accounting policies are consistent with those of the consolidated company. In preparing the consolidated financial reports, all transactions, account balances, income and expenses between entities have been completely eliminated. The total comprehensive income of the 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.

When changes in the consolidated company's ownership interests in subsidiaries do not result in a loss of control, they are accounted for as equity transactions. The carrying amounts of the consolidated company and non-controlling interests have been adjusted to reflect the changes in their relative interests in the subsidiaries. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributed to the owners of the company.

For details of subsidiaries, shareholding ratios, and business activities, please refer to Note 13 and Table 7.

(4) Others Description of Significant Accounting Policies

Except for the following descriptions, please refer to the summary of significant accounting policies in the 2024 consolidated financial report.

1. Defined Benefit Post-Employment Benefits

Pension costs for interim periods are calculated based on the actuarially determined pension cost rate as of the end of the prior year, applied from the beginning of the year to the end of the current period, and adjusted for significant market fluctuations during the current period, and significant plan amendments, settlements, or other significant one-time events.

2. Income Tax Expense

Income tax expense represents the sum of current income tax and deferred income tax. Income tax for interim periods is assessed on an annual basis, calculated on interim profit before tax using the tax rate applicable to expected total annual earnings.

5. Significant Accounting Judgments, Estimates, and Key Sources of Assumption Uncertainties

Except for the following descriptions, the major sources of significant accounting judgments, estimates, and uncertainties adopted in this consolidated financial report are the same as those in the 2024 consolidated financial report.

When developing significant accounting estimates, the company has incorporated the potential impact of U.S. reciprocal tariff measures into the consideration of relevant significant estimates such as cash flow projections, growth rates, discount rates, and profitability. Management will continue to review these estimates and underlying assumptions.

6. Cash and Cash Equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and revolving funds	\$ 597	\$ 593	\$ 537
Bank checks and demand deposits	906,659	725,078	962,116
Cash equivalents (investments with original maturities within 3 months)			
Time deposits	1,320,311	1,672,616	1,798,446
Securities sold under repurchase agreements	<u>50,030</u>	<u>-</u>	<u>50,019</u>
	<u>\$ 2,277,597</u>	<u>\$ 2,398,287</u>	<u>\$ 2,811,118</u>

The interest rate ranges for bank deposits as of the balance sheet date are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Bank deposits	0.01%~4.550%	0.002%~4.960%	0.001%~5.47%
Securities sold under repurchase agreements	1.3%	-	1.00%

7. Financial instruments measured at fair value through profit or loss

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets - non-current</u>			
Mandatorily measured at fair value through profit or loss			
Non-derivative financial assets			
- Limited partnership	<u>\$ 29,890</u>	<u>\$ 30,055</u>	<u>\$ 14,742</u>
<u>Financial liabilities - current</u>			
Held for trading			
Derivative instruments (not designated for hedging)			
- Forward Foreign Exchange Contracts(1)	<u>\$ 561</u>	<u>\$ 88</u>	<u>\$ 269</u>

- (1) Forward foreign exchange contracts that are not subject to hedge accounting and have not yet expired at the balance sheet date are as follows:

March 31, 2025

	Currency	Expiry period	Contract amount (thousands)
Sell forward foreign exchange	RMB to NTD	January 15, 2025 to May 29, 2025	CNY5,000/NTD22,225

December 31, 2024

	Currency	Expiry period	Contract amount (thousands)
Sell forward foreign exchange	RMB to NTD	August 22, 2024 to February 27, 2025	CNY5,000/NTD22,200

March 31, 2024

	Currency	Expiry period	Contract amount (thousands)
Sell forward foreign exchange	RMB to NTD	March 18, 2024 to April 30, 2024	CNY5,000/NTD21,810
Sell forward foreign exchange	RMB to NTD	March 18, 2024 to May 31, 2024	CNY5,000/NTD21,750

The main purpose of the consolidated company engaging in forward foreign exchange transactions is to hedge the risk arising from exchange rate fluctuations on foreign currency assets and liabilities.

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Current</u>			
Equity instrument investments measured at fair value through other comprehensive income	\$ 56,596	\$ 66,283	\$ 64,244
<u>Non-current</u>			
Equity instrument investments measured at fair value through other comprehensive income	<u>342,759</u>	<u>399,136</u>	<u>402,406</u>
	<u>\$ 399,355</u>	<u>\$ 465,419</u>	<u>\$ 466,650</u>

- (1) Equity instrument investments measured at fair value through other comprehensive income

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Current</u>			
Domestic investments			
Listed (OTC) stocks	\$ <u>56,596</u>	\$ <u>66,283</u>	\$ <u>64,244</u>
<u>Non-current</u>			
Domestic investments			
Listed (OTC) and emerging stocks	\$ <u>227,993</u>	\$ <u>279,689</u>	\$ <u>299,177</u>
Unlisted (non-OTC) stocks	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Subtotal	<u>232,993</u>	<u>284,689</u>	<u>304,177</u>
Foreign investments			
Unlisted (non-OTC) stocks	<u>109,766</u>	<u>114,447</u>	<u>98,229</u>
	<u>\$ <u>342,759</u></u>	<u>\$ <u>399,136</u></u>	<u>\$ <u>402,406</u></u>

The combined company strategically invests aforementioned in domestic and foreign stocks, expecting to profit through these investments. The management of the combined company believes that including the short-term fair value fluctuations of these investments in profit or loss would be inconsistent with the aforementioned investment planning, therefore they chose to designate these investments as fair value through other comprehensive income.

9. Financial assets measured at amortized cost

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Non-current</u>			
Domestic investments			
Time deposits with original maturities exceeding 1 year (I)			
\$ <u>22,303</u>	\$ <u>22,237</u>	\$ <u>21,005</u>	

- (1) As of March 31, 2025 and 2024, and December 31, 2024, the interest rate range for time deposits with original maturities exceeding 3 months was annual interest rates of 0.815% ~1.700%, 0.695% ~1.700% and 0.575% ~1.450% respectively.
- (2) For information regarding the pledging of financial assets measured at amortized cost, please refer to Note 33.

10. Notes receivable, accounts receivable and other receivables

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable</u>			
Arising from operations	\$ 76,599	\$ 75,844	\$ 77,509
<u>Accounts receivable</u>			
Measured at amortized cost			
Total carrying amount	964,271	988,530	1,030,990
Less: Allowance for losses	(47,813)	(85,087)	(42,234)
	<u>916,458</u>	<u>903,443</u>	<u>988,756</u>
Notes and accounts receivable, net	<u>\$ 993,057</u>	<u>\$ 979,287</u>	<u>\$ 1,066,265</u>
<u>Other Receivables</u>			
Accrued revenue	\$ 2,971	\$ 4,111	\$ 3,087
Tax refund receivable	-	12,222	-
Others	<u>2,844</u>	<u>2,885</u>	<u>3,344</u>
	<u>\$ 5,815</u>	<u>\$ 19,218</u>	<u>\$ 6,431</u>

(1) Notes receivable

The consolidated company has signed discounted contracts with financial institutions for certain notes receivable with recourse rights. Although the consolidated company has transferred the contractual rights to the cash flows from these notes receivable, according to the contract terms, it still bears the credit risk of these notes receivable if they cannot be collected. This does not meet the derecognition criteria for financial assets. The transaction-related information is as follows:

Transferee	March 31, 2025		
	Transferred amount	Advanced amount	Interest rate range
		(Note)	
Bank of Ningbo	<u>\$ 32,571</u>	<u>\$ 32,571</u>	1.60%~2.15%
December 31, 2024			
Transferee	Transferred amount	Advanced amount	Interest rate range
		(Note)	
Bank of Ningbo	<u>\$ 49,756</u>	<u>\$ 49,756</u>	0.80%~1.95%

Note: Accounted as short-term borrowings. For short-term borrowings and related guarantee information, please refer to Notes 20 and 33.

(2) Accounts Receivable

The consolidated company's average credit period for goods sales is 30 to 180 days. Accounts receivable do not bear interest, and adequate collateral is obtained when necessary to mitigate the risk of financial loss from defaults. The consolidated company uses other publicly available financial information and historical transaction records to

rate major customers. The consolidated company continuously monitors credit exposure and counterparty credit ratings, and manages credit exposure through annual review and approval of counterparty credit limits.

The consolidated company recognizes allowance for losses on accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, which considers the customer's past default records, current financial condition, and industry economic conditions. As the consolidated company's historical credit loss experience shows no significant difference in loss patterns among different customer groups, the provision matrix does not further distinguish between customer groups and only establishes expected credit loss rates based on the number of days accounts receivable are overdue.

If there is evidence that the counterparty is facing severe financial difficulties and the consolidated company cannot reasonably expect to recover the amount, for example, when the counterparty is undergoing liquidation, the consolidated company directly writes off the relevant accounts receivable. However, collection activities will continue, and any amounts recovered through these efforts are recognized in profit or loss.

The consolidated company measures the allowance for losses on accounts receivable based on the provision matrix as follows:

March 31, 2025

	Not Overdue	91-120 days	121-150 days	151-180 days	181 days or more	Total
Expected credit loss rate	-	45.27%	9.10%	9.46%	34.23%	
Total carrying amount	\$ 784,392	\$ 2,735	\$ 38,861	\$ 17,344	\$ 120,939	\$ 964,271
Loss allowance (lifetime expected credit losses)	_____ -	(1,238)	(3,537)	(1,641)	(41,397)	(47,813)
Amortized cost	<u>\$ 784,392</u>	<u>\$ 1,497</u>	<u>\$ 35,324</u>	<u>\$ 15,703</u>	<u>\$ 79,542</u>	<u>\$ 916,458</u>

December 31, 2024

	Not Overdue	91-120 days	121-150 days	151-180 days	181 days or more	Total
Expected credit loss rate	-	10.87%	8.74%	10.94%	35.75%	
Total carrying amount	\$ 647,911	\$ 43,856	\$ 39,913	\$ 60,403	\$ 196,447	\$ 988,530
Loss allowance (lifetime expected credit losses)	_____ -	(4,765)	(3,489)	(6,610)	(70,223)	(85,087)
Amortized cost	<u>\$ 647,911</u>	<u>\$ 39,091</u>	<u>\$ 36,424</u>	<u>\$ 53,793</u>	<u>\$ 126,224</u>	<u>\$ 903,443</u>

March 31, 2024

	Not Overdue	91-120 days	121-150 days	151-180 days	181 days or more	Total
Expected credit loss rate	-	8.60%	9.90%	9.38%	51.49%	
Total carrying amount	\$ 693,399	\$ 212,238	\$ 62,396	\$ 34,695	\$ 28,262	\$ 1,030,990
Loss allowance (lifetime expected credit losses)	-	(18,249)	(6,177)	(3,256)	(14,552)	(42,234)
Amortized cost	<u>\$ 693,399</u>	<u>\$ 193,989</u>	<u>\$ 56,219</u>	<u>\$ 31,439</u>	<u>\$ 13,710</u>	<u>\$ 988,756</u>

Changes in loss allowance for accounts receivable are as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Beginning balance	\$ 85,087	\$ 26,137
Add: Impairment loss recognized for the period	-	15,359
Less: Impairment loss reversed for the period	(38,015)	-
Foreign translation differences	<u>741</u>	<u>738</u>
Ending Balance	<u>\$ 47,813</u>	<u>\$ 42,234</u>

11. Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 499,411	\$ 595,566	\$ 470,907
Work in process	15,332	3,723	2,756
Work in progress	187,128	251,623	279,982
Raw materials	<u>616,789</u>	<u>525,399</u>	<u>281,877</u>
	<u>\$ 1,318,660</u>	<u>\$ 1,376,311</u>	<u>\$ 1,035,522</u>

The nature of cost of goods sold is as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Cost of inventories sold	\$ 714,199	\$ 642,915
Inventory valuation loss	<u>28,663</u>	<u>17,614</u>
	<u>\$ 742,862</u>	<u>\$ 660,529</u>

12. Non-current assets and disposal groups classified as held for sale

(1) Discontinued operations

The Board of Directors of the consolidated company approved the plan to sell all equity of its subsidiary, Xiamen YoungTek Electronics Co., Ltd. on March 14, 2024. Since the selling price exceeds the carrying amount of the related net assets, there is no impairment loss to be recognized when classifying these units as held for sale. This disposal plan was

completed on November 29, 2024, and control of Xiamen YoungTek Electronics Co., Ltd. was transferred to the acquirer on that date.

