

## **U.D. Electronic Corp. and Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2025 and 2024 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
U.D. Electronic Corp.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of U.D. Electronic Corp. and its subsidiaries (collectively, the "Group") as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months then ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Meng-Kuei Yu and Chiang-Shiun Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 7, 2025

Notice to Readers

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

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

## U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 1,700,473	28	\$ 1,388,302	24	\$ 1,671,932	31
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 7 and 21)	11,675	-	1,213	-	2,569	-
Financial assets at amortized cost - current (Notes 9, 10 and 33)	6,755	-	6,745	-	6,735	-
Notes receivable (Notes 11 and 24)	6,736	-	14,255	-	17,144	-
Trade receivables (Notes 11 and 24)	1,651,193	27	1,755,041	30	1,456,253	27
Other receivables (Note 11)	46,500	1	51,462	1	33,966	1
Current tax assets	816	-	669	-	506	-
Inventories (Note 12)	579,705	10	720,808	13	550,920	10
Other current assets (Note 19)	153,119	3	157,035	3	95,750	2
Total current assets	<u>4,156,972</u>	<u>69</u>	<u>4,095,530</u>	<u>71</u>	<u>3,835,775</u>	<u>71</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	75,509	1	87,445	2	99,320	2
Investments accounted for using the equity method (Note 14)	3,134	-	3,888	-	-	-
Property, plant and equipment (Notes 15 and 33)	1,350,323	22	1,277,015	22	1,138,022	21
Right-of-use assets (Notes 16 and 33)	145,860	3	169,117	3	159,512	3
Other intangible assets (Note 18)	21,141	-	23,798	-	23,598	1
Goodwill (Note 17)	6,103	-	6,103	-	12,508	-
Deferred tax assets	114,761	2	39,166	1	47,876	1
Other non-current assets (Note 19)	164,695	3	70,593	1	57,032	1
Total non-current assets	<u>1,881,526</u>	<u>31</u>	<u>1,677,125</u>	<u>29</u>	<u>1,537,868</u>	<u>29</u>
<b>TOTAL</b>	<u>\$ 6,038,498</u>	<u>100</u>	<u>\$ 5,772,655</u>	<u>100</u>	<u>\$ 5,373,643</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 20)	\$ 254,442	4	\$ 60,000	1	\$ 67,000	1
Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	4,346	-	1,074	-	1,390	-
Contract liabilities - current (Note 24)	6,220	-	13,057	-	32,197	1
Trade payables	390,775	7	464,838	8	397,526	7
Other payables (Note 22)	990,183	16	676,300	12	724,360	14
Current tax liabilities	115,433	2	82,860	1	58,679	1
Lease liabilities - current (Note 16)	1,879	-	2,103	-	2,565	-
Current portion of long-term borrowings and bonds payable (Notes 20, 21 and 33)	115,187	2	547	-	-	-
Other current liabilities	35,477	1	34,287	1	40,154	1
Total current liabilities	<u>1,913,942</u>	<u>32</u>	<u>1,335,066</u>	<u>23</u>	<u>1,323,871</u>	<u>25</u>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable (Note 21)	-	-	231,135	4	471,368	9
Long-term borrowings (Notes 20 and 33)	3,355	-	4,014	-	-	-
Deferred tax liabilities	1,247	-	10,375	-	9,650	-
Lease liabilities - non-current (Note 16)	9,800	-	12,360	1	1,371	-
Guarantee deposit received	3,284	-	898	-	1,987	-
Total non-current liabilities	<u>17,686</u>	<u>-</u>	<u>258,782</u>	<u>5</u>	<u>484,376</u>	<u>9</u>
Total liabilities	<u>1,931,628</u>	<u>32</u>	<u>1,593,848</u>	<u>28</u>	<u>1,808,247</u>	<u>34</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)</b>						
Share capital						
Ordinary shares	852,257	14	802,847	14	787,250	15
Capital collected in advance	11,708	-	32,856	-	7,030	-
Total share capital	<u>863,965</u>	<u>14</u>	<u>835,703</u>	<u>14</u>	<u>794,280</u>	<u>15</u>
Capital surplus	1,365,815	22	1,240,807	22	1,031,503	19
Retained earnings						
Legal reserve	473,425	8	422,304	7	422,304	8
Special reserve	64,568	1	203,915	4	203,915	4
Unappropriated earnings	1,676,173	28	1,511,686	26	1,159,714	21
Total retained earnings	<u>2,214,166</u>	<u>37</u>	<u>2,137,905</u>	<u>37</u>	<u>1,785,933</u>	<u>33</u>
Other equity	(373,612)	(6)	(64,568)	(1)	(66,977)	(1)
Total equity attributable to owners of the Company	<u>4,070,334</u>	<u>67</u>	<u>4,149,847</u>	<u>72</u>	<u>3,544,739</u>	<u>66</u>
<b>NON-CONTROLLING INTERESTS (Note 23)</b>	<u>36,536</u>	<u>1</u>	<u>28,960</u>	<u>-</u>	<u>20,657</u>	<u>-</u>
Total equity	<u>4,106,870</u>	<u>68</u>	<u>4,178,807</u>	<u>72</u>	<u>3,565,396</u>	<u>66</u>
<b>TOTAL</b>	<u>\$ 6,038,498</u>	<u>100</u>	<u>\$ 5,772,655</u>	<u>100</u>	<u>\$ 5,373,643</u>	<u>100</u>

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

## U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales (Note 24)	\$ 1,544,442	100	\$ 1,207,107	100	\$ 3,032,097	100	\$ 2,293,729	100
OPERATING COSTS								
Cost of goods sold (Notes 12 and 25)	(1,095,600)	(71)	(910,010)	(75)	(2,143,450)	(71)	(1,774,045)	(77)
GROSS PROFIT	448,842	29	297,097	25	888,647	29	519,684	23
OPERATING EXPENSES (Note 25)								
Selling and marketing expenses	(57,512)	(4)	(47,701)	(4)	(119,835)	(4)	(98,561)	(4)
General and administrative expenses	(114,375)	(7)	(99,516)	(8)	(221,425)	(7)	(191,089)	(8)
Research and development expenses	(66,600)	(4)	(64,624)	(6)	(133,911)	(4)	(122,746)	(6)
Expected credit gain (Note 11)	839	-	803	-	1,380	-	378	-
Total operating expenses	(237,648)	(15)	(211,038)	(18)	(473,791)	(15)	(412,018)	(18)
PROFIT FROM OPERATIONS	211,194	14	86,059	7	414,856	14	107,666	5
NON-OPERATING INCOME AND EXPENSES (Note 25)								
Interest income	6,592	-	10,727	1	12,073	-	17,962	1
Other income	21,468	1	21,855	2	35,270	1	33,857	1
Other gains and losses	(21,433)	(1)	34,285	3	(2,986)	-	49,003	2
Finance costs (Note 21)	(2,090)	-	(3,260)	(1)	(4,183)	-	(6,847)	-
Share of profit or loss of associates accounted for using the equity method (Note 14)	(317)	-	-	-	(384)	-	-	-
Total non-operating income and expenses	4,220	-	63,607	5	39,790	1	93,975	4
PROFIT BEFORE INCOME TAX	215,414	14	149,666	12	454,646	15	201,641	9
INCOME TAX EXPENSE (Notes 4 and 26)	(67,873)	(4)	(35,089)	(3)	(119,625)	(4)	(46,903)	(2)
NET PROFIT FOR THE PERIOD	147,541	10	114,577	9	335,021	11	154,738	7