Details of discontinued operations' profit and loss and cash flow information are as follows:

	January 1 to March 31, 2024
Operating revenue	\$ -
Operating costs	(242)
Gross operating loss	(242)
Selling Expenses	-
Administrative Expenses	(8,813)
Other net gains and losses	<u>3,723</u>
Net operating loss	(5,332)
Interest Income	13
Other income	41
Other gains and losses	-
Finance Costs	(1,739)
Loss before income tax	(7,017)
Income tax expense	<u>-</u>
Loss from discontinued operations	(\$ <u>7,017</u>)
Loss from discontinued operations attributable to:	
Owners of the Company	(\$ 7,017)
Non-controlling Interests	<u>-</u>
	(\$ <u>7,017</u>)
Cash flow	
Operating activities	(\$ 3,703)
Investing activities	-
Financing activities	-
Effect of changes in foreign exchange rate	(1,647)
Net cash outflow	(\$ <u>5,350</u>)

Details of other profit and loss supplementary information of discontinued operations are as follows:

1. Depreciation and amortization

	January 1 to March 31, 2024
Property, plant and equipment	\$ 2,055
Right-of-use assets	151
Intangible assets	<u>25</u>
Total	<u>\$ 2,231</u>
Depreciation expenses summarized by function	
Operating expenses	<u>\$ 2,206</u>
Amortization expenses summarized by function	
Operating expenses	<u>\$ 25</u>

2. Employee benefit expenses

	January 1 to March 31, 2024
Other employee benefits	<u>\$ 1,407</u>
Total employee benefit expenses	<u>\$ 1,407</u>
Summarized by function	
Operating expenses	<u>\$ 1,407</u>

There is no income tax loss or benefit resulting from any loss due to business closure.

3. Disposal groups held for sale

	March 31, 2024
Related Assets of Subsidiaries	<u>\$ 117,460</u>
Liabilities directly associated with disposal groups held for sale	<u>\$ 149,739</u>

On March 14, 2024, the Board of Directors of the consolidated company approved the plan to sell all equity shares of the subsidiary Xiamen YoungTek Electronics Co., Ltd., and completed the disposal procedure on November 29, 2024. Therefore, as of March 31, 2024, it was classified as a disposal group held for sale, and its assets and liabilities were reclassified as a disposal group held for sale and presented separately in the consolidated balance sheet. The main categories of assets and liabilities of the disposal group held for sale are as follows:

	March 31, 2024
Cash and Cash Equivalents	\$ 4,824
Inventory	16
Other Receivables	4,975
Other Current Assets	194
Net amount of property, plant and equipment	87,115
Right-of-use assets	20,194
Intangible assets	<u>142</u>
Total amount of disposal groups held for sale	<u>\$ 117,460</u>
Short-term borrowings	\$ 13,982
Accounts payable	36
Other Payables	2,219
Long-term borrowings	<u>133,502</u>
Liabilities directly associated with disposal groups held for sale	<u>\$ 149,739</u>

13. Subsidiaries

(1) Subsidiaries included in the consolidated financial statements

The entities included in the preparation of these consolidated financial statements are as follows:

Investing company name	Subsidiary name	Business nature	Percentage of shareholding %			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
the company	YTECH Holding(Samoa Co., Ltd. (YTEC Samoa company)	Investment holding	100.00	100.00	100.00	—
	Wecon Limited (Samoa) (Wecon Samoa company)	Investment holding	100.00	100.00	100.00	Note 1
	Wecon Automation Machinery Corp. (Wecon Automation company)	Automated machinery trading	100.00	100.00	100.00	Note 1
	YOUNGTEK ELECTRONICS CORPORATION USA, INC. (Youtek USA)	Semiconductor equipment sales and OEM/ODM services	100.00	100.00	-	Notes 1 and 4
YTEC Samoa company	YTEC (Hong Kong) Global Limited (YTEC HK Company)	Investment holding	100.00	100.00	100.00	—
	Clear Reach Limited	Investment holding	100.00	100.00	100.00	Note 1
	Suzhou YoungTek Microelectronics Co., Ltd. (Suzhou YoungTek)	Integrated circuit design; chip testing, packaging, and processing; technology development, technical services, and technical consultation in the semiconductor and integrated circuit field; computer software design and development; sales of semiconductors, electronic products, electromechanical equipment, and electronic components; mechanical equipment maintenance, leasing, and sales; self-operated and agency import and export business for various goods and technologies.	100.00	100.00	100.00	—

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(Brought forward)

Investing company name	Subsidiary name	Business nature	Percentage of shareholding %			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
YTEC HK company	Xiamen YoungTek Electronics Co., Ltd. (Xiamen YoungTek)	Research, development, production and processing of high-brightness light-emitting diodes and LED chip testing equipment, and providing related technical consultation and services	-	-	100.00	Note 3
	Yangzhou YoungTek Electronics Co., Ltd. (Yangzhou YoungTek)	Research, development, production and processing of frequency control and selection components (RFID tags) and related equipment, and providing related technical consultation and services	45.00	45.00	45.00	Notes 1 and 2
Clear Reach Limited	YoungTek Microelectronics (Shenzhen) Co., Ltd. (Shenzhen YoungTek Micro)	Wafer and integrated circuit testing outsourcing, and providing related technical consultation and services	89.04	89.04	89.04	Note 1
Wecon Limited (Samoa)	YoungTek Microelectronics (Shenzhen) Co., Ltd. (Shenzhen YoungTek Micro)	Wafer and integrated circuit testing outsourcing, and providing related technical consultation and services	10.96	10.96	10.96	Note 1
Suzhou Young Tek Micro	Anhui Uttest Electronics Ltd. (Anhui Uttest)	Semiconductor device specialized equipment manufacturing and sales; industrial automatic control computer hardware and software and auxiliary equipment manufacturing and sales; integrated circuit chip and product design and sales; software development and sales; semiconductor, electronic products, electronic components, electronic specialized equipment sales; mechanical equipment maintenance, leasing; technical services, development, consultation, promotion.	100.00	100.00	100.00	Note 1

Note 1: In the table above, except for YTEC Samoa, YTEC HK, Xiamen YTEC and Suzhou Young Tek More which were reviewed by accountants, the financial statements of other non-significant subsidiaries were not reviewed by accountants.

Note 2: The company's shareholding ratio is 45%, however, the company's management has evaluated that it still has control over Yangzhou YoungTek based on the relative absolute amount of voting rights held compared to other shareholders.

Note 3: The company, based on operational planning, resolved to dispose of Xiamen YoungTek at the Board meeting on March 14, 2024, and sold all equity in November 2024, losing control over Xiamen YoungTek.

Note 4: The company invested USD 500 thousand in YOUNGTEK ELECTRONICS CORPORATION USA, INC on April 18, 2024

(2) Information on Subsidiaries with Significant Non-controlling Interests

Subsidiary name	Non-controlling Interests' Shareholding and Voting Rights Percentage		
	March 31, 2025	December 31, 2024	March 31, 2024
Yangzhou YoungTek	55.00%	55.00%	55.00%

Information on the principal place of business and country of incorporation, please refer to Table 8.

Subsidiary name	Profit/Loss Allocated to Non-controlling Interests		Non-controlling Interests		
	January 1 to March 31, 2025	January 1 to March 31, 2024	March 31, 2025	December 31, 2024	March 31, 2024
Yangzhou YoungTek	(\$ 12,640)	(\$ 9,408)	\$ 183,535	\$ 193,532	\$ 215,526

The following summarized financial information for subsidiaries with significant non-controlling interests is prepared based on amounts before elimination of intercompany transactions:

	March 31, 2025	December 31, 2024	March 31, 2024
Current Assets	\$ 239,874	\$ 269,136	\$ 287,608
Non-current Assets	120,951	126,358	146,878
Current Liabilities	(25,208)	(41,030)	(38,020)
Non-current Liabilities	(1,917)	(2,588)	(4,600)
Equity	<u>\$ 333,700</u>	<u>\$ 351,876</u>	<u>\$ 391,866</u>

Equity Attributable to:

Owners of the Company	\$ 150,165	\$ 158,344	\$ 176,340
Non-controlling interests of subsidiaries	<u>183,535</u>	<u>193,532</u>	<u>215,526</u>
	<u>\$ 333,700</u>	<u>\$ 351,876</u>	<u>\$ 391,866</u>

	January 1 to March 31, 2025	January 1 to March 31, 2024
Operating revenue	<u>\$ 26,608</u>	<u>\$ 32,941</u>
Net Loss for the Period	(\$ 22,981)	(\$ 17,105)
Other Comprehensive Income	<u>2,643</u>	<u>8,559</u>
Total Comprehensive Income	(<u>\$ 20,338</u>)	(<u>\$ 8,546</u>)
Net Loss Attributable to:		
Owners of the Company	(\$ 10,341)	(\$ 7,697)
Non-controlling interests of subsidiaries	(<u>12,640</u>)	(<u>9,408</u>)
	(<u>\$ 22,981</u>)	(<u>\$ 17,105</u>)
Total Comprehensive Income Attributable to:		
Owners of the Company	(\$ 10,341)	(\$ 7,697)
Non-controlling interests of subsidiaries	(<u>9,997</u>)	(<u>849</u>)
	(<u>\$ 20,338</u>)	(<u>\$ 8,546</u>)

(Continued the next page)

(Brought forward)

	January 1 to March 31, 2025	January 1 to March 31, 2024
Cash flow		
Operating activities	(\$ 21,630)	(\$ 1,628)
Investing activities	(218)	(267)
Financing activities	(680)	(1,860)
Effect of changes in foreign exchange rate	<u>4,805</u>	<u>15,562</u>
Net Cash (Outflow) Inflow	(\$ 17,723)	\$ 11,807

14. Investments Accounted for Using Equity Method

	March 31, 2025	December 31, 2024	March 31, 2024
Investments in Associates	<u>\$ 152,882</u>	<u>\$ 154,702</u>	<u>\$ 164,983</u>
<u>Individually Immaterial Associates</u>			
Tian Zheng International Precision Machinery Co., Ltd. (Tian Zheng)	\$ 126,877	\$ 128,599	\$ 136,926
Sissca Co., Ltd. (Sissca)	<u>26,005</u>	<u>26,103</u>	<u>28,057</u>
	<u>\$ 152,882</u>	<u>\$ 154,702</u>	<u>\$ 164,983</u>

As of the balance sheet date, the consolidated company's ownership interest and voting right percentage in associates are as follows:

Company Name	March 31, 2025	December 31, 2024	March 31, 2024
Tian Zheng	14.60%	14.60%	14.60%
Sissca	15.52%	15.52%	15.52%

The consolidated company holds less than 20% of the voting rights in Tian Zheng and Sissca. After considering that the management holds one director seat in these companies, they have significant influence, so they still evaluate using the equity method.

The investments accounted for using equity method and the Group's share of their profit or loss and other comprehensive income were calculated based on the unreviewed financial statements.

15. Property, Plant and Equipment

	March 31, 2025	December 31, 2024	March 31, 2024
Self-used	\$ 2,127,384	\$ 2,105,425	\$ 2,040,390
Leased out under operating leases	<u>55,400</u>	<u>56,139</u>	<u>58,355</u>
	<u>\$ 2,182,784</u>	<u>\$ 2,161,564</u>	<u>\$ 2,098,745</u>