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## U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Notes 23 and 26)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at FVTOCI	\$ (2,463)	-	\$ (2,881)	-	\$ (11,936)	-	\$ 13,527	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>492</u>	-	<u>576</u>	-	<u>2,387</u>	-	<u>(2,706)</u>	-
	<u>(1,971)</u>	-	<u>(2,305)</u>	-	<u>(9,549)</u>	-	<u>10,821</u>	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(421,071)	(27)	32,940	3	(371,992)	(12)	157,334	7
Income tax related to items that may be reclassified subsequently to profit or loss	<u>84,120</u>	<u>5</u>	<u>(6,583)</u>	<u>(1)</u>	<u>74,314</u>	<u>2</u>	<u>(31,431)</u>	<u>(1)</u>
	<u>(336,951)</u>	<u>(22)</u>	<u>26,357</u>	<u>2</u>	<u>(297,678)</u>	<u>(10)</u>	<u>125,903</u>	<u>6</u>
Other comprehensive income for the period, net of income tax	<u>(338,922)</u>	<u>(22)</u>	<u>24,052</u>	<u>2</u>	<u>(307,227)</u>	<u>(10)</u>	<u>136,724</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ (191,381)</u>	<u>(12)</u>	<u>\$ 138,629</u>	<u>11</u>	<u>\$ 27,794</u>	<u>1</u>	<u>\$ 291,462</u>	<u>13</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 140,945	9	\$ 115,853	9	\$ 329,262	11	\$ 159,243	7
Non-controlling interests	<u>6,596</u>	<u>1</u>	<u>(1,276)</u>	-	<u>5,759</u>	-	<u>(4,505)</u>	-
	<u>\$ 147,541</u>	<u>10</u>	<u>\$ 114,577</u>	<u>9</u>	<u>\$ 335,021</u>	<u>11</u>	<u>\$ 154,738</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ (200,107)	(13)	\$ 139,899	11	\$ 20,218	1	\$ 296,181	13
Non-controlling interests	<u>8,726</u>	<u>1</u>	<u>(1,270)</u>	-	<u>7,576</u>	-	<u>(4,719)</u>	-
	<u>\$ (191,381)</u>	<u>(12)</u>	<u>\$ 138,629</u>	<u>11</u>	<u>\$ 27,794</u>	<u>1</u>	<u>\$ 291,462</u>	<u>13</u>
EARNINGS PER SHARE (Note 27)								
From continuing operations								
Basic	<u>\$ 1.65</u>		<u>\$ 1.47</u>		<u>\$ 3.87</u>		<u>\$ 2.02</u>	
Diluted	<u>\$ 1.58</u>		<u>\$ 1.34</u>		<u>\$ 3.69</u>		<u>\$ 1.84</u>	

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

(Concluded)

## U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital			Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
	Ordinary Share	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2024	\$ 784,837	\$ 2,413	\$ 974,399	\$ 383,833	\$ 169,656	\$ 1,267,651	\$ (213,040)	\$ 9,125	\$ 3,378,874	\$ 25,376	\$ 3,404,250
Appropriation of 2023 earnings (Note 23)											
Legal reserve	-	-	-	38,471	-	(38,471)	-	-	-	-	-
Special reserve	-	-	-	-	34,259	(34,259)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(194,450)	-	-	(194,450)	-	(194,450)
Other changes in capital surplus											
Equity component of convertible bonds issued by the Company (Note 21)	-	-	30,776	-	-	-	-	-	30,776	-	30,776
Convertible bonds converted to ordinary shares (Note 23)	2,413	(2,413)	-	-	-	-	-	-	-	-	-
Compensation cost of employee share options (Note 29)	-	-	6,117	-	-	-	-	-	6,117	-	6,117
Issuance of ordinary shares under employee share options (Note 23)	-	7,030	20,211	-	-	-	-	-	27,241	-	27,241
Net profit (loss) for the six months ended June 30, 2024	-	-	-	-	-	159,243	-	-	159,243	(4,505)	154,738
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax (Note 23)	-	-	-	-	-	-	126,117	10,821	136,938	(214)	136,724
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	159,243	126,117	10,821	296,181	(4,719)	291,462
BALANCE AT JUNE 30, 2024	\$ 787,250	\$ 7,030	\$ 1,031,503	\$ 422,304	\$ 203,915	\$ 1,159,714	\$ (86,923)	\$ 19,946	\$ 3,544,739	\$ 20,657	\$ 3,565,396
BALANCE AT JANUARY 1, 2025	\$ 802,847	\$ 32,856	\$ 1,240,807	\$ 422,304	\$ 203,915	\$ 1,511,686	\$ (75,014)	\$ 10,446	\$ 4,149,847	\$ 28,960	\$ 4,178,807
Appropriation of 2024 earnings (Note 23)											
Legal reserve	-	-	-	51,121	-	(51,121)	-	-	-	-	-
Special reserve	-	-	-	-	(139,347)	139,347	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(253,001)	-	-	(253,001)	-	(253,001)
Convertible bonds converted to ordinary shares (Note 21)	43,610	(24,238)	98,517	-	-	-	-	-	117,889	-	117,889
Compensation cost of employee share options (Note 29)	-	-	1,955	-	-	-	-	-	1,955	-	1,955
Issuance of ordinary shares under employee share options (Note 23)	5,800	3,090	24,536	-	-	-	-	-	33,426	-	33,426
Net profit for the six months ended June 30, 2025	-	-	-	-	-	329,262	-	-	329,262	5,759	335,021
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax (Note 23)	-	-	-	-	-	-	(299,495)	(9,549)	(309,044)	1,817	(307,227)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	329,262	(299,495)	(9,549)	20,218	7,576	27,794
BALANCE AT JUNE 30, 2025	\$ 852,257	\$ 11,708	\$ 1,365,815	\$ 473,425	\$ 64,568	\$ 1,676,173	\$ (374,509)	\$ 897	\$ 4,070,334	\$ 36,536	\$ 4,106,870

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

# U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 454,646	\$ 201,641
Adjustments for:		
Expected credit reversed recognized on trade receivables	(1,380)	(378)
Depreciation expenses	128,023	155,305
Amortization expenses	3,857	3,925
Net gain on fair value changes of financial assets and liabilities at FVTPL	(31,587)	(26,931)
Finance costs	4,183	6,847
Interest income	(12,073)	(17,962)
Dividend income	(7,339)	(5,997)
Compensation cost of employee share options	1,955	6,117
Share of loss of associates	384	-
Gain on disposal of property, plant and equipment	(4,641)	(554)
Gain on disposal of subsidiary	(546)	-
Net loss (gain) on foreign currency exchange	127,425	(28,795)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	24,805	27,641
Notes receivable	6,560	(3,436)
Trade receivables	(15,773)	113,943
Other receivables	10,212	843
Inventories	93,814	133,275
Other current assets	(15,046)	(16,005)
Financial liabilities held for trade	(960)	(1,618)
Contract liabilities	(6,493)	15,257
Trade payables	(31,436)	(9,305)
Other payables	34,624	8,277
Other current liabilities	3,718	(2,128)
Cash generated from operations	766,932	559,962
Interest received	10,803	17,971
Interest paid	(1,890)	(3,813)
Other dividends received	7,339	5,997
Income tax paid	(94,569)	(29,987)
Net cash generated from operating activities	<u>688,615</u>	<u>550,130</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(6,155)	-
Proceeds from sale of financial assets at amortized cost	6,145	-
Payments for property, plant and equipment	(220,038)	(204,989)
Proceeds from disposal of property, plant and equipment	7,150	1,290
Increase in refundable deposits	(198)	-