(1) Self-used

	Own Land	Buildings and Structures	Machinery and Equipment	Testing Equipment	Transportation Equipment	Office Equipment	Leashold Improvements	Other Equipment	Pending Equipment Inspection and In-completed Projects	Total
<u>Cost</u>										
Balance on January 1, 2025	\$ 42,101	\$ 1,301,821	\$ 7,198,516	\$ 40,839	\$ 14,679	\$ 20,813	\$ 18,508	\$ 231,086	\$ 9,788	\$ 8,878,151
Additions	-	1,661	32,268	-	-	20	-	4,976	115,194	154,119
Reclassification	-	6,356	13,447	12,091	-	-	-	-	(12,262)	19,632
Net Exchange Differences	-	-	10,530	-	71	196	1	285	16	11,099
Balance as of March 31, 2025	<u>\$ 42,101</u>	<u>\$ 1,309,838</u>	<u>\$ 7,254,761</u>	<u>\$ 52,930</u>	<u>\$ 14,750</u>	<u>\$ 21,029</u>	<u>\$ 18,509</u>	<u>\$ 236,347</u>	<u>\$ 112,736</u>	<u>\$ 9,063,001</u>
<u>Accumulated Depreciation</u>										
Balance on January 1, 2025	\$ -	\$ 777,873	\$ 5,687,433	\$ 33,307	\$ 10,873	\$ 17,362	\$ 5,678	\$ 157,333	\$ -	\$ 6,689,859
Additions	-	13,158	129,007	1,227	280	297	653	5,277	-	149,899
Reclassification	-	4,798	(2,892)	-	-	-	-	-	-	1,906
Net Exchange Differences	-	-	10,441	-	46	150	-	191	-	10,828
Balance as of March 31, 2025	<u>\$ -</u>	<u>\$ 795,829</u>	<u>\$ 5,823,989</u>	<u>\$ 34,534</u>	<u>\$ 11,199</u>	<u>\$ 17,809</u>	<u>\$ 6,331</u>	<u>\$ 162,801</u>	<u>\$ -</u>	<u>\$ 6,852,492</u>
<u>Accumulated Impairment</u>										
Balance on January 1, 2025	\$ -	\$ -	\$ 82,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,867
Net Exchange Differences	-	-	258	-	-	-	-	-	-	258
Balance as of March 31, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,125</u>
Net Amount on March 31, 2025	<u>\$ 42,101</u>	<u>\$ 514,009</u>	<u>\$ 1,347,647</u>	<u>\$ 18,396</u>	<u>\$ 3,551</u>	<u>\$ 3,220</u>	<u>\$ 12,178</u>	<u>\$ 73,546</u>	<u>\$ 112,736</u>	<u>\$ 2,127,384</u>
<u>Cost</u>										
Balance on January 1, 2024	\$ 42,101	\$ 1,193,240	\$ 8,033,836	\$ 54,773	\$ 12,660	\$ 61,247	\$ 22,743	\$ 203,202	\$ 123,214	\$ 9,747,016
Additions	-	106	35,180	-	-	360	-	5,755	-	41,401
Disposals	-	-	(62,840)	(20,055)	-	-	(5,334)	-	(14,722)	(102,951)
Reclassification	-	-	21,086	112	-	-	-	-	(6,863)	14,335
Reclassified to disposal groups held for sale	-	(165,347)	(1,070,778)	-	(31)	(41,798)	-	-	(7,699)	(1,285,653)
Net Exchange Differences	-	6,415	67,761	-	133	2,047	-	750	299	77,405
Balance as of March 31, 2024	<u>\$ 42,101</u>	<u>\$ 1,034,414</u>	<u>\$ 7,024,245</u>	<u>\$ 34,830</u>	<u>\$ 12,762</u>	<u>\$ 21,856</u>	<u>\$ 17,409</u>	<u>\$ 209,707</u>	<u>\$ 94,229</u>	<u>\$ 8,491,553</u>
<u>Accumulated Depreciation</u>										
Balance on January 1, 2024	\$ -	\$ 807,988	\$ 6,190,380	\$ 52,107	\$ 10,191	\$ 59,607	\$ 7,930	\$ 140,718	\$ -	\$ 7,268,921
Additions	-	14,884	77,224	563	375	375	737	4,328	-	98,486
Disposals	-	-	(61,444)	(20,055)	-	-	(5,015)	-	-	(86,514)
Reclassification	-	-	(4,331)	-	-	-	-	-	-	(4,331)
Reclassified to disposal groups held for sale	-	(85,957)	(829,189)	-	(31)	(41,773)	-	-	-	(956,950)
Net Exchange Differences	-	3,293	45,568	-	111	1,982	-	419	-	51,373
Balance as of March 31, 2024	<u>\$ -</u>	<u>\$ 740,208</u>	<u>\$ 5,418,208</u>	<u>\$ 32,615</u>	<u>\$ 10,646</u>	<u>\$ 20,191</u>	<u>\$ 3,652</u>	<u>\$ 145,465</u>	<u>\$ -</u>	<u>\$ 6,370,985</u>
<u>Accumulated Impairment</u>										
Balance on January 1, 2024	\$ -	\$ -	\$ 312,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,654
Disposals	-	-	(954)	-	-	-	-	-	-	(954)
Reclassified to disposal groups held for sale	-	-	(241,588)	-	-	-	-	-	-	(241,588)
Net Exchange Differences	-	-	10,066	-	-	-	-	-	-	10,066
Balance as of March 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,178</u>
Net Amount on March 31, 2024	<u>\$ 42,101</u>	<u>\$ 294,206</u>	<u>\$ 1,525,859</u>	<u>\$ 2,215</u>	<u>\$ 2,116</u>	<u>\$ 1,665</u>	<u>\$ 13,757</u>	<u>\$ 64,242</u>	<u>\$ 94,229</u>	<u>\$ 2,040,390</u>

The Group's property, plant and equipment for own use are depreciated on a straight-line basis over the following useful lives:

Buildings and Structures	
Main Plant Buildings	15 to 41 years
Engineering Systems	8 to 41 years
Machinery and Equipment	2 to 10 years
Testing Equipment	3 to 6 years
Transportation Equipment	2 to 6 years
Office Equipment	3 to 10 years
Leasehold Improvements	3 to 11 years
Other Equipment	3 to 8 years

No impairment losses were recognized for the three months ended March 31, 2025 and 2024.

For information on self-used real estate, factories and equipment pledged as collateral for borrowings, please refer to Note 33.

(2) Operating Lease Rentals

	Buildings and Structures
<u>Cost</u>	
Balance as of January 1 and March 31, 2025	<u>\$ 106,362</u>
<u>Accumulated Depreciation</u>	
Balance on January 1, 2025	\$ 50,223
Depreciation Expense	739
Balance as of March 31, 2025	<u>\$ 50,962</u>
Net Amount on March 31, 2025	<u>\$ 55,400</u>
<u>Cost</u>	
Balance as of January 1 and March 31, 2024	<u>\$ 106,362</u>
<u>Accumulated Depreciation</u>	
Balance on January 1, 2024	\$ 47,268
Depreciation Expense	739
Balance as of March 31, 2024	<u>\$ 48,007</u>
Net Amount on March 31, 2024	<u>\$ 58,355</u>

The consolidated company leases out buildings and structures under operating leases, with lease terms of 5 years. All operating lease contracts include terms for adjusting the

rent according to market rental rates when the lessee exercises the renewal option. The lessee does not have a preferential purchase option for the asset at the end of the lease term.

As of March 31, 2025 and 2024, and December 31, 2024, the consolidated company received security deposits of NT\$6,830 thousand from operating lease contracts.

Future total lease payments to be received from operating leases of owned property, plant and equipment are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
The 1st year	\$ 31,793	\$ 34,536	\$ 29,880
The 2nd year	30,091	30,091	30,091
The 3rd year	25,076	30,091	30,091
The 4th year	-	2,508	25,076
	<u>\$ 86,960</u>	<u>\$ 97,226</u>	<u>\$ 115,138</u>

The consolidated company's property, plant and equipment leased out under operating leases are depreciated on a straight-line basis over the following useful lives:

Buildings and Structures	
Main Plant Buildings	35 years

The consolidated company's property, plant and equipment leased out under operating leases are not pledged as collateral for borrowings.

16. Lease Agreements

(1) Right-of-use Assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying Amount of Right-of-use Assets			
Land	\$ 173,172	\$ 182,090	\$ 188,976
Buildings	<u>84,044</u>	<u>87,692</u>	<u>23,218</u>
	<u>\$ 257,216</u>	<u>\$ 269,782</u>	<u>\$ 212,194</u>
	January 1 to March 31, 2025	January 1 to March 31, 2024	
Additions to Right-of-use Assets	<u>\$ -</u>	<u>\$ 37,888</u>	
Depreciation Expenses of Right-of-use Assets			
Land	\$ 2,780	\$ 2,758	
Buildings	<u>3,734</u>	<u>4,055</u>	
	<u>\$ 6,514</u>	<u>\$ 6,813</u>	

Except for the additions and depreciation expense recognized as listed above, there was no material sublease and impairment on the Group's right-of-use assets during the periods for the three months ended March 31, 2025 and 2024.

(2) Lease Liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying Amount of Lease Liabilities			
Current	<u>\$ 23,219</u>	<u>\$ 23,276</u>	<u>\$ 19,087</u>
Non-current	<u>\$ 232,050</u>	<u>\$ 243,725</u>	<u>\$ 188,594</u>

The ranges of discount rates for lease liabilities are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	2.40%~3.15%	2.40%~3.15%	2.40%~3.15%
Buildings	2.40%~3.15%	2.40%~3.15%	2.40%~3.15%

(3) Significant Leasing Activities and Terms

The consolidated company leases certain equipment and machinery for product manufacturing and research and development, with lease terms of 5 years. At the expiration of the lease term, the consolidated company may choose to purchase the equipment at the nominal amount at that time, with no terms for renewal or purchase options.

The consolidated company also leases certain land and buildings for use as factories and offices, with lease terms of 2 to 20 years. At the termination of the lease term, the consolidated company has no preferential purchase options for the leased land and buildings.

As of March 31, 2025 and 2024, and December 31, 2024, deposits paid by the Group for operating leases amounted to NT\$1,100 thousand, NT\$1,100 thousand and NT\$1,444 thousand, respectively.

(4) Other Lease Information

	January 1 to March 31, 2025	January 1 to March 31, 2024
Short-term lease expenses	<u>\$ 7,027</u>	<u>\$ 6,495</u>
Total cash (outflow) of leases	<u>(\$ 16,100)</u>	<u>(\$ 14,049)</u>

17. Investment Property

Completed Investment Property	January 1 to March 31, 2025				
	Beginning balance	Increase for the Period	Decreases for the Period	Reclassification	Ending Balance
<u>Cost</u>					
Buildings and Structures	\$ 6,356	<u>\$ -</u>	<u>\$ -</u>	(<u>\$ 6,356</u>)	\$ -
<u>Accumulated Depreciation</u>					
Buildings and Structures	<u>4,798</u>	<u>\$ -</u>	<u>\$ -</u>	(<u>\$ 4,798</u>)	<u>-</u>
Net Amount	<u>\$ 1,558</u>				<u>\$ -</u>

Completed Investment Property	January 1 to March 31, 2024			
	Beginning balance	Increase for the Period	Decreases for the Period	Ending Balance
<u>Cost</u>				
Buildings and Structures	\$ 6,356	<u>\$ -</u>	<u>\$ -</u>	\$ 6,356
<u>Accumulated Depreciation</u>				
Buildings and Structures	<u>4,669</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>4,702</u>
Net Amount	<u>\$ 1,687</u>			<u>\$ 1,654</u>

The lease terms for rental of investment property range from 3 to 5 years, and the lessees do not have preferential purchase rights for the investment property at the end of the lease terms.

As of December 31 and March 31, 2024, the security deposits received by the consolidated company from operating lease contracts for investment property were NT\$0 thousand and NT\$154 thousand, respectively.

The total amount of future lease payments to be received from the operating lease of investment property is as follows:

	December 31, 2024	December 31, 2023
The 1st year	<u>\$ -</u>	<u>\$ 45</u>

Depreciation for investment property is recognized on a straight-line basis over the following useful lives:

Main building	33 to 41 years
Engineering Systems	5 to 10 years

The fair value of investment property is estimated by the consolidated company's management with reference to the latest government-announced sales market prices in areas surrounding the investment property. After assessment, there are no signs of impairment. The appraised fair values are as follows:

	December 31, 2024	December 31, 2023
Fair Value	<u>\$ 6,260</u>	<u>\$ 6,260</u>

All investment properties of the consolidated company are owned equity.