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## U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
Decrease in refundable deposits	\$ -	\$ 349
Payments for intangible assets	(1,260)	(228)
Decrease in other non-current assets	-	1,796
Increase in prepayments for equipment	<u>(134,162)</u>	<u>(36,385)</u>
Net cash used in investing activities	<u>(348,518)</u>	<u>(238,167)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	259,933	61,506
Repayments of short-term borrowings	(60,000)	(603,506)
Proceeds from issuance of convertible bonds	-	502,500
Repayment of long-term borrowings	(266)	(176,800)
Proceeds from guarantee deposits received	2,709	52
Repayment of the principal portion of lease liabilities	(997)	(2,127)
Proceeds from the exercise of employee share options	33,426	27,241
Repayment for the issuance costs of convertible bonds	<u>-</u>	<u>(5,545)</u>
Net cash generated from/(used in) financing activities	<u>234,805</u>	<u>(196,679)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(262,731)</u>	<u>142,415</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	312,171	257,699
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,388,302</u>	<u>1,414,233</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,700,473</u>	<u>\$ 1,671,932</u>

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

(Concluded)

# U.D. ELECTRONIC CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

U.D. Electronic Corp. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) was incorporated in the Republic of China (ROC) on March 18, 2005 with a share capital of \$10,000 thousand, and the accumulated share capital was \$852,257 thousand as of June 30, 2024. The Company is a trading enterprise and mainly engages in selling electronic connectors for telecommunications, data communications and computers.

The Company’s shares have been listed on the Taipei Exchange since October 2012. The shares are widely distributed; therefore, there is no ultimate parent company or ownership interest. The consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026 (Note)
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023

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

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosures in Financial Statements"

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

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

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

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

##### a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

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

##### c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests.

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

See Note 13, Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

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

Income tax expense

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

**5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The material accounting judgments and key sources of estimation uncertainty for these interim consolidated financial statements are the same as those applied for the consolidated financial statements for the year ended December 31, 2024.

**6. CASH AND CASH EQUIVALENTS**

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Cash on hand	\$ 2,937	\$ 3,460	\$ 3,556
Demand deposits	380,713	321,649	541,869
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>1,316,823</u>	<u>1,063,193</u>	<u>1,126,507</u>
	<u>\$ 1,700,473</u>	<u>\$ 1,388,302</u>	<u>\$ 1,671,932</u>

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Options of convertible bonds	\$ 631	\$ 1,213	\$ 800
Foreign exchange forward contracts	<u>11,044</u>	<u>-</u>	<u>1,769</u>
	<u>\$ 11,675</u>	<u>\$ 1,213</u>	<u>\$ 2,569</u>
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 4,346</u>	<u>\$ 1,074</u>	<u>\$ 1,390</u>

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Period	Notional Amount (In Thousands)
<u>June 30, 2025</u>			
Sell	USD/NTD	2025.7.7-2025.8.7	USD3,000/NTD88,342
Sell	RMB/NTD	2025.7.3-2025.11.4	RMB18,950/NTD81,212
Sell	USD/RMB	2025.11.21	USD4,000/RMB28,383
Sell	USD/RMB	2025.7.23-2025.11.21	USD10,000/RMB71,652
Sell	USD/RMB	2025.9.23	USD7,000/RMB50,606
Sell	USD/RMB	2025.7.23-2025.10.22	USD14,000/RMB100,199
Sell	USD/RMB	2025.8.20-2025.10.22	USD9,000/RMB64,773

December 31, 2024

Sell	RMB/NTD	2025.3.6	RMB3,400/NTD15,207
Sell	RMB/NTD	2025.1.6-2025.5.6	RMB9,800/NTD43,923

June 30, 2024

Sell	RMB/NTD	2024.7.3-2024.11.4	RMB9,540/NTD42,048
Sell	USD/RMB	2024.7.22	USD3,000/RMB21,771

The Group entered into forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

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

### Investments in Equity Instruments at FVTOCI

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Domestic investment			
Unlisted shares			
Emerging Creation Capital Inc.	\$ 19,757	\$ 21,731	\$ 24,472
Dy-Precision Industrial Co., Ltd.	3,382	5,184	4,182
Yongda Investment Co., Ltd.	<u>52,370</u>	<u>60,530</u>	<u>70,666</u>
	<u>\$ 75,509</u>	<u>\$ 87,445</u>	<u>\$ 99,320</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The Group received and recognized the dividends \$7,339 thousand and \$5,997 thousand for the six months ended June 30, 2025 and 2024, respectively.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
<u>Current</u>			
Restricted assets			
Time deposits with original maturities of more than 3 months	<u>\$ 6,755</u>	<u>\$ 6,745</u>	<u>\$ 6,735</u>

- a. The collateral for import tariffs and convertible bonds. Refer to Note 33.
- b. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

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

Investments in debt instruments classified as at amortized cost were as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Gross carrying amount	\$ 6,755	\$ 6,745	\$ 6,735
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,755</u>	<u>\$ 6,745</u>	<u>\$ 6,735</u>

The Group invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In determining the expected credit losses for debt instrument investments, the Group considers the historical default situation of debtors, the current financial condition of debtors, and the future prospects of the industries. As of June 30, 2025, December 31, 2024 and June 30, 2024 the expected credit loss for debt instrument investments held by the Group was 0%.

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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount - operating	\$ 6,736	\$ 14,255	\$ 17,144
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,736</u>	<u>\$ 14,255</u>	<u>\$ 17,144</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,659,621	\$ 1,653,034	\$ 1,367,307
Less: Allowance for impairment loss	<u>(8,428)</u>	<u>(10,400)</u>	<u>(6,729)</u>
	1,651,193	1,642,634	1,360,578
At FVTOCI	<u>-</u>	<u>112,407</u>	<u>95,675</u>
	<u>\$ 1,651,193</u>	<u>\$ 1,755,041</u>	<u>\$ 1,456,253</u>
<u>Other receivables</u>			
Tax refund receivable	\$ 32,150	\$ 39,024	\$ 24,290
Others	<u>14,350</u>	<u>12,438</u>	<u>9,676</u>
	<u>\$ 46,500</u>	<u>\$ 51,462</u>	<u>\$ 33,966</u>

### a. Notes receivable and trade receivables

#### 1) At amortized cost

The average credit period of sales of goods was 60 to 180 days.

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

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtors and an analysis of the debtors' current financial positions and general economic conditions of the industry, along with considering the forecasted GDP and the industry prospect.

The following table details the loss allowance of notes receivable based on the Group's provision matrix.