18. Intangible assets

	Computer software costs	Goodwill	Patents	Others	Total
<u>Cost</u>					
Balance on January 1, 2025	\$ 65,712	\$ 2,583	\$ 68,157	\$ 17,472	\$ 153,924
Acquired separately	12,318	-	-	-	12,318
Reclassification	-	-	-	3,300	3,300
Net Exchange Differences	<u>30</u>	<u>-</u>	<u>-</u>	<u>798</u>	<u>828</u>
Balance as of March 31, 2025	<u><u>\$ 78,060</u></u>	<u><u>\$ 2,583</u></u>	<u><u>\$ 68,157</u></u>	<u><u>\$ 21,570</u></u>	<u><u>\$ 170,370</u></u>
<u>Accumulated amortization</u>					
Balance on January 1, 2025	\$ 37,609	\$ -	\$ 62,011	\$ 16,816	\$ 116,436
Amortization Expense	3,340	-	1,498	168	5,006
Net Exchange Differences	<u>30</u>	<u>-</u>	<u>-</u>	<u>79</u>	<u>109</u>
Balance as of March 31, 2025	<u><u>\$ 40,979</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 63,509</u></u>	<u><u>\$ 17,063</u></u>	<u><u>\$ 121,551</u></u>
Net Amount on March 31, 2025	<u><u>\$ 37,081</u></u>	<u><u>\$ 2,583</u></u>	<u><u>\$ 4,648</u></u>	<u><u>\$ 4,507</u></u>	<u><u>\$ 48,819</u></u>
<u>Cost</u>					
Balance on January 1, 2024	\$ 44,719	\$ 2,583	\$ 68,157	\$ 16,446	\$ 131,905
Acquired separately	5,403	-	-	-	5,403
Reclassified to disposal groups held for sale	(1,133)	-	-	-	(1,133)
Net Exchange Differences	<u>114</u>	<u>-</u>	<u>-</u>	<u>114</u>	<u>228</u>
Balance as of March 31, 2024	<u><u>\$ 49,103</u></u>	<u><u>\$ 2,583</u></u>	<u><u>\$ 68,157</u></u>	<u><u>\$ 16,560</u></u>	<u><u>\$ 136,403</u></u>
<u>Accumulated amortization</u>					
Balance on January 1, 2024	\$ 29,955	\$ -	\$ 55,994	\$ 15,743	\$ 101,692
Amortization Expense	1,625	-	1,508	293	3,426
Reclassified to disposal groups held for sale	(991)	-	-	-	(991)
Net Exchange Differences	<u>105</u>	<u>-</u>	<u>-</u>	<u>114</u>	<u>219</u>
Balance as of March 31, 2024	<u><u>\$ 30,694</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 57,502</u></u>	<u><u>\$ 16,150</u></u>	<u><u>\$ 104,346</u></u>
Net Amount on March 31, 2024	<u><u>\$ 18,409</u></u>	<u><u>\$ 2,583</u></u>	<u><u>\$ 10,655</u></u>	<u><u>\$ 410</u></u>	<u><u>\$ 32,057</u></u>

Except for goodwill, amortization expenses are calculated on a straight-line basis according to the following useful lives:

Computer software costs	2 to 6 years
Patents	10 to 11 years
Others	2 to 10 years

Summarized amortization expenses by functions:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Operating costs	\$ 730	\$ 671
Administrative Expenses	602	415
Research and development expenses	3,674	2,315
Discontinued operations	<u>-</u>	<u>25</u>
	<u><u>\$ 5,006</u></u>	<u><u>\$ 3,426</u></u>

19. Other assets

	March 31, 2025	December 31, 2024	March 31, 2024
Prepaid expenses	\$ 207,826	\$ 188,994	\$ 154,006
Supplies inventory	42,138	41,583	41,325
Tax credit	8,452	14,368	36,563
Refundable deposit (Note 16)	4,754	4,653	1,932
Refundable deposit - related parties (Note 32)	1,000	1,098	1,000
Others (Note)	<u>16,799</u>	<u>3,588</u>	<u>3,317</u>
	<u><u>\$ 280,969</u></u>	<u><u>\$ 254,284</u></u>	<u><u>\$ 238,143</u></u>
Current	\$ 275,215	\$ 248,533	\$ 235,211
Non-current	<u>5,754</u>	<u>5,751</u>	<u>2,932</u>
	<u><u>\$ 280,969</u></u>	<u><u>\$ 254,284</u></u>	<u><u>\$ 238,143</u></u>

Note: Mainly consists of temporary payments, advance payments, etc.

20. Borrowings

(1) Short-term borrowings

	March 31, 2025	December 31, 2024
<u><u>Secured loans</u></u>		
Bank loans (Note 1)	<u><u>\$ 32,571</u></u>	<u><u>\$ 49,756</u></u>

Note 1: As of March 31, 2025 and December 31 2024, the amount of discounted notes receivable among secured bank loans was NT\$32,571 thousand and NT\$49,756 thousand (refer to Note 10), with effective annual interest rates ranging from 1.60% ~ 2.15% and 0.80% ~ 1.95% as of March 31, 2025 and December 31, 2024 respectively.

21. Notes and accounts payable

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Accounts payable</u>			
Arising from operations	\$ 273,654	\$ 567,822	\$ 426,338

The Group has a financial risk management policy in place to ensure that all payables are paid within the predetermined credit terms.

22. Other liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Other Payables			
Salaries and bonuses payable	\$ 108,644	\$ 169,254	\$ 105,928
Payables for employees' compensation (Note 27)	67,141	55,400	68,758
Payables for equipment	59,728	90,041	79,765
Payables for directors' compensation (Note 27)	6,311	5,300	6,160
Others (Note)	<u>160,898</u>	<u>159,684</u>	<u>72,082</u>
	<u>\$ 402,722</u>	<u>\$ 479,679</u>	<u>\$ 332,693</u>
Other liabilities			
Others (suspense receipts and receipts on behalf of others)	\$ 7,780	\$ 7,315	\$ 6,554

Note: Mainly payables for electricity, insurance, and other expenses.

23. Provisions for liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Employee benefits (1)	\$ 5,798	\$ 5,291	\$ 5,486
Warranty (2)	<u>1,140</u>	<u>1,218</u>	<u>1,272</u>
	<u>\$ 6,938</u>	<u>\$ 6,509</u>	<u>\$ 6,758</u>
	Employee benefits	Warranty	Total
Balance on January 1, 2025	\$ 5,291	\$ 1,218	\$ 6,509
Additions for the Period	5,798	349	6,147
Reversals for the Period / Usage	(5,291)	(427)	(5,718)
Balance as of March 31, 2025	<u>\$ 5,798</u>	<u>\$ 1,140</u>	<u>\$ 6,938</u>
Balance on January 1, 2024	\$ 4,902	\$ 1,072	\$ 5,974
Additions for the Period	5,486	385	5,871
Reversals for the Period / Usage	(4,902)	(185)	(5,087)
Balance as of March 31, 2024	<u>\$ 5,486</u>	<u>\$ 1,272</u>	<u>\$ 6,758</u>

- (1) The provision for employee benefit liability is an estimate of employees' entitlement to long service leave.
- (2) The provision for warranty liability is based on the sales contract of goods, which represents the present value of the best estimate by the consolidated company's management of the future outflow of economic benefits resulting from warranty obligations. The estimate is based on historical warranty experience and adjusted for factors such as new materials, changes in manufacturing processes, or other factors affecting product quality.

24. Post-employment Benefit Plans

Pension costs recognized in relation to the defined benefit plans for the periods for the three months ended March 31, 2025 and 2024 were calculated using the pension cost rates as determined by the actuarial valuations on December 31, 2024 and 2023. The amounts were NT\$(218) thousand, NT\$(88) thousand, respectively.

25. Equity

(1) Share Capital

	March 31, 2025	December 31, 2024	March 31, 2024
Authorized shares (in thousands)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Authorized capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of issued and fully paid shares (in thousands)	<u>128,498</u>	<u>128,498</u>	<u>128,498</u>
Issued capital	<u>\$ 1,284,980</u>	<u>\$ 1,284,980</u>	<u>\$ 1,284,980</u>

There is no significant change in the company's share capital. Each issued common share has a par value of 10 dollars, with one voting right and the right to receive dividends.

Among the authorized capital, 5,000 thousand shares are reserved for employee stock options.

(2) Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Can be used to cover losses, distribute cash or capitalize (Note 1)</u>			
Share premium	\$ 2,275,616	\$ 2,275,616	\$ 2,275,616
Merger premium	89,710	89,710	89,710
Employee stock options	15,948	15,948	15,948
Conversion rights of convertible bonds	2,176	2,176	2,176

(Continued on the next page)

(Brought forward)

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Changes in equity of associates recognized under the equity method	1,646	1,646	1,646
<u>Can only be used to cover losses</u> <u>(Note 2)</u>			
Changes in equity of associates recognized under the equity method	45,271	45,580	46,882
Recognition of changes in ownership interests in subsidiaries	8,514	8,514	8,514
Donated assets	<u>214</u>	<u>214</u>	<u>214</u>
	<u><u>\$ 2,439,095</u></u>	<u><u>\$ 2,439,404</u></u>	<u><u>\$ 2,440,706</u></u>

Note 1: This type of capital surplus can be used to cover losses, and can also be used to distribute cash or transfer to share capital when the company has no losses. However, the annual transfer to share capital is limited to a certain percentage of the paid-in capital.

Note 2: This type of capital surplus represents the impact of equity transactions recognized due to changes in subsidiary equity when the company has not actually acquired or disposed of subsidiary shares, or adjustments to capital surplus of subsidiaries recognized by the company under the equity method.

(3) Retained Earnings and Dividend Policy

According to the profit distribution policy stipulated in the Articles of Incorporation, the Company's profit distribution or loss offset can be made after the end of each semi-accounting year. If there are profits after the settlement of each semi-accounting year, tax payments should be made first, followed by offsetting accumulated losses, then allocating 10% as legal reserve; however, this restriction shall not apply when the legal reserve has reached the Company's paid-in capital. Special reserves shall be appropriated or reversed in accordance with laws or regulations by the competent authority. If there are still remaining profits, combined with accumulated undistributed earnings, the Board of Directors shall propose a profit distribution plan in accordance with the Company's dividend policy. When the distribution is made through issuing new shares, it shall be submitted to the shareholders' meeting for resolution.

For the distribution of the aforementioned earnings, legal reserve and capital surplus in cash, the Board of Directors is authorized to resolve the distribution with the attendance of more than two-thirds of the directors and the approval of a majority of the attending directors, and to report to the shareholders' meeting.

For the employees' and directors' compensation distribution policy stipulated in the Articles of Incorporation, please refer to Note 27(8) Employees' compensation and Directors' remuneration.

The Company considers future capital requirements and long-term financial planning, while also satisfying shareholders' cash flow needs. Each year, the Board of Directors legally prepares a distribution proposal to be submitted to the shareholders' meeting for resolution. The distribution of shareholders' dividends may be made in cash or stock, but the proportion of cash dividends shall not be less than 20% of the total dividends.

Legal reserve should be allocated until its balance reaches the total amount of the Company's paid-in capital. When the Company has no losses, the portion of legal reserve exceeding 25% of the total paid-in capital may be distributed in cash in addition to being capitalized.

The earnings distribution for 2024 and 2023 is as follows:

	2024	2023
Legal Reserve	<u>\$ 53,443</u>	<u>\$ 52,658</u>
Special Reserve	<u>\$ 10,763</u>	<u>(\$ 14,910)</u>
Cash dividends	<u>\$ 513,992</u>	<u>\$ 513,992</u>
Cash dividend per share (NT\$)	\$ 4.0	\$ 4.0

Aforementioned cash dividends was resolved for distribution at the Board of Directors meeting on March 12, 2025 and March 14, 2024 respectively, and the remaining earnings distribution items for 2023 was resolved at the Annual Shareholders' Meeting held on June 19, 2024. The earnings distribution for 2024 was resolved at the Annual Shareholders' Meeting on June 27, 2025.

(4) Special Reserve

	January 1 to March 31, 2025	January 1 to March 31, 2024
Beginning balance and Ending balance	<u>\$ 17,785</u>	<u>\$ 32,695</u>

(5) Other Equity Items

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

	January 1 to March 31, 2025	January 1 to March 31, 2024
Beginning balance	(\$ 64,977)	(\$ 91,401)
Current period incurred		
Exchange differences on translation of foreign operations	8,258	19,822
Other Comprehensive Income	8,258	19,822
Ending Balance	(\$ 56,719)	(\$ 71,579)

2. Unrealized gains and losses on financial assets measured at fair value through other comprehensive income

	January 1 to March 31, 2025	January 1 to March 31, 2024
Beginning balance	\$ 36,429	\$ 73,616
Unrealized gains and losses		
Equity instruments	(66,064)	(21,288)
Share of associates accounted for using equity method	731	-
Ending Balance	(\$ 28,904)	\$ 52,328

(6) Non-controlling interests

	January 1 to March 31, 2025	January 1 to March 31, 2024
Beginning balance	\$ 193,532	\$ 216,375
Net Loss for the Period	(12,640)	(9,408)
Other Comprehensive Income		
Exchange Differences on Translating the Financial Statements of Foreign Operations	2,643	8,559
Ending Balance	<u>\$ 183,535</u>	<u>\$ 215,526</u>

26. Revenue

	January 1 to March 31, 2025	January 1 to March 31, 2024
Revenue from contracts with customers		
Processing income	\$ 547,697	\$ 605,783
Sales revenue	369,283	282,655
Other income	77,066	48,690
	<u>\$ 994,046</u>	<u>\$ 937,128</u>

(1) Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Accounts receivable (Note 10)	<u>\$ 916,458</u>	<u>\$ 903,443</u>	<u>\$ 988,756</u>	<u>\$ 997,015</u>
Contract Liabilities				
Contract liabilities - current	\$ 151,398	\$ 69,125	\$ 146,801	\$ 171,960
Contract liabilities - related parties (Note 32)	1,140	1,140	1,590	-
	<u>\$ 152,538</u>	<u>\$ 70,265</u>	<u>\$ 148,391</u>	<u>\$ 171,960</u>

The changes in contract liabilities primarily result from the timing difference between the satisfaction of performance obligations and customer payments.

Revenue recognized during the year from contract liabilities at the beginning of the period and performance obligations satisfied in previous periods is as follows:

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
<u>From contract liabilities at the beginning of the year</u>		
Sale of goods	<u>\$ 32,407</u>	<u>\$ 84,525</u>

Analysis of revenue from major products and services, refer to Note 36.