June 30, 2025

	<b>Not Past Due</b>
Expected credit loss rate	-
Gross carrying amount	\$ 6,736
Loss allowance (Lifetime ECLs)	<u>-</u>
Amortized cost	<u>\$ 6,736</u>

December 31, 2024

	<b>Not Past Due</b>
Expected credit loss rate	-
Gross carrying amount	\$ 14,255
Loss allowance (Lifetime ECLs)	<u>-</u>
Amortized cost	<u>\$ 14,255</u>

June 30, 2024

	<b>Not Past Due</b>
Expected credit loss rate	-
Gross carrying amount	\$ 17,144
Loss allowance (Lifetime ECLs)	<u>-</u>
Amortized cost	<u>\$ 17,144</u>

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

June 30, 2025

	<b>Not Past Due</b>	<b>Past Due Within 60 Days</b>	<b>61 to 120 Days Past Due</b>	<b>121 to 180 Days Past Due</b>	<b>Past Due Over 181 Days</b>	<b>Total</b>
Expected credit loss rate	0.0643%	1.7329%	6.4630%	8.8603%	100%	
Gross carrying amount	\$ 1,596,250	\$ 45,876	\$ 9,067	\$ 2,641	\$ 5,787	\$ 1,659,621
Loss allowance (Lifetime ECLs)	<u>(1,026)</u>	<u>(795)</u>	<u>(586)</u>	<u>(234)</u>	<u>(5,787)</u>	<u>(8,428)</u>
Amortized cost	<u>\$ 1,595,224</u>	<u>\$ 45,081</u>	<u>\$ 8,481</u>	<u>\$ 2,407</u>	<u>\$ -</u>	<u>\$ 1,651,193</u>

December 31, 2024

	Not Past Due	Past Due Within 60 Days	61 to 120 Days Past Due	121 to 180 Days Past Due	Past Due Over 181 Days	Total
Expected credit loss rate	0.0036%	0.1246%	0.3700%	5.3394%	100%	
Gross carrying amount	\$ 1,556,160	\$ 76,228	\$ 9,190	\$ 1,311	\$ 10,145	\$ 1,653,034
Loss allowance (Lifetime ECLs)	(56)	(95)	(34)	(70)	(10,145)	(10,400)
Amortized cost	<u>\$ 1,556,104</u>	<u>\$ 76,133</u>	<u>\$ 9,156</u>	<u>\$ 1,241</u>	<u>\$ -</u>	<u>\$ 1,642,634</u>

June 30, 2024

	Not Past Due	Past Due Within 60 Days	61 to 120 Days Past Due	121 to 180 Days Past Due	Past Due Over 181 Days	Total
Expected credit loss rate	0.0238%	0.1364%	1.8045%	17.9085%	100%	
Gross carrying amount	\$ 1,321,636	\$ 33,722	\$ 5,043	\$ 765	\$ 6,141	\$ 1,367,307
Loss allowance (Lifetime ECLs)	(314)	(46)	(91)	(137)	(6,141)	(6,729)
Amortized cost	<u>\$ 1,321,322</u>	<u>\$ 33,676</u>	<u>\$ 4,952</u>	<u>\$ 628</u>	<u>\$ -</u>	<u>\$ 1,360,578</u>

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

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 10,400	\$ 7,167
Less: Net reversal of remeasurement of loss allowance	(1,380)	(378)
Less: Amounts written off	(79)	(108)
Foreign exchange gains and losses	<u>(513)</u>	<u>48</u>
Balance at June 30	<u>\$ 8,428</u>	<u>\$ 6,729</u>

2) At FVTOCI

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

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

December 31, 2024

	<b>Not Past Due</b>	<b>Past Due Within 60 Days</b>	<b>61 to 120 Days Past Due</b>	<b>Past Due Over 121 Days</b>	<b>Total</b>
Expected credit loss rate	-	-	-	-	
Gross carrying amount	\$ 103,257	\$ 9,150	\$ -	\$ -	\$ 112,407
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 103,257</u>	<u>\$ 9,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,407</u>

June 30, 2024

	<b>Not Past Due</b>	<b>Past Due Within 60 Days</b>	<b>61 to 120 Days Past Due</b>	<b>Past Due Over 121 Days</b>	<b>Total</b>
Expected credit loss rate	-	-	-	-	
Gross carrying amount	\$ 95,675	\$ -	\$ -	\$ -	\$ 95,675
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 95,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,675</u>

b. Other receivables

Other receivables mainly contain tax refunds receivable and others. The policy that the Group adopted is to carry out a transaction only with company with good credit. The Group continuously tracks the overdue record of the past and analyzes its financial situation to evaluate if there is a significant increase in the credit risk and measure the expected credit loss. As of June 30, 2025, December 31, 2024 and June 30, 2024, the expected credit risk was considered 0% by the assessment of the Group.

**12. INVENTORIES**

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Finished goods	\$ 296,217	\$ 394,192	\$ 288,020
Work in progress	136,448	138,381	111,514
Raw materials and supplies	<u>147,040</u>	<u>188,235</u>	<u>151,386</u>
	<u>\$ 579,705</u>	<u>\$ 720,808</u>	<u>\$ 550,920</u>

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

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Cost of inventories sold	<u>\$ 1,095,600</u>	<u>\$ 910,010</u>	<u>\$ 2,143,450</u>	<u>\$ 1,774,045</u>

### 13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Investee's Company Type/Main Business	<b>Proportion of Ownership (%)</b>			Remark
			<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>	
U.D. Electronic Corp.	Global Connection (Samoa) Holding Inc.	Holding company	100	100	100	Foreign exchange risk is the major operational risk
U.D. Electronic Corp.	CDE Corp.	Manufacturing and selling of electronic materials	100	100	100	Market risk is the major operational risk
U.D. Electronic Corp.	DYP Corp.	Selling of electronic components	51	51	51	Market risk is the major operational risk
U.D. Electronic Corp.	U.D. Electronic Vietnam Company Limited	Manufacturing and selling of electronic components	100	100	100	Foreign exchange and market risks are major operational risks
U.D. Electronic Corp.	Jinyue Investment Co., Ltd.	Investment	100 (Note 1)	-	-	Market risk is the major operational risk
Global Connection (Samoa) Holding Inc.	Sunderland Inc.	Holding company	100	100	100	Foreign exchange risk is the major operational risk
Global Connection (Samoa) Holding Inc.	San Francisco Inc.	Holding company	100	100	100	Foreign exchange risk is the major operational risk
Global Connection (Samoa) Holding Inc.	All First International Co., Ltd.	International trading	100	100	100	Foreign exchange and market risks are major operational risks
DYP Corp.	Ta Yang UDE Limited	Holding company	100	100	100	Foreign exchange risk is the major operational risk
Sunderland Inc.	Dongguan Jian Guan P.E. Co., Ltd.	Manufacturing and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Sunderland Inc.	Dongguan U.D.E. Electronics Corp.	Researching and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
San Francisco Inc.	Zhong Jiang U.D.E. Electronics Corp.	Manufacturing and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Zhong Jiang U.D.E. Electronics Corp.	Zhong Jiang U.D.E. Networking Electronics Corp.	Selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Ta Yang UDE Limited	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Manufacturing and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Ta Yang UDE Limited	Morning Paragon Limited	International trading	100	100	100	Foreign exchange and market risks are major operational risks
Dongguan Jian Guan P.E. Co., Ltd.	Dongguan Ai Te Chieh Intellectual Technology Co., Ltd.	Machinery and automatic equipment development	(Note 2)	60	60	Political, foreign exchange, and market risks are major operational risks
Dongguan Jian Guan P.E. Co., Ltd.	Dongguan Han Lian Technology Co., Ltd.	Manufacturing and selling of electronic connectors and electronic products	85	85	85	Political, foreign exchange, and market risks are major operational risks

Note 1: The Company established Jinyue Investment Co., Ltd. with a capital of \$30,000 thousand in March 2025, mainly engaged in general investment business.

Note 2: Dongguan Ai Te Chieh Intellectual Technology Co., Ltd. completed its dissolution and deregistration procedures in March 2025.