27. Net Income from Continuing Operations

(1) Other Income and Expenses, Net

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Operating lease rental income	\$ 9,264	\$ 12,229
Depreciation expenses of leased assets	(739)	(739)
Depreciation expenses of investment properties	-	(33)
Impairment loss on disposed of property, plant and equipment	_____	(2,426)
	<u>\$ 8,525</u>	<u>\$ 9,031</u>

(2) Interest Income

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Bank deposits	<u>\$ 9,809</u>	<u>\$ 10,267</u>

(3) Other Income

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Others	<u>\$ 840</u>	<u>\$ 719</u>

(4) Other Gains and Losses

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Net foreign exchange gains	\$ 24,712	\$ 38,246
Net losses on financial assets measured at fair value through profit or loss	(638)	(351)
Others	<u>433</u>	(191)
	<u>\$ 24,507</u>	<u>\$ 37,704</u>

(5) Finance Costs

	January 1 to March 31, 2025	January 1 to March 31, 2024
Interest on lease liabilities	\$ 1,722	\$ 1,365
Other interest expenses	<u>693</u>	13
	<u><u>\$ 2,415</u></u>	<u><u>\$ 1,378</u></u>

(6) Depreciation and Amortization

	January 1 to March 31, 2025	January 1 to March 31, 2024
Property, plant and equipment	\$ 150,638	\$ 97,170
Right-of-use assets	6,514	6,662
Investment Property	-	33
Intangible assets	<u>5,006</u>	<u>3,401</u>
Total	<u><u>\$ 162,158</u></u>	<u><u>\$ 107,266</u></u>

Depreciation expenses summarized by function

Operating costs	\$ 145,782	\$ 93,630
Operating expenses	10,631	9,463
Other gains and losses	<u>739</u>	<u>772</u>
	<u><u>\$ 157,152</u></u>	<u><u>\$ 103,865</u></u>

Amortization expenses summarized by function

Operating costs	\$ 730	\$ 671
Operating expenses	<u>4,276</u>	<u>2,730</u>
	<u><u>\$ 5,006</u></u>	<u><u>\$ 3,401</u></u>

(7) Employee Benefits Expenses

	January 1 to March 31, 2025	January 1 to March 31, 2024
Post-employment benefits		
Defined contribution plans	\$ 9,917	\$ 10,006
Defined benefit plans (Note 24)	<u>(218)</u>	<u>(88)</u>
	9,699	9,918
Other employee benefits	<u>320,007</u>	<u>294,117</u>
Total employee benefit expenses	<u><u>\$ 329,706</u></u>	<u><u>\$ 304,035</u></u>
Summarized by function		
Operating costs	\$ 200,046	\$ 191,652
Operating expenses	<u>129,660</u>	<u>112,383</u>
	<u><u>\$ 329,706</u></u>	<u><u>\$ 304,035</u></u>

(8) Employees' compensation and Directors' remuneration

According to the Articles of Incorporation, employees' compensation and directors' remuneration shall be appropriated from the profit before income tax before deducting employees' and directors' remuneration at rates of no less than 2% and no more than 5%, respectively. According to the amendment of the Securities and Exchange Act in August 2024, the Company plans to approve amendments to its Articles of Incorporation at the 2025 shareholders' meeting, stipulating that no less than 20% of the employee compensation appropriated for the current year shall be allocated as compensation for entry-level employees. The estimated employees' (including non-management employee) compensation and directors' remuneration for the periods for the three months ended March 31, 2025 and 2024 was as follows:

Estimated ratio

	January 1 to March 31, 2025	January 1 to March 31, 2024
Employees' compensation	7.47%	6.14%
Directors' remuneration	0.64%	0.53%

Amount

	January 1 to March 31, 2025	January 1 to March 31, 2024
Employees' compensation	\$ 11,741	\$ 9,758
Directors' remuneration	1,011	840

If there are any changes to the amounts after the date of approval and issuance of the annual consolidated financial statements, they will be treated as changes in accounting estimates and adjusted in the following year.

The estimated employees' compensation and directors' remuneration for 2024 and 2023 were resolved by the Board of Directors on March 12, 2025 and March 14, 2024, respectively, as follows:

	2024	2023
	Cash	Cash
Employees' compensation	\$ 55,400	\$ 59,000
Directors' remuneration	5,300	5,320

The actual distribution amounts of employees' compensation and directors' remuneration for 2024 and 2023 were not different from the amounts recognized in the 2024 and 2023 consolidated financial statements.

For information about the employee compensation and director remuneration resolved by the company's Board of Directors, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

(9) Foreign exchange (loss) gain

	January 1 to March 31, 2025	January 1 to March 31, 2024
Total foreign exchange gains	\$ 26,483	\$ 45,334
Total foreign exchange losses	(1,771)	(7,088)
Net profit	<u>\$ 24,712</u>	<u>\$ 38,246</u>

28. Income Tax

(1) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Current income tax		
Producer for the period	\$ 29,454	\$ 43,706
Deferred income tax		
Producer for the period	(2,186)	(6,667)
Income tax expense recognized in profit or loss	<u>\$ 27,268</u>	<u>\$ 37,039</u>

(2) Circumstances of income tax assessments

The company's profit-seeking enterprise income tax returns have been assessed by the tax authorities up to 2022.

29. Earnings per share (Unit: per share)

	January 1 to March 31, 2025	January 1 to March 31, 2024
Basic earnings per share		
From Continuing Operations	\$ 0.93	\$ 0.94
From discontinued operations	- <u></u>	(0.05)
Total basic earnings per share	<u>\$ 0.93</u>	<u>\$ 0.89</u>
Diluted earnings per share		
From Continuing Operations	\$ 0.92	\$ 0.94
From discontinued operations	- <u></u>	(0.06)
Total diluted earnings per share	<u>\$ 0.92</u>	<u>\$ 0.88</u>

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share from continuing operations are as follows:

Net income for the period

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Net income attributable to owners of the company	\$ 119,202	\$ 114,117
Less: Net loss of discontinued operations used to calculate basic earnings per share of discontinued operations	_____ -	(7,017)
Net income used to calculate basic earnings per share from continuing operations	119,202	121,134
Effect of dilutive potential ordinary shares	_____ -	_____ -
Net income used to calculate diluted earnings per share from continuing operations	<u>\$ 119,202</u>	<u>\$ 121,134</u>

Number of shares

Unit: thousands

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Weighted average number of ordinary shares used to calculate basic earnings per share	128,498	128,498
Effect of dilutive potential ordinary shares:		
Employees' compensation	875	866
Weighted average number of ordinary shares used to calculate diluted earnings per share	<u>129,373</u>	<u>129,364</u>

If the consolidated company can choose to distribute employee compensation in stocks or cash, then when calculating diluted earnings per share, it is assumed that employee compensation will be distributed in the form of stocks, and these potential ordinary shares are included in the weighted average number of outstanding shares when they have a dilutive effect, in order to calculate diluted earnings per share. When calculating diluted earnings per share before resolving the number of shares for employee compensation in the following year, the dilutive effect of these potential ordinary shares continues to be considered.

30. Non-cash Transactions

The Group entered into the following non-cash investing and financing activities during the periods for the three months ended March 31, 2025 and 2024:

- (1) The consolidated company transferred inventory of NT\$20,862 thousand and NT\$21,403 thousand to property, plant and equipment for the three months ended March 31, 2025 and 2024, respectively; additionally, during January 1 to March 31, 2025 and 2024, the consolidated company transferred net property, plant and equipment of NT\$1,394 thousand (cost of NT\$4,286 thousand less accumulated depreciation of NT\$2,892 thousand) and NT\$2,737 thousand (cost of NT\$7,068 thousand less accumulated depreciation of NT\$4,331 thousand) to inventory; furthermore, during January 1 to March

31, 2025, the consolidated company transferred net property, plant and equipment of NT\$3,300 thousand (recorded as equipment under acceptance and construction in progressing) to intangible assets; moreover, during January 1 to March 31, 2025, the consolidated company transferred net investment property of NT\$1,558 thousand (cost of NT\$6,356 thousand less accumulated depreciation of NT\$4,798 thousand) to property, plant and equipment (see Notes 15, 17 and 18).

31. Financial Instruments

(1) Fair Value Information—Financial Instruments Not Measured at Fair Value

The consolidated company's management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(2) Fair Value Information—Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Limited partnership	\$ _____ -	\$ _____ -	\$ 29,890	\$ 29,890
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity instrument investments				
- Domestic listed (OTC) and emerging stocks	\$ 284,589	\$ _____ -	\$ _____ -	\$ 284,589
- Domestic unlisted (OTC) stocks	_____ -	_____ -	5,000	5,000
- Foreign unlisted (OTC) stocks	_____ -	_____ -	109,766	109,766
Total	\$ 284,589	\$ _____ -	\$ 114,766	\$ 399,355
<u>Financial liabilities measured at fair value through profit or loss</u>				
Derivatives	\$ _____ -	\$ 561	\$ _____ -	\$ 561

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Limited partnership	\$ _____ -	\$ _____ -	\$ 30,055	\$ 30,055
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity instrument investments				
- Domestic listed (OTC) stocks	\$ 345,972	\$ _____ -	\$ _____ -	\$ 345,972
- Domestic unlisted (OTC) stocks	_____ -	_____ -	5,000	5,000
- Foreign unlisted (OTC) stocks	_____ -	_____ -	114,447	114,447
Total	<u>\$ 345,972</u>	<u>\$ _____ -</u>	<u>\$ 119,447</u>	<u>\$ 465,419</u>

Financial liabilities measured at fair value through profit or loss

Derivatives	\$ _____ -	\$ 88	\$ _____ -	\$ 88
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March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Limited partnership	\$ _____ -	\$ _____ -	\$ 14,742	\$ 14,742
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity instrument investments				
- Domestic listed (OTC) and emerging stocks	\$ 363,421	\$ _____ -	\$ _____ -	\$ 363,421
- Domestic unlisted (OTC) stocks	_____ -	_____ -	5,000	5,000
- Foreign unlisted (OTC) stocks	_____ -	_____ -	98,229	98,229
Total	<u>\$ 363,421</u>	<u>\$ _____ -</u>	<u>\$ 103,229</u>	<u>\$ 466,650</u>

Financial liabilities measured at fair value through profit or loss

Derivatives	\$ _____ -	\$ 269	\$ _____ -	\$ 269
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There was no transfer between Level 1 and Level 2 fair value measurements for the three months ended March 31, 2025 and 2024.

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

January 1 to March 31, 2025

	Equity instruments measured at fair value through profit or loss	Equity instruments measured at fair value through other comprehensive income	Total
Beginning balance	\$ 30,055	\$ 119,447	\$ 149,502
Recognized in profit or loss (other gains and losses)	(165)	-	(165)
Recognized in other comprehensive income (unrealized valuation of financial assets measured at fair value through other comprehensive income)	-	(4,681)	(4,681)
Ending Balance	<u>\$ 29,890</u>	<u>\$ 114,766</u>	<u>\$ 144,656</u>

January 1 to March 31, 2024

	Equity instruments measured at fair value through profit or loss	Equity instruments measured at fair value through other comprehensive income	Total
Beginning balance	\$ 14,824	\$ 108,493	\$ 123,317
Recognized in profit or loss (other gains and losses)	(82)	-	(82)
Recognized in other comprehensive income (unrealized valuation of financial assets measured at fair value through other comprehensive income)	-	(5,264)	(5,264)
Ending Balance	<u>\$ 14,742</u>	<u>\$ 103,229</u>	<u>\$ 117,971</u>

3. Valuation techniques and inputs for Level 2 fair value measurement

Categories of Financial Instruments	Valuation Techniques and inputs
Derivative instruments - forward exchange contracts	Cash flow discount method: Estimate future cash flows based on observable forward exchange rates at the end of the period and contractual exchange rates, and discount them using discount rates that reflect the credit risk of each counterparty.

4. Valuation techniques and inputs for Level 3 fair value measurement

- (1) Some domestic and foreign unlisted (OTC) domestic limited partnership equity investments are measured using the asset approach, or based on their peer companies' stock prices in active markets adjusted for liquidity, to determine their fair value.
- (2) Some domestic and foreign unlisted (OTC) equity investments are measured using the market approach to estimate fair value, which is determined by reference to industry classification, valuation of similar companies, and the company's operating conditions, or based on the company's net worth.

(3) Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	\$ 29,890	\$ 30,055	\$ 14,742
Financial assets measured at amortized cost (Note 1)	3,394,433	3,528,394	4,007,351
Fair value measured through other comprehensive income			
Equity instrument investments	399,355	465,419	466,650
<u>Financial liabilities</u>			
Fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	561	88	269
Measured at amortized cost (Note 2)	515,701	854,777	715,990

Note 1: The balance includes cash and cash equivalents, notes and accounts receivable (including amounts due from related parties), other receivables (including amounts due from related parties), and other financial assets measured at amortized cost. The balance includes the related asset balances transferred to disposal groups held for sale.