## 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### Investments in Associate

	June 30, 2025	December 31, 2024	June 30, 2024
Individually insignificant associate			
Shenzhen Deshenglong Electronics Co., Ltd.	\$ <u>3,134</u>	\$ <u>3,888</u>	\$ <u>-</u>

At the end of the reporting period, the proportion of ownership and voting rights in associate held by the Group were as follows:

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			June 30, 2025	December 31, 2024	June 30, 2024
Shenzhen Deshenglong Electronics Co., Ltd.	Manufacturing of computer hardware, software and peripheral devices	Shenzhen, Guangdong Province, China	40	40	-

### Aggregate Information of Associates That are Not Individually Material

	<u>For the Year Ended June 30</u>	
	2025	2024
The Company's share of:		
Loss from continuing operations	\$ (384)	\$ -
Other comprehensive income (loss)	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	\$ <u>(384)</u>	\$ <u>-</u>

The Group contributed RMB1,200 thousand (equivalent to \$5,377 thousand) to jointly establish Shenzhen Deshenglong Electronics Co., Ltd. with other parties, completed the relevant establishment registration in July 2024, and obtained 40% of the equity according to the proportion of capital contribution.

## 15. PROPERTY, PLANT AND EQUIPMENT - USED BY THE GROUP

	Freehold Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Mold Equipment	Leasehold Improvements	Other Equipment	Property under Construction	Total
<u>Cost</u>										
Balance at January 1, 2025	\$ 159,538	\$ 284,861	\$ 1,669,836	\$ 19,411	\$ 16,823	\$ 506,105	\$ 115,167	\$ 405,017	\$ 365,852	\$ 3,542,610
Additions	-	-	91,242	-	231	10,838	124	12,462	185,432	300,329
Disposals	-	-	(84,615)	(3,617)	(2,161)	(21,775)	(8,383)	(16,869)	-	(137,420)
Transfer from prepayments	-	-	2,492	-	-	22,643	-	2,152	-	27,287
Effects of foreign currency exchange differences	-	(17,082)	(145,390)	(1,719)	(1,460)	(52,976)	(11,275)	(41,483)	(65,105)	(336,490)
Balance at June 30, 2025	\$ <u>159,538</u>	\$ <u>267,779</u>	\$ <u>1,533,565</u>	\$ <u>14,075</u>	\$ <u>13,433</u>	\$ <u>464,835</u>	\$ <u>95,633</u>	\$ <u>361,279</u>	\$ <u>486,179</u>	\$ <u>3,396,316</u>
<u>Accumulated depreciation</u>										
Balance at January 1, 2025	\$ -	\$ 149,667	\$ 1,176,067	\$ 18,552	\$ 15,315	\$ 424,517	\$ 108,443	\$ 373,034	\$ -	\$ 2,265,595
Disposals	-	-	(83,728)	(3,617)	(2,161)	(20,193)	(8,383)	(16,829)	-	(134,911)
Depreciation	-	9,019	66,209	173	412	27,692	2,261	19,343	-	125,109
Effects of foreign currency exchange differences	-	(10,363)	(102,856)	(1,642)	(1,362)	(44,257)	(10,746)	(38,574)	-	(209,800)
Balance at June 30, 2025	\$ <u>-</u>	\$ <u>148,323</u>	\$ <u>1,055,692</u>	\$ <u>13,466</u>	\$ <u>12,204</u>	\$ <u>387,759</u>	\$ <u>91,575</u>	\$ <u>336,974</u>	\$ <u>-</u>	\$ <u>2,045,993</u>
Carrying amount at December 31, 2024 and January 1, 2025	\$ <u>159,538</u>	\$ <u>135,194</u>	\$ <u>493,769</u>	\$ <u>859</u>	\$ <u>1,508</u>	\$ <u>81,588</u>	\$ <u>6,724</u>	\$ <u>31,983</u>	\$ <u>365,852</u>	\$ <u>1,277,015</u>
Carrying amount at June 30, 2025	\$ <u>159,538</u>	\$ <u>119,456</u>	\$ <u>477,873</u>	\$ <u>609</u>	\$ <u>1,229</u>	\$ <u>77,076</u>	\$ <u>4,058</u>	\$ <u>24,305</u>	\$ <u>486,179</u>	\$ <u>1,350,323</u>

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Mold Equipment	Leasehold Improvements	Other Equipment	Property under Construction	Total
<u>Cost</u>										
Balance at January 1, 2024	\$ 159,538	\$ 276,654	\$ 1,795,415	\$ 22,279	\$ 15,626	\$ 494,506	\$ 109,638	\$ 426,590	\$ 2,104	\$ 3,302,350
Additions	-	-	5,648	-	586	9,585	365	4,464	201,330	221,978
Disposals	-	(138)	(185,476)	(1,688)	(359)	(33,169)	-	(19,373)	-	(240,203)
Transfer from prepayments	-	-	1,419	-	-	15,396	-	765	-	17,580
Effects of foreign currency exchange differences	-	7,941	64,266	1,095	712	24,743	5,137	21,144	(137)	124,901
Balance at June 30, 2024	<u>\$ 159,538</u>	<u>\$ 284,457</u>	<u>\$ 1,681,272</u>	<u>\$ 21,686</u>	<u>\$ 16,565</u>	<u>\$ 511,061</u>	<u>\$ 115,140</u>	<u>\$ 433,590</u>	<u>\$ 203,297</u>	<u>\$ 3,426,606</u>
<u>Accumulated depreciation</u>										
Balance at January 1, 2024	\$ -	\$ 127,223	\$ 1,241,451	\$ 20,871	\$ 14,321	\$ 417,576	\$ 101,356	\$ 357,180	\$ -	\$ 2,279,978
Disposals	-	(138)	(184,949)	(1,688)	(359)	(33,108)	-	(19,225)	-	(239,467)
Depreciation	-	9,096	74,683	384	312	31,663	2,385	32,914	-	151,437
Effects of foreign currency exchange differences	-	4,174	46,565	1,031	681	20,979	5,050	18,156	-	96,636
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 140,355</u>	<u>\$ 1,177,750</u>	<u>\$ 20,598</u>	<u>\$ 14,955</u>	<u>\$ 437,110</u>	<u>\$ 108,791</u>	<u>\$ 389,025</u>	<u>\$ -</u>	<u>\$ 2,288,584</u>
Carrying amount at June 30, 2024	<u>\$ 159,538</u>	<u>\$ 144,102</u>	<u>\$ 503,522</u>	<u>\$ 1,088</u>	<u>\$ 1,610</u>	<u>\$ 73,951</u>	<u>\$ 6,349</u>	<u>\$ 44,565</u>	<u>\$ 203,297</u>	<u>\$ 1,138,022</u>

(Concluded)

There was no recognition and reversal of impairment loss for the six months ended June 30, 2025 and 2024.

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

Buildings	
Main buildings	10-50 years
Others	5-10 years
Machinery and equipment	2-10 years
Transportation equipment	4-6 years
Office equipment	2-6 years
Mold equipment	2-5 years
Leasehold improvements	2-5 years
Other equipment	2-8 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 33.

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amounts</u>			
Land	\$ 134,565	\$ 154,969	\$ 155,771
Buildings	<u>11,295</u>	<u>14,148</u>	<u>3,741</u>
	<u>\$ 145,860</u>	<u>\$ 169,117</u>	<u>\$ 159,512</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Depreciation charge for right-of-use assets				
Land	\$ 864	\$ 925	\$ 1,797	\$ 1,841
Buildings	<u>537</u>	<u>603</u>	<u>1,117</u>	<u>2,027</u>
	<u>\$ 1,401</u>	<u>\$ 1,528</u>	<u>\$ 2,914</u>	<u>\$ 3,868</u>

In addition to the above of additions and depreciation, there was no additions and impairment loss after performing impairment assessment for the six months ended June 30, 2025 and 2024.