Note 2: The balance includes short-term borrowings, notes and accounts payable (including amounts due from related parties), and other payables (including amounts due from related parties), and other

financial liabilities measured at amortized cost. The balance includes the related liabilities balances transferred to disposal groups held for sale.

(4) Financial Risk Management Objectives and Policies

The Group's major financial instruments include equity investments, accounts receivable, accounts payable, borrowings, and lease liabilities. The Group's financial management department provides services to business units, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

The Group uses derivative financial instruments to hedge exposures in order to mitigate the impact of these risks. The use of derivative financial instruments is governed by policies approved by the Group's Board of Directors, which provide written principles for managing foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess liquidity. Internal auditors continuously review compliance with policies and exposure limits. The Group does not engage in trading of financial instruments (including derivative financial instruments) for speculative purposes.

The financial management department regularly reports at the Group's operational management meetings to mitigate exposure risks.

1. Market Risk

The Group's operating activities expose it to primary financial risks of changes in foreign currency exchange rates (see (1) below) and interest rate risks (see (2) below). The Group engages in derivative financial instruments to manage its exposure to foreign currency risk, including using forward foreign exchange contracts to hedge exchange rate risks arising from equipment exports or provision of services to other regions.

The Group's exposure to market risks of financial instruments and the methods of managing and measuring such exposures have not changed.

(1) Foreign Exchange Risk

The Company and several subsidiaries engage in sales and purchase transactions denominated in foreign currencies, thereby exposing the Group to risks of exchange rate fluctuations. The Group manages its exposure to foreign exchange risks by using forward foreign exchange contracts within the range permitted by policy.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date (including monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements) and the carrying amounts of derivative instruments with foreign exchange risk exposure are referred to in Note 34.

Sensitivity Analysis

The Group is primarily affected by fluctuations in the exchange rates of US dollars, Renminbi, and Japanese yen.

The table below provides a detailed explanation of the Group's sensitivity analysis when the New Taiwan Dollar (functional currency) increases by 5%, 5%, and 10% against the US dollar, Renminbi, and Japanese yen, respectively. 5% and 10% are the sensitivity ratios used when reporting currency risks to key management personnel within the Group, and also represent management's assessment of the reasonably possible range of changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and forward foreign exchange contracts designated as cash flow hedges. The (negative) positive numbers in the table indicate that when New Taiwan Dollars appreciates by 5%, 5%, and 10% against the relevant foreign currencies, the pre-tax net profit will (decrease) increase by the respective amounts

	Impact of US Dollar		Impact of RMB		Impact of Japanese Yen	
	January 1 to March 31, 2025	January 1 to March 31, 2024	January 1 to March 31, 2025	January 1 to March 31, 2024	January 1 to March 31, 2025	January 1 to March 31, 2024
Pre-tax Net (Loss) Income	(\$27,064)	(\$25,589)	(\$43,052)	(\$47,749)	\$.79	(\$1,165)

The sensitivity changes mainly stem from the US dollar, Renminbi, and Japanese Yen denominated receivables and payables of the consolidated company that are still outstanding at the balance sheet date and have not undergone cash flow hedging. The consolidated company's increased sensitivity to the RMB exchange rate this year is mainly due to the decrease in RMB-denominated sales, which led to an decrease in the balance of accounts receivable denominated in RMB. The consolidated company's decreased sensitivity to the Japanese Yen exchange rate this year is mainly due to the reduction in bank deposits denominated in Japanese Yen.

(2) Interest Rate Risk

As entities within the consolidated company hold both fixed and floating rate assets, they are therefore exposed to interest rate risk. The consolidated

company manages interest rate risk by maintaining an appropriate mix of fixed and floating rates.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk on the consolidated company's balance sheet date are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Fair value interest rate risk			
- Financial assets	\$ 1,392,644	\$ 1,694,853	\$ 1,869,470
- Financial liabilities	255,269	267,001	207,681
Cash flow interest rate risk			
- Financial assets	907,649	726,068	967,929
- Financial liabilities	32,571	49,756	147,484

Sensitivity Analysis

The following sensitivity analysis is determined based on the interest rate exposure of non-derivative instruments on the balance sheet date. For floating rate assets and liabilities, the analysis method assumes that the amounts of assets and liabilities outstanding on the balance sheet date were outstanding throughout the reporting period. The rate of change used when reporting interest rates to key management personnel within the Group is an increase or decrease of 0.1% in interest rates, which also represents management's assessment of the reasonably possible range of interest rate fluctuations.

If interest rates increase/decrease by 0.1%, with all other variables remaining constant, the consolidated company's pre-tax net profit for the three months ended March 31, 2025 and 2024 would increase/decrease by 219 thousand and 205 thousand, respectively.

(3) Other price risks

The consolidated company is exposed to equity price risk due to equity securities investments. The management of the consolidated company manages risk by holding investment portfolios with different risks, and the consolidated company does not actively trade these investments.

Sensitivity Analysis

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

If equity prices rise/fall by 1%, pre-tax profit and loss for the three months ended March 31, 2025 and 2024 would increase/decrease by 299 thousand and

147 thousand, respectively, due to the rise/fall in fair value of financial assets measured at fair value through profit or loss. For January 1 to March 31, 2025 and 2024, pre-tax other comprehensive income would increase/decrease by 3,994 thousand and 4,667 thousand, respectively, due to the rise/fall in fair value of financial assets measured at fair value through other comprehensive income.

The consolidated company's sensitivity to equity securities investments has not changed significantly compared to the previous year.

2. Credit Risk

Credit risk refers to the risk of financial loss to the group caused by a counterparty defaulting on contractual obligations. As of the balance sheet date, the maximum credit risk exposure of the consolidated company that may result in financial losses due to counterparties failing to fulfill their obligations and the financial guarantees provided by the consolidated company mainly comes from:

- (1) The carrying amount of financial assets recognized in the consolidated balance sheet.
- (2) The amount of contingent liabilities arising from financial guarantees provided by the consolidated company.

To mitigate credit risk, the management of the consolidated company has assigned a dedicated team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the consolidated company reviews the recoverable amount of each receivable on the balance sheet date to ensure that appropriate impairment losses have been recognized for unrecoverable receivables. Accordingly, the management of the company believes that the credit risk of the consolidated company has been significantly reduced.

The credit risk of the consolidated company is primarily concentrated among the consolidated company's top six customers. As of March 31, 2025 and 2024, and December 31, 2024, the percentages of total accounts receivable from aforementioned customers were 28%, 38% and 37%, respectively.

3. Liquidity Risk

The consolidated company manages and maintains sufficient positions of cash and cash equivalents to support group operations and mitigate the impact of cash flow fluctuations. The management of the consolidated company monitors the usage of bank financing facilities and ensures compliance with loan contract terms.

For the consolidated company's unused short-term bank financing facilities, please refer to the explanation of financing facilities in (2) below.

(1) Liquidity and Interest Rate Risk Tables for Non-derivative Financial Liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the earliest date on which the consolidated company may be required to pay, using undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, bank loans that the consolidated company may be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the banks immediately exercising this right; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment dates.

The undiscounted interest amounts of interest cash flows with floating rates are derived based on the expected borrowing rates as of the balance sheet date.

March 31, 2025

	Payable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Dividends payable	\$ -	\$ 513,992	\$ -	\$ -	\$ -
Non-interest-bearing liabilities	297,797	197,957	180,622	8,770	-
Fixed Rate Instruments	-	32,571	-	-	-
Lease liabilities	2,468	4,936	22,293	102,784	175,924
	<u>\$ 300,265</u>	<u>\$ 749,456</u>	<u>\$ 202,915</u>	<u>\$ 111,554</u>	<u>\$ 175,924</u>

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Over 20 years
Lease liabilities	<u>\$ 29,697</u>	<u>\$102,784</u>	<u>\$101,965</u>	<u>\$ 54,180</u>	<u>\$ 19,779</u>	<u>\$ -</u>

December 31, 2024

	Payable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 458,783	\$ 469,584	\$ 119,134	\$ 8,770	\$ -
Fixed Rate Instruments	-	49,756	-	-	-
Lease liabilities	2,500	5,000	22,549	108,331	184,928
	<u>\$ 461,283</u>	<u>\$ 524,370</u>	<u>\$ 141,683</u>	<u>\$ 117,101</u>	<u>\$ 184,928</u>

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Over 20 years
Lease liabilities	\$ 30,049	\$ 108,331	\$ 73,764	\$ 73,738	\$ 37,426	\$ -

March 31, 2024

	Payable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Dividends payable	\$ -	\$ 513,992	\$ -	\$ -	\$ -
Non-interest-bearing liabilities	271,570	409,449	79,407	7,084	-
Floating Rate Instruments	-	-	-	147,903	-
Lease liabilities	2,296	4,592	17,652	59,763	176,609
	<u>\$ 273,866</u>	<u>\$ 928,033</u>	<u>\$ 97,059</u>	<u>\$ 214,750</u>	<u>\$ 176,609</u>

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Over 20 years
Lease liabilities	\$ 24,540	\$ 59,763	\$ 67,163	\$ 67,159	\$ 42,287	\$ -

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

(2) Liquidity and Interest Rate Risk Table for Derivative Financial Liabilities

For liquidity analysis of derivative financial instruments, for derivatives settled on a net basis, it is prepared based on undiscounted net contractual cash inflows and outflows; for derivatives settled on a gross basis, it is prepared based on undiscounted total cash inflows and outflows. When the amounts payable or receivable are not fixed, the disclosed amounts are determined based on the estimated interest rates derived from the yield curve at the balance sheet date.

March 31, 2025

	Payable on demand or less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	Over 5 years
<u>Net Settlement</u>					
Forward Foreign Exchange Contracts	\$ -	\$ 561	\$ -	\$ -	\$ -

December 31, 2024

	<u>Payable on demand or less than 1 month</u>	<u>1~3 months</u>	<u>3 months to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>
<u>Net Settlement</u>					
Forward Foreign Exchange Contracts	\$ _____ -	\$ 88	\$ _____ -	\$ _____ -	\$ _____ -

March 31, 2024

	<u>Payable on demand or less than 1 month</u>	<u>1~3 months</u>	<u>3 months to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>
<u>Net Settlement</u>					
Forward Foreign Exchange Contracts	\$ _____ -	\$ 269	\$ _____ -	\$ _____ -	\$ _____ -

(3) Financing Facilities

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Unsecured Bank Overdraft Facilities			
- Unused Amount	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000

As of March 31, 2025 and 2024, and December 31, 2024, the used unsecured bank borrowing facilities, which include performance guarantee facilities, both amounted to NT\$8,000 thousand. These represent guarantees provided by banks for customs tax guarantee letters and performance bond guarantee certificates issued by the consolidated company for the Institute for Information Industry's industrial foundation technology project.

32. Related Party Transactions

Transactions, account balances, income and expenses between the Company and its subsidiaries (which are related parties of the Company) are completely eliminated during consolidation and therefore are not disclosed in this note. The consolidated company's transactions with other related parties are as follows.

(1) Names of Related Parties and Their Relationships

Names of Related Parties	Abbreviation	Relationship with the Consolidated Company
Tian Zheng International Precision Machinery Co., Ltd.	Tian Zheng	Related Enterprise
Sissca Co., Ltd	Sissca	Related Enterprise
Harvatek Corporation	Harvatek	Other Related Parties
iReach Corporation	iReach	Other Related Parties
Xiamen YoungTek Electronics Co., Ltd.	Xiamen YoungTek	Other Related Parties (a subsidiary before disposal in November 2024)

(2) Operating revenue

Account Item	Related Party Category	January 1 to March 31, 2025	January 1 to March 31, 2024
		\$ 10,894	\$ 8,328
Sales revenue	Other Related Parties		

The Company provides testing, cutting, and other processing services based on customers' products, so transaction prices are determined according to product characteristics. For payment policies on processing income, general customers are on monthly payment terms of 30 to 120 days, while the above related parties have payment terms of 90 to 120 days.

The Company provides sales services for its own products, with general customers on monthly payment terms of 30 to 120 days, while the above related parties have payment terms of 90 to 180 days.

(3) Purchases

Related Party Category	January 1 to March 31, 2025	January 1 to March 31, 2024
	\$ -	\$ 98
Related Enterprise		

The Company makes purchases based on market prices with discounts, reflecting the quantity purchased and the relationship with the related party. Transactions with related parties are conducted according to general transaction terms and prices.

(4) Notes and Accounts Receivable - Related Parties and Other Receivables - Related Parties

Account Item	Related Party Category/Name	December 31, 2024		March 31, 2024
		March 31, 2025	2024	
Notes and Accounts Receivable—	Other Related Parties			
Related parties	Harvatek	\$ 94,128	\$ 94,704	\$ 90,640
	Others	1,533	1,344	2,093
		\$ 95,661	\$ 96,048	\$ 92,733

No collateral is obtained for outstanding notes and accounts receivable - related parties. No allowance for doubtful accounts was provided for notes and accounts receivable from related parties for the three months ended March 31, 2025 and 2024.

Account Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Other Receivables - Related Parties	Other Related Parties			
	Xiamen YoungTek	\$ _____ -	\$ 25,540	\$ _____ -

(5) Accounts Payable - Related Parties and Other Payables

Account Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Accounts Payable - Related Parties	Related Enterprise			
	Tian Zheng	\$ _____ -	\$ _____ -	\$ 102

The outstanding balance of accounts payable - related parties is unsecured and will be settled in cash. No guarantee is provided for accounts payable - related parties.

Account Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Other Payables - Related Parties (recorded under Other Payables)	Other Related Parties			
	Harvatek	\$ 59	\$ 512	\$ _____ -

(6) Lease Agreements

Account Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Lease liabilities	Other Related Parties			
	Harvatek	\$ 51,662	\$ 54,311	\$ 7,845
Related Party Category/Name	January 1 to March 31, 2025		January 1 to March 31, 2024	
<u>Interest Expenses</u>				
Investors with Significant Influence				
Other Related Parties				
Harvatek	\$ 339		\$ 76	

The consolidated company leased a factory from an investor with significant influence in January 2020, with a lease term of 5 years and renewable upon expiration. The rent is determined with reference to rental levels of similar assets, and fixed lease payments are made quarterly according to the lease agreement.

(7) Other Related Party Transactions

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>	
<u>Manufacturing overhead</u>			
Other Related Parties	<u>\$ 8,163</u>	<u>\$ 7,339</u>	
<u>Operating expenses</u>			
Other Related Parties	<u>\$ 213</u>	<u>\$ -</u>	
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Refundable Deposits</u>			
Other Related Parties	<u>\$ 1,000</u>	<u>\$ 1,098</u>	<u>\$ 1,000</u>
<u>Contract Liabilities</u>			
Other Related Parties	<u>\$ 1,140</u>	<u>\$ 1,140</u>	<u>\$ 1,590</u>

The lease arrangements between the consolidated company and related parties, the determination of rent, and payment terms are in accordance with contractual provisions, with no comparable transactions available for reference.

The manufacturing expense-related payments to related parties are for utilities, repairs, and other related costs shared by the consolidated company and other related parties using the same factory. The determination of expenses and payment terms are in accordance with contractual provisions, with no comparable transactions available for reference.

(8) Compensation of Key Management Personnel

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Short-term Employee Benefits	<u>\$ 6,545</u>	<u>\$ 6,004</u>
Post-employment benefits	<u>92</u>	<u>75</u>
	<u><u>\$ 6,637</u></u>	<u><u>\$ 6,079</u></u>

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

33. Pledged Assets

The following assets have been provided to financial and government-related institutions as collateral for financing or business guarantees:

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 32,571	\$ 49,756	\$ -
Property, Plant and Equipment - Net	23,151	24,835	32,274
Pledged certificates of deposit (recognized as financial assets measured at amortized cost)	<u>22,303</u>	<u>22,237</u>	<u>21,005</u>
	<u><u>\$ 78,025</u></u>	<u><u>\$ 96,828</u></u>	<u><u>\$ 53,279</u></u>

Some of the Consolidated Company's owned land and buildings (recognized as property, plant and equipment) have been pledged as collateral for bank loans. The Consolidated Company may not use these pledged assets as collateral for other loans or sell them to other enterprises.

34. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is presented as an aggregation of foreign currencies other than the functional currency of each entity in the Consolidated Company. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency. Foreign currency assets and liabilities with significant impact are as follows:

March 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign Currency Assets</u>			
<u>Monetary Items</u>			
USD	\$ 19,326	33.16	\$ 640,850
JPY	4,181	0.22	920
RMB	189,886	4.55	<u>863,981</u>
			<u><u>\$ 1,505,751</u></u>
<u>Foreign Currency Liabilities</u>			
<u>Monetary Items</u>			
US Dollar	2,994	33.26	\$ 99,580
JPY	7,768	0.22	1,709
RMB	639	4.60	<u>2,939</u>
			<u><u>\$ 104,228</u></u>

December 31, 2024

	Foreign Currency		Exchange Rate		Carrying Amount
<u>Foreign Currency Assets</u>					
<u>Monetary Items</u>					
US Dollar	\$ 18,603		32.74	\$ 609,062	
JPY	19,302		0.21	4,053	
RMB	202,026		4.45	<u>899,016</u>	
				<u>\$ 1,512,131</u>	
<u>Foreign Currency Liabilities</u>					
<u>Monetary Items</u>					
US Dollar	7,741		32.84	\$ 254,214	
JPY	6,252		0.21	1,313	
RMB	186		4.50	<u>837</u>	
				<u>\$ 256,364</u>	

March 31, 2024

	Foreign Currency		Exchange Rate		Carrying Amount
<u>Foreign Currency Assets</u>					
<u>Monetary Items</u>					
USD	\$ 22,348		31.95	\$ 714,019	
JPY	85,406		0.21	17,935	
RMB	218,377		4.38	<u>956,491</u>	
				<u>\$ 1,688,445</u>	
<u>Foreign Currency Liabilities</u>					
<u>Monetary Items</u>					
US Dollar	6,310		32.05	\$ 202,236	
JPY	29,954		0.21	6,290	
RMB	343		4.43	<u>1,519</u>	
				<u>\$ 210,045</u>	

For the three months ended March 31, 2025 and 2024, the consolidated realized and unrealized net foreign exchange gains (losses) were NT\$24,712 thousand and NT\$38,246 thousand, respectively. Due to the numerous types of foreign currency transactions and functional currencies within the group entities, it is not possible to disclose exchange gains and losses by each significant foreign currency.

35. Disclosure Items

(1) Information Related to Significant Transactions:

1. Loans to Others: Table 1.
2. Endorsements/Guarantees Provided for Others: Table 2.
3. Significant securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates and Joint Ventures): Table 3.
4. Purchases or Sales with Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital or More: Table 4.
5. Receivables from Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital or More: Table 5.
6. Others: Business Relationship and Significant Intercompany Transactions between the Parent Company and its Subsidiaries and among Subsidiaries: Table 6.

(2) Information on Invested Companies: Table 7.

(3) Information on Investments in Mainland China

1. Names of Investees in Mainland China, Principal Business Activities, Paid-in Capital, Investment Method, Inward/Outward Remittance of Funds, Percentage of Ownership, Investment Gain or Loss, Carrying Amount of Investments at Period End, Accumulated Repatriation of Investment Income and Limit on Investments in Mainland China: Table 8.
2. Significant Transactions with Investees in Mainland China, either Directly or Indirectly through a Third Party, and their Prices, Payment Terms, and Unrealized Gains or Losses: Table 9.
 - (1) Purchase amounts and percentages, and the ending balances and percentages of related accounts payables.
 - (2) Sales amounts and percentages, and the ending balances and percentages of related accounts receivables.
 - (3) Property transaction amounts and resulting gains or losses.
 - (4) The ending balance and purpose of endorsements/guarantees of notes or provision of collateral.
 - (5) Maximum balance, ending balance, interest rate range, and total interest for the current period of financing provided.

- (6) Other significant transactions affecting current profit or loss or financial position, such as providing or receiving services.

36. Segment Information

The Group's operating decision makers use information on product sales for resource allocation and segment performance evaluation. The measurement basis of this financial information is the same as that of these consolidated financial statements. The Group's reportable segments are the OEM business division and the own-brand product business division.

(1) Segment Revenue and Operating Results

	Segment Revenue		Segment Profit (Loss)	
	January 1 to March 31, 2025	January 1 to March 31, 2024	January 1 to March 31, 2025	January 1 to March 31, 2024
OEM Business Division	\$ 547,697	\$ 605,783	\$ 49,257	\$ 94,370
Own-Brand Product Business Division	<u>446,349</u>	<u>331,345</u>	<u>201,927</u>	<u>182,229</u>
Total for Continuing Operations	<u>\$ 994,046</u>	<u>\$ 937,128</u>	251,184	276,599
Operating expenses			(155,072)	(183,301)
Other net gains and losses			8,525	9,031
Interest Income			9,809	10,267
Other income			840	719
Other gains and losses			24,507	37,704
Finance Costs			(2,415)	(1,378)
Share of Profit (Loss) of Associates Accounted for Using Equity Method			(3,548)	(876)
Income Before Income Tax from Continuing Operations			<u>\$ 133,830</u>	<u>\$ 148,765</u>

Segment profit refers to the profit earned by each segment, excluding allocated operating expenses, non-operating income and gains, and non-operating expenses and losses. This measurement is provided to the chief operating decision maker for allocating resources to segments and evaluating their performance.

(2) Department Assets and Liabilities

The measurement amounts of the consolidated company's assets and liabilities are not provided to operational decision-makers, therefore the measurement amount of segment assets is zero.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

LOANS TO OTHERS

January 1 to March 31, 2025

Table 1

Unit: NTD thousand, unless otherwise specified

No.	Lender	Borrower	Accounting Item	Whether Related Party	Maximum Balance for the Current Period	Ending Balance (Note 1)	Actual Drawdown Amount	Interest rate range	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing Needs	Provision for Doubtful Accounts Amount	Collateral		Lending Limit for Individual Counterparty	Total Lending Limit	
													Name	Value			
1	YTEC Holding (Samoa) Co., Ltd.	Suzhou YoungTek Microelectronics Co., Ltd.	Other Receivables - Related Parties	Yes	\$ 232,435	\$ 232,435	\$ 66,410	(Note 2)	For operational use	\$ -	For operational use	\$ -	—	—	\$ -	\$ 292,222 (Note 3)	\$ 292,222 (Note 3)
2	YTEC (Hong Kong) Global Limited	Xiamen YoungTek Electronics Co., Ltd.	Other Receivables - Related Parties	Yes	33,205	33,205	-	(Note 2)	For operational use	-	For operational use	-	—	—	-	102,711 (Note 4)	102,711 (Note 4)

Note 1: Converted from the original foreign currency using the exchange rate as of March 31, 2025.

Note 2: Interest is calculated at an annual rate of 3%.

Note 3: The limit for YTEC Holding (Samoa) Co., Ltd. to lend funds to individual entities is 40% of the lending company's net worth, and shall not exceed 25% of the company's paid-in capital; the total limit for lending funds is 30% of the company's paid-in capital.

Note 4: The limit for YTEC (Hong Kong) Global Limited to lend funds to individual entities is 40% of the lending company's net worth, and shall not exceed 25% of the company's paid-in capital; the total limit for lending funds is 30% of the company's paid-in capital.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
ENDORSEMENTS/GUARANTEES FOR OTHERS

January 1 to March 31, 2025

Table 2

Unit: NTD thousand, unless otherwise specified

No.	Endorsement/ Guarantee	Entity Receiving Endorsement/Guarantee		Limit on Endorsement/ Guarantee to a Single Enterprise	Maximum Balance of Endorsement/ Guarantee for the Current Period	Ending Balance of Endorsement/ Guarantee	Actual Drawdown Amount	Amount of Endorsement Guarantee by Secured Property	Ratio of Accumulated Endorsement/ Guarantee Amount to the Net Worth in the Latest Financial Statements	Maximum Limit of Endorsement/ Guarantee	Endorsement/ Guarantee Made by the Parent Company to Its Subsidiary	Endorsement/ Guarantee Made by a Subsidiary to Its Parent Company	Endorsement/ Guarantee Made to Mainland China
		Company Name	Relationship										
0	YTEC Samoa company	Xiamen YoungTek	Other Related Parties	\$ 292,222 (Note 1)	\$ 166,025	\$ 166,025	\$ -	\$ -	2.65%	\$ 292,222 (Note 2)	N	N	Y

Note 1: The total amount of external endorsement/guarantee by YTEC Samoa Company shall not exceed 40% of YTEC Samoa Company's net worth, and the limit of endorsement/guarantee for a single enterprise shall not exceed 40% of YTEC Samoa Company's net worth.