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amounts</u>			
Current	<u>\$ 1,879</u>	<u>\$ 2,103</u>	<u>\$ 2,565</u>
Non-current	<u>\$ 9,800</u>	<u>\$ 12,360</u>	<u>\$ 1,371</u>

Discount rate for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Buildings	5.3%	1.38%-9.00%	1.38%-9.00%

c. Material lease-in activities and terms

The Group leases certain land and buildings for the use as plants and offices with lease terms of 8 to 48 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Land right-of-use assets pledged as collateral for bank borrowings are set out in Note 33.

e. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	<u>\$ 7,860</u>	<u>\$ 5,729</u>	<u>\$ 9,927</u>	<u>\$ 11,228</u>
Expenses relating to low-value asset leases	<u>\$ 48</u>	<u>\$ 402</u>	<u>\$ 93</u>	<u>\$ 586</u>
Total cash outflow for leases	<u>\$ (7,854)</u>	<u>\$ (6,145)</u>	<u>\$ (11,359)</u>	<u>\$ (14,125)</u>

## 17. GOODWILL

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<u>Cost</u>		
Balance at January 1	\$ 12,519	\$ 12,202
Disposal of subsidiary	(6,162)	-
Net foreign exchange gains (losses)	<u>(183)</u>	<u>306</u>
Balance at June 30	<u>\$ 6,174</u>	<u>\$ 12,508</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ 6,416	\$ -
Disposal of subsidiary	(6,162)	-
Net foreign exchange losses	<u>(183)</u>	<u>-</u>
Balance at June 30	<u>\$ 71</u>	<u>\$ -</u>
Carrying amount at June 30	<u>\$ 6,103</u>	<u>\$ 12,508</u>

In February 2013, November 2018 and March 2019, the Company acquired a 50% interest in CDE Corp., a 60% interest in Dongguan Ai Te Chieh Intellectual Technology Co., Ltd., and a 70% interest in Dongguan Han Lian Technology Co., Ltd., respectively. The value of goodwill was recognized when the cost of acquisition is higher than the net fair value of the identifiable assets and liabilities recognized at the date of acquisition.

Dongguan Ai Te Chieh Intellectual Technology Co., Ltd. completed its dissolution and deregistration procedures in March 2025.

No impairment loss was recognized for six months ended June 30, 2025 and 2024.

## 18. OTHER INTANGIBLE ASSETS

	<b>Computer Software</b>	<b>Trademarks</b>	<b>Patents</b>	<b>Total</b>
<u>Cost</u>				
Balance at January 1, 2025	\$ 49,569	\$ 29,286	\$ 7,000	\$ 85,855
Additions	1,260	-	-	1,260
Disposals	(2,274)	-	-	(2,274)
Effects of foreign currency exchange differences	<u>(4,215)</u>	<u>-</u>	<u>-</u>	<u>(4,215)</u>
Balance at June 30, 2025	<u>\$ 44,340</u>	<u>\$ 29,286</u>	<u>\$ 7,000</u>	<u>\$ 80,626</u>

(Continued)

	<b>Computer Software</b>	<b>Trademarks</b>	<b>Patents</b>	<b>Total</b>
<u>Accumulated amortization</u>				
Balance at January 1, 2025	\$ 43,606	\$ 15,068	\$ 3,383	\$ 62,057
Amortization expenses	2,234	1,273	350	3,857
Disposals	(2,274)	-	-	(2,274)
Effects of foreign currency exchange differences	<u>(4,155)</u>	<u>-</u>	<u>-</u>	<u>(4,155)</u>
Balance at June 30, 2025	<u>\$ 39,411</u>	<u>\$ 16,341</u>	<u>\$ 3,733</u>	<u>\$ 59,485</u>
Carrying amounts at December 31, 2024 and January 1, 2025	<u>\$ 5,963</u>	<u>\$ 14,218</u>	<u>\$ 3,617</u>	<u>\$ 23,798</u>
Carrying amounts at June 30, 2025	<u>\$ 4,929</u>	<u>\$ 12,945</u>	<u>\$ 3,267</u>	<u>\$ 21,141</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 44,377	\$ 29,286	\$ 7,000	\$ 80,663
Additions	228	-	-	228
Effects of foreign currency exchange differences	<u>2,032</u>	<u>-</u>	<u>-</u>	<u>2,032</u>
Balance at June 30, 2024	<u>\$ 46,637</u>	<u>\$ 29,286</u>	<u>\$ 7,000</u>	<u>\$ 82,923</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 38,336	\$ 12,521	\$ 2,683	\$ 53,540
Amortization expenses	2,303	1,272	350	3,925
Effects of foreign currency exchange differences	<u>1,860</u>	<u>-</u>	<u>-</u>	<u>1,860</u>
Balance at June 30, 2024	<u>\$ 42,499</u>	<u>\$ 13,793</u>	<u>\$ 3,033</u>	<u>\$ 59,325</u>
Carrying amounts at June 30, 2024	<u>\$ 4,138</u>	<u>\$ 15,493</u>	<u>\$ 3,967</u>	<u>\$ 23,598</u>

(Concluded)

Except for the recognition of amortization expenses, the Group's other intangible assets did not experience significant additions, disposals, or impairments for the six months ended June 30, 2025 and 2024.

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

Computer software	2-5 years
Trademarks	12 years
Patents	10 years

## 19. OTHER ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Prepaid sales tax	\$ 94,913	\$ 109,265	\$ 46,801
Prepayments	51,005	36,140	41,645
Overpaid sales tax	2,655	6,136	4,238
Others	<u>4,546</u>	<u>5,494</u>	<u>3,066</u>
	<u>\$ 153,119</u>	<u>\$ 157,035</u>	<u>\$ 95,750</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 161,964	\$ 67,752	\$ 51,658
Refundable deposits	<u>2,731</u>	<u>2,841</u>	<u>5,374</u>
	<u>\$ 164,695</u>	<u>\$ 70,593</u>	<u>\$ 57,032</u>

## 20. BORROWINGS

### a. Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Line of credit borrowings	<u>\$ 254,442</u>	<u>\$ 60,000</u>	<u>\$ 67,000</u>

The range of interest rates for bank loans was 1.90%-5.00%, 2.00%-2.17% and 2.00%-2.13% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

### b. Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Bank loans	\$ 3,846	\$ 4,561	\$ -
Less: Current portions	<u>(491)</u>	<u>(547)</u>	<u>-</u>
Long-term borrowings	<u>\$ 3,355</u>	<u>\$ 4,014</u>	<u>\$ -</u>

Repayment Method	June 30, 2025	December 31, 2024	June 30, 2024
<u>Unsecured borrowings</u>			
Bank of China Limited	\$ 3,846	\$ 4,561	\$ -
The loan amounted to RMB1,000 thousand is repaid 3% on three monthly basis from July 16, 2024 to July 15, 2027. Repayment begins in the sixth month. The remaining principal will be repaid in the final installment. The interest is paid every three months.			
Less: Current portions	<u>(491)</u>	<u>(547)</u>	<u>-</u>
	<u>\$ 3,355</u>	<u>\$ 4,014</u>	<u>\$ -</u>

The range of interest rates for long-term bank loans was 3.41% per annum as of June 30, 2025 and December 31, 2024.