Note 2: The total amount of external endorsement/guarantee by the company shall not exceed 40% of the company's net worth.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
SIGNIFICANT SECURITIES HELD AT THE END OF THE PERIOD

March 31, 2025

Table 3

Unit: NTD thousand, unless otherwise specified

Holding Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account Classification	Ending Balance				Remarks
				Number of Shares/Units	Carrying Amount	Shareholding Ratio %	Fair Value	
YoungTek Electronics Corp.	<u>Limited partnership</u> NEXUS CVC Limited Partnership	—	Financial Assets measured at Fair Value through Profit or Loss - Non-current	3,000,000	\$ 29,890	2.15	\$ 29,890	Note 2
	<u>Stock</u> Edison Opto Corporation	The Company is a director of that company	Financial Assets measured at Fair Value through Other Comprehensive Income - Current Assets	2,549,367	56,596	1.78	56,596	Note 1
	Harvatek Corporation	The Chairman of the Company and the Chairman of that company are the same person	Financial Assets measured at Fair Value through Other Comprehensive Income - Non-current Assets	10,230,336	188,238	4.96	188,238	Note 1
	Navifus Corporation	—	Financial Assets measured at Fair Value through Other Comprehensive Income - Non-current Assets	1,500,000	37,050	2.66	37,050	Note 1
	CSVI Ventures L.P.	—	Financial Assets measured at Fair Value through Other Comprehensive Income - Non-current Assets	-	99,153	10.15	99,153	Note 2
	ARK Semiconductor Inc. (Cayman)	—	Financial Assets measured at Fair Value through Other Comprehensive Income - Non-current Assets	123,920	10,613	0.99	10,613	Note 2

Note 1: Measured based on the closing price as of end of March 2025.

Note 2: Calculated based on the Company's most recent financial statements obtained by the company or market method estimation.

Note 3: This table shows securities that the company determines should be disclosed based on the materiality principle.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
PURCHASES OR SALES WITH RELATED PARTIES AMOUNTING TO NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL OR MORE

January 1 to March 31, 2025

Table 4

Unit: NT\$ thousand, unless otherwise specified

Purchasing (selling) company	Transaction counterparty name	Relationship	Transaction details				Differences and reasons for transaction terms being different from regular transactions		Notes and accounts receivable (payable) (including other receivables)		Remarks
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
Suzhou YoungTek Micro	the company	A 100% indirectly-owned subsidiary of the Company	Sales	\$217,946	24.24%	180 days after monthly settlement	\$ -	—	\$660,255	69.63%	—

Note: The paid-in capital refers to the paid-in capital of the parent company. If the issuer's shares have no par value or the par value per share is not NT\$10, the transaction amount provision of 20% of the paid-in capital shall be calculated as 10% of the equity attributable to owners of the parent company in the balance sheet.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OR MORE OF THE PAID-IN CAPITAL

March 31, 2025

Table 5

Unit: NT\$ thousand, unless otherwise specified

Company recording the receivables	Transaction counterparty name	Relationship	Balance of receivables from related parties (including other receivables)	Turnover rate	Overdue receivables from related parties		Amount of receivables from related parties subsequently collected	Allowance for impairment loss
					Amount	Handling method		
YoungTek Corporation	Suzhou YoungTek Micro	A 100% indirectly-owned subsidiary of the Company	\$ 660,255	126%	\$ 104,240	Continuously being collected	\$ 41,965	\$ -
	Anhui Uttest	A 100% indirectly-owned subsidiary of the Company	121,352	18%	53,159	Continuously being collected	-	-

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS BETWEEN THE PARENT COMPANY AND ITS SUBSIDIARIES AND AMONG SUBSIDIARIES

January 1 to March 31, 2025

Table 6

Unit: NT\$ thousand, unless otherwise specified

No.	Transaction party name	Counterparty	Relationship with the transaction party (Note 1)	Transaction details			
				Account	Amount	Transaction terms	Percentage of consolidated total revenue or total assets
0	YoungTek Corporation	Yangzhou YoungTek	1	Deferred credit - Intercompany transactions	\$ 22,173	Note 2	-
		Shenzhen YoungTek	1	Accounts receivable Deferred credit - Intercompany transactions	70,937 8,756	Note 2 Note 2	1% -
		Suzhou YoungTek Micro	1	Operating revenue Accounts receivable Other Receivables Deferred credit - Intercompany transactions	217,946 575,954 84,301 177,005	Note 2 Note 2 Note 2 Note 2	22% 7% 1% 2%
		Anhui Uttest	1	Operating revenue Accounts receivable Other Receivables Deferred credit - Intercompany transactions	5,784 68,193 53,159 73,138	Note 2 Note 2 Note 2 Note 2	1% 1% 1% 1%
1	Shenzhen YoungTek	Suzhou YoungTek Micro	2	Accounts receivable	23,731	Note 2	-
2	Suzhou YoungTek Micro	Anhui Uttest	2	Operating revenue Accounts receivable	9,699 10,991	Note 2 Note 2	1% -
		YTECHolding(Samoa)Co.,Ltd.	2	Short-term borrowings	65,985	Note 2	1%

Note 1: 1 represents transactions from parent company to its subsidiary.

2 represents transactions between subsidiaries.

Note 2: Based on conditions agreed upon by both parties.

Note 3: The significant transaction information in this table may be determined for disclosure by the company based on the materiality principle.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

INVESTEE COMPANY INFORMATION

January 1 to March 31, 2025

Table 7

Unit: NT\$ thousand, unless otherwise specified

Investing company name	Investee Company Name	Location	Main Business Activities	Original Investment Amount		The Company's Holdings			Profit/Loss of the Investee Company for the Current Period	Investment Profit/Loss Recognized for the Current Period	Remarks
				End of the Current Period	End of the Previous Period	Number of Shares	Ratio %	Carrying Amount			
YoungTek Electronics Corp.	YTEC Holding (Samoa) Co., Ltd.	Samoa	Investment holding	\$ 1,967,924	\$ 1,967,924	Note 1	100.00	\$ 450,442 (Note 2)	\$ 20,008	\$ 20,008	—
	Wecon Automation Machinery Corp.	Taiwan Hsinchu	Design, manufacturing, assembly, processing, and trading business of various controllers, optoelectronic components and equipment, automation machinery, and testing instruments	1,000	1,000	100,000	100.00	989 (Note 3)	-	-	—
	YOUNG TEK ELECTRONICS CORPORATION USA, INC	United States	Semiconductor equipment sales and OEM/ODM services	USD \$ 500 \$ 16,210	USD \$ 500 \$ 16,210	1,500	100.00	16,816 (Note 3)	(1,119)	(1,119)	—
	Tian Zheng International Precision Machinery Co., Ltd.	Taiwan Kaohsiung	Precision equipment, electronic components, molds	36,256	36,256	5,395,136	14.60	126,877 (Note 3)	(23,295)	(3,401)	—
	Weikong Ltd. (Samoa)	Samoa	Investment holding	USD \$ 800 \$ 23,738	USD \$ 800 \$ 23,738	Note 1	100.00	13,725 (Note 3)	(516)	(516)	—
	Sissca Co., Ltd	Taiwan Hsinchu	Mechanical equipment, electronic components, optical instruments	24,000	24,000	3,370,752	15.52	26,005 (Note 3)	(946)	(147)	—
	YTEC Holding (Samoa) Co., Ltd.	Hong Kong	Investment holding	RMB \$ 224,270 \$ 1,039,916	RMB \$ 224,270 \$ 1,039,916	Note 1	100.00	256,778 (Note 2)	(9,656)	(9,656)	—
	YTEC (Hong Kong) Global Limited	British Virgin Islands	Investment holding	USD \$ 7,198 \$ 209,057	USD \$ 7,198 \$ 209,057	Note 1	100.00	119,272 (Note 3)	(4,195)	(4,195)	—
	Clear Reach Limited										

Note 1: It is a limited company, with only paid-in capital and no shares.

Note 2: Calculated based on financial statements audited by CPAs for the same period.

Note 3: Calculated based on financial statements not audited by CPAs for the same period.

Note 4: For information regarding investee companies in mainland China, please refer to Schedule 8.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA

January 1 to March 31, 2025

Schedule 8

Unit: NTD and foreign currency in thousands, unless otherwise specified

Name of Investee Company in Mainland China	Main Business Activities	Paid-in Capital (Note 2)	Investment Method (Note 1)	Accumulated Investment Amount Remitted from Taiwan at Beginning of Period	Investment Amount Remitted or Repatriated During the Period		Accumulated Investment Amount Remitted from Taiwan at End of Period (Note 2)	Shareholding Ratio of Direct or Indirect Investment by the Company	Investment (Losses) Gains Recognized for the Period	Carrying Amount of Investment at End of Period	Investment Returns Repatriated as of the End of the Period
					Remitted	Recovered					
Yangzhou YoungTek Microelectronics Co., Ltd.	Engaged in research and development, production and processing of frequency control and selection components (radio frequency tags) and related equipment, and provision of related technical consultation and services	RMB 67,887 \$ 308,250	(4)	RMB 30,035 \$ 140,895	\$ -	\$ -	RMB 30,035 \$ 140,895	45%	(\$ 10,341) (Note 3)	\$ 150,165 (Note 3)	\$ -
YoungTek Microelectronics (Shenzhen) Co., Ltd.	Wafer and integrated circuit testing outsourcing, and providing related technical consultation and services	RMB 50,172 \$ 202,673	(3)	RMB 47,717 \$ 192,368	-	-	RMB 47,717 \$ 192,368	100%	(4,712) (Note 3)	133,954 (Note 3)	-
Suzhou YoungTek Microelectronics Co., Ltd.	Integrated circuit design; chip testing, packaging, and processing; technology development, technical services, and technical consultation in the semiconductor and integrated circuit field; computer software design and development; sales of semiconductors, electronic products, electromechanical equipment, and electronic components; mechanical equipment maintenance, leasing, and sales; self-operated and agency import and export business for various goods and technologies.	RMB 20,677 \$ 93,330	(2)	RMB 20,677 \$ 93,330	-	-	RMB 20,677 \$ 93,330	100%	28,783	93,899	-
Anhui Uttest Electronics Ltd.	Semiconductor device specialized equipment manufacturing and sales; industrial automatic control computer hardware and software and auxiliary equipment manufacturing and sales; integrated circuit chip and product design and sales; software development and sales; semiconductor, electronic products, electronic components, electronic specialized equipment sales; mechanical equipment maintenance, leasing; technical services, development, consultation, promotion.	RMB 1,000 \$ 4,336	(5)	-	-	-	-	100%	(9,717) (Note 3)	(2,781) (Note 3)	-

Accumulated investment amount remitted from Taiwan to Mainland China at the end of the current period	Investment amount approved by the Investment Commission, Ministry of Economic Affairs	Investment limit in Mainland China according to the Investment Commission, Ministry of Economic Affairs regulations - 60% of net worth or NT\$ 80 million
USD 44,448 \$ 1,325,614	USD 44,448 \$ 1,325,614	\$ 3,753,911

Note 1: Investment methods are divided into the following three types, please mark the category:

- (1) Direct investment in Mainland China.
- (2) Reinvestment in Mainland China through a third- party region company (through the subsidiary YTEC Holding (Samoa) Co., Ltd.).
- (3) Reinvestment in Mainland China through a third- party region company (through the subsidiary Wecon Limited (Samoa) and the sub-subsidiary Clear Reach Limited).
- (4) Reinvestment in Mainland China through a third- party region company (through the sub-subsidiary YTEC (Hong Kong) Global Limited).
- (5) Other methods (reinvestment using the sub-subsidiary Suzhou YoungTek Microelectronics Co., Ltd.'s own funds).

Note 2: Calculated by converting the original foreign currency amount using the original exchange rate.

Note 3: The financial statements of investee companies for the same period were not reviewed by accountants.

Note 4: Refer to Note 13 of the financial statements.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS THAT OCCURRED DIRECTLY OR INDIRECTLY THROUGH A THIRD REGION WITH THE MAINLAND CHINA INVESTED COMPANIES, AND THEIR PRICES,
PAYMENT TERMS, UNREALIZED GAINS AND LOSSES, AND OTHER RELEVANT INFORMATION**

January 1 to March 31, 2025

Table 9

Unit: NT\$ thousand, unless otherwise specified

Name of Investee Company in Mainland China	Transaction Type	Sales		Transaction terms		Notes receivable and accounts receivable (including other receivables) - related parties		Unrealized gains and losses	Remarks
		Amount	Percentage	Payment Terms	Comparison with Regular Transactions	Amount	Percentage		
Suzhou YoungTek Micro	Income from equipment sales	\$217,946	24%	Note	Note	\$ 660,255	70%	\$ 36,880	—
Anhui Uttest	Income from equipment sales	5,784	1%	Note	Note	121,352	13%	8,604	—
Shenzhen YoungTek	Other operating income	140	-	Note	Note	70,937	7%	65	—

Note: There are no other appropriate transaction counterparties for comparison regarding the transaction prices of sales to related parties. Payment terms are all 90 to 180 days monthly settlement after acceptance.