## 21. BONDS PAYABLE

	June 30, 2025	December 31, 2024	June 30, 2024
Fourth unsecured domestic convertible bonds	\$ 114,696	\$ 231,135	\$ 471,368
Less: Current portion	<u>(114,696)</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 231,135</u>	<u>\$ 471,368</u>

### Unsecured Domestic Convertible Bonds - IV

On March 5, 2024, the Group issued the fourth three-year unsecured, zero-coupon domestic convertible bonds with a \$100 thousand par value, in an aggregate principal amount of \$500,000 thousand.

The following items are the primary clauses in the prospectus:

a. Term

From March 5, 2024 to March 5, 2027.

b. Redemption

From 3 months after the issue date to 40 days before maturity date, if the closing price in 30 consecutive trading days is greater than 130% of the conversion price, then the Group may redeem the whole bonds in cash at the principal amount.

From 3 months after the issue date to 40 days before maturity date, if more than 90% of the bonds' principal amount has already been converted, redeemed or repurchased and cancelled, then the Group may redeem the whole bonds in cash at the principal amount.

c. Conversion

Conversion period

Bondholders may request the Group to convert the bonds into the Group's ordinary shares between June 6, 2024 and March 5, 2027, barring the year in which the registration of share transfer is suspended.

Conversion price and adjustments

The price used by the Group in determining the number of ordinary shares to be issued upon conversion is NT\$65.7 per share. Since the Company applied for ex-dividend on August 7, 2024, the conversion price of bonds was adjusted to NT\$63.70 per share.

d. Bondholders' put right

On March 5, 2026 (2 years after the issue date), each bondholder will have the right, at such holder's option, to require the Group to redeem in whole or in part the principal amount of such holder's bonds in cash by filling an application with the original brokerage before 30 days prior to the base date.

e. Bond components

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2.2045% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,545 thousand)	\$ 496,955
Equity component	(30,776)
Financial assets at FVTPL	743
Deferred tax assets	<u>1,109</u>
Liability component at the date of issuance	468,031
Interest charged at an effective interest rate of 2.2045% - from March 5 to June 30, 2024	<u>3,337</u>
 Liability component at June 30, 2024	 <u>\$ 471,368</u>
 Liability component at January 1, 2025	 \$ 231,135
Interest charged at an effective interest rate of 2.2045% - for the six months ended June 30, 2025	2,001
Convertibles bonds converted into ordinary shares	<u>(118,440)</u>
 Liability component at June 30, 2025	 <u>\$ 114,696</u>

During January to June 2025, the convertible bonds were converted for the par value of \$123,400 thousand, of which the Group reclassified to advance receipts for capital stock for amount of \$19,372 thousand. With conversion occurrence, originally recorded capital surplus-options decreased \$7,595 thousand, bonds payable reduced \$4,960 thousand, financial assets at FVPL reduced \$551 thousand, and capital surplus increased \$106,112 thousand derived from the difference between the consideration received and the par value of bonds payable.

**22. OTHER PAYABLES**

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Payables for dividends (Notes 23 and 30)	\$ 253,001	\$ -	\$ 194,450
Payables for salaries and bonuses	202,683	197,328	169,692
Payables for processing fees	173,933	225,259	147,770
Payable for labor and health insurance, social security and pension	36,503	37,251	40,487
Payable for purchases of equipment (Note 30)	130,953	50,662	43,653
Others	<u>193,110</u>	<u>165,800</u>	<u>128,308</u>
	<u>\$ 990,183</u>	<u>\$ 676,300</u>	<u>\$ 724,360</u>

## 23. EQUITY

### a. Share capital

#### Ordinary shares

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Number of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Share capital authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>85,226</u>	<u>80,285</u>	<u>78,725</u>
Share capital issued	<u>\$ 852,257</u>	<u>\$ 802,847</u>	<u>\$ 787,250</u>

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

The authorized shares include 5,000 thousand shares allocated for the exercise of employee share options.

During January to June 2025, employees executed share options 889 units, converted into 889 thousand common shares, receiving a total amount of \$33,426 thousand, of which 580 thousand shares, with a capital increase record date of May 9, 2025, the registration has been completed on June 16, 2025, and recorded as common stock capital of \$5,800 thousand; while another 309 thousand shares, as of June 30, 2025, the registration has not been completed, and under the advance receipts for capital stock for the amount of \$3,090 thousand. On August 7, 2025, the Company's board of directors would resolve that the capital increase base date of employee share options as August 8, 2025.

During January to March 2025, convertible bonds were converted to ordinary shares for the amount of \$10,754 thousand. On May 8, 2025, the board of the directors resolved the capital increase base date as May 9, 2025, the registration has been completed on June 16, 2025.

In June 2025, convertible bonds were converted to ordinary shares for the amount of \$8,618 thousand under advance receipts for capital stock, and since as of the date of financial statements, registration has not been completed. On August 7, 2025, the board of the directors resolved the capital increase base date as August 8, 2025.

From January 2024 to June 2024, 703 units of employees share options receiving a total of \$27,241 thousand had been exercised, the capital increase base date as August 5, 2024. Registration has been completed on September 9, 2024.

During November 2023, convertible bonds were converted to ordinary shares for the amount of \$2,413 thousand. On January 25, 2024, the board of the directors resolved the capital increase base date on January 26, 2024. Registration was completed on March 6, 2024.

During October to December 2024, convertible bonds were converted to ordinary shares for the amount of \$32,856 thousand. On February 27, 2025, the board of the directors resolved the capital increase base date as March 3, 2025. Registration was completed on March 26, 2025.

b. Capital surplus

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Premium on issuance of ordinary shares (2)	\$ 643,125	\$ 604,143	\$ 599,672
Premium on conversion of bonds	690,198	584,086	364,680
<u>May be used to offset a deficit only</u>			
Redemption/buy back convertible corporate bonds	14,480	14,480	14,480
Changes in percentage of ownership interests in subsidiaries (3)	1,906	1,906	1,906
<u>May not be used for any purpose</u>			
Arising from employee share options	8,775	21,266	19,989
Share warrants (4)	<u>7,331</u>	<u>14,926</u>	<u>30,776</u>
	<u>\$ 1,365,815</u>	<u>\$ 1,240,807</u>	<u>\$ 1,031,503</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) During January to June 2025, some employees exercised share warrants, resulting in an increase in capital surplus - stock issuance premium by \$38,982 thousand. Additionally, the amount reclassified from the capital surplus - employee stock options to the capital surplus - stock issuance premium was \$14,446 thousand.
- 3) Such capital surplus arises from the effects of changes in ownership interests in a subsidiary resulting from equity transactions other than an actual disposal or acquisition or from changes in capital surplus of subsidiaries accounted for by using the equity method.
- 4) Please refer to Note 21 for increase of capital surplus due to the conversion of the fourth unsecured domestic convertible bonds on March 2024.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders by issuing new shares. In addition, the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors, please refer to Note 25(g).

The Company's board of directors shall, considering the current investment environment, capital needs for future expansions, long term financial plans, and shareholders' needs for cash basis dividends, distribute no less than 10% of unappropriated earnings to shareholders as dividends and bonuses, by way of cash dividends or share dividends, while cash dividends should not be lower than 10% of total bonuses to shareholders.

Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2024 and 2023 were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Legal reserve	<u>\$ 51,121</u>	<u>\$ 38,471</u>
Special reserve	<u>\$ (139,347)</u>	<u>\$ 34,259</u>
Cash dividends	<u>\$ 253,001</u>	<u>\$ 194,450</u>
Cash dividends per share (NT\$)	\$ 3.00	\$ 2.47

The 2024 and 2023 appropriations for cash dividends had been resolved by the Company's board of directors on February 27, 2025 and March 7, 2024, respectively; the other proposed appropriations had been resolved by the shareholders in their meetings on May 29, 2025 and June 18, 2024, respectively.

d. Other equity items

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

	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	<u>\$ (75,014)</u>	<u>\$ (213,040)</u>
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	(374,368)	157,647
Related income tax	<u>74,873</u>	<u>(31,530)</u>
Other comprehensive loss recognized for the period	<u>(299,495)</u>	<u>126,117</u>
Balance at June 30	<u>\$ (374,509)</u>	<u>\$ (86,923)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 10,446	\$ 9,125
Recognized for the period		
Unrealized (loss) gain - equity instruments	(11,936)	13,527
Related income tax	<u>2,387</u>	<u>(2,706)</u>
Other comprehensive (loss) income recognized for the period	<u>(9,549)</u>	<u>10,821</u>
Balance at June 30	<u>\$ 897</u>	<u>\$ 19,946</u>

e. Non-controlling interests

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 28,960	\$ 25,376
Profit and loss for the current period	<u>5,759</u>	<u>(4,505)</u>
Other comprehensive loss during the period		
Exchange differences on translating the financial statements of foreign entities	2,376	(313)
Related income tax	<u>(559)</u>	<u>99</u>
	<u>1,817</u>	<u>(214)</u>
Balance at June 30	<u>\$ 36,536</u>	<u>\$ 20,657</u>

## 24. REVENUE

a. Description of customer contract

Revenue from sales of goods

Main operating revenue of the Group was from manufacturing and sales electronic connectors for telecommunications, data communications and computers, by fixed contract price.

b. Contract balance

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>	<b>January 1, 2024</b>
Notes receivable and trade receivables (Note 11)	<u>\$ 1,657,929</u>	<u>\$ 1,769,296</u>	<u>\$ 1,473,397</u>	<u>\$ 1,563,256</u>
Contract liabilities				
Sale of goods	<u>\$ 6,220</u>	<u>\$ 13,057</u>	<u>\$ 32,197</u>	<u>\$ 16,768</u>

c. Disaggregation of revenue

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Type of goods		
Information products	\$ 582,054	\$ 372,946
Internet communication products	1,618,565	1,140,857
Consumer electronic products	332,645	329,835
Others	<u>498,833</u>	<u>450,091</u>
	<u>\$ 3,032,097</u>	<u>\$ 2,293,729</u>

**25. NET PROFIT FROM CONTINUING OPERATIONS**

a. Interest income

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Bank deposits	<u>\$ 6,592</u>	<u>\$ 10,727</u>	<u>\$ 12,073</u>	<u>\$ 17,962</u>

b. Other income

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Government grants	\$ 58	\$ 49	\$ 294	\$ 1,945
Subsidy arising from launched production line	1,160	1,160	2,320	2,320
Compensation income	1,961	1,059	4,968	4,932
Dividend income	7,339	5,997	7,339	5,997
Mold income	4,095	619	5,135	1,033
Others	<u>6,855</u>	<u>12,971</u>	<u>15,214</u>	<u>17,630</u>
	<u>\$ 21,468</u>	<u>\$ 21,855</u>	<u>\$ 35,270</u>	<u>\$ 33,857</u>

c. Other gains and losses

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Gain on disposal of property, plant and equipment	\$ 2,640	\$ 543	\$ 4,641	\$ 554
Fair value changes of financial assets/liabilities				
Financial assets mandatorily classified as at FVTPL	17,298	28,437	35,819	29,129
Financial liabilities held for trading	(1,385)	(540)	(4,232)	(2,198)

(Continued)

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Gain on disposal of subsidiary	\$ 546	\$ -	\$ 546	\$ -
Net foreign exchange (losses) gains	(37,276)	5,959	(32,417)	21,779
Others	<u>(3,256)</u>	<u>(114)</u>	<u>(7,343)</u>	<u>(261)</u>
	<u>\$ (21,433)</u>	<u>\$ 34,285</u>	<u>\$ (2,986)</u>	<u>\$ 49,003</u>

(Concluded)

d. Finance costs

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest on bank loans	\$ 1,043	\$ 584	\$ 1,840	\$ 3,326
Interest on convertible bonds (Note 21)	885	2,588	2,001	3,337
Interest on lease liabilities	<u>162</u>	<u>88</u>	<u>342</u>	<u>184</u>
	<u>\$ 2,090</u>	<u>\$ 3,260</u>	<u>\$ 4,183</u>	<u>\$ 6,847</u>

e. Depreciation and amortization

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
An analysis of deprecation by function				
Operating costs	\$ 46,551	\$ 58,241	\$ 96,997	\$ 122,075
Operating expenses	<u>15,401</u>	<u>16,309</u>	<u>31,026</u>	<u>33,230</u>
	<u>\$ 61,952</u>	<u>\$ 74,550</u>	<u>\$ 128,023</u>	<u>\$ 155,305</u>
An analysis of amortization by function				
Operating costs	\$ 175	\$ 175	\$ 350	\$ 350
Selling and marketing expense	691	815	1,383	1,452
General and administrative expense	432	536	830	1,328
Research and development expense	<u>640</u>	<u>448</u>	<u>1,294</u>	<u>795</u>
	<u>\$ 1,938</u>	<u>\$ 1,974</u>	<u>\$ 3,857</u>	<u>\$ 3,925</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Post-employment benefits				
Defined contribution plans	\$ 24,364	\$ 26,444	\$ 49,941	\$ 49,585
Share-based payments				
Equity-settled	536	2,319	1,955	6,117
Other employee benefits	<u>304,334</u>	<u>267,912</u>	<u>611,686</u>	<u>517,580</u>
Total employee benefits expense	<u>\$ 329,234</u>	<u>\$ 296,675</u>	<u>\$ 663,582</u>	<u>\$ 573,282</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 199,464	\$ 171,662	\$ 395,366	\$ 332,283
Operating expenses	<u>129,770</u>	<u>125,013</u>	<u>268,216</u>	<u>240,999</u>
	<u>\$ 329,234</u>	<u>\$ 296,675</u>	<u>\$ 663,582</u>	<u>\$ 573,282</u>

g. Compensation of employees and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of 3%-15% and not higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

The compensation of employees and the remuneration of directors for the six months ended June 30, 2025 and 2024 are as follows:

Accrual rate

	For the Six Months Ended June 30	
	2025	2024
Compensation of employees	6.00%	5.87%
Remuneration of directors	1.87%	1.83%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Compensation of employees	<u>\$ 12,875</u>	<u>\$ 8,679</u>	<u>\$ 27,423</u>	<u>\$ 12,208</u>
Remuneration of directors	<u>\$ 3,997</u>	<u>\$ 2,722</u>	<u>\$ 8,547</u>	<u>\$ 3,808</u>

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

The appropriations of compensation of employees and remuneration of directors for 2024 and 2023 having been resolved by the board of directors on February 27, 2025 and March 7, 2024, respectively, are as shown below:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	<u>\$ 38,900</u>	<u>\$ 30,500</u>
Remuneration of directors	<u>\$ 12,300</u>	<u>\$ 9,500</u>

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

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

h. Gain or losses on foreign currency exchange

	<b>For the Three Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Foreign exchange gains	\$ 238,295	\$ 11,726	\$ 297,954	\$ 68,055
Foreign exchange losses	<u>(275,571)</u>	<u>(5,767)</u>	<u>(330,371)</u>	<u>(46,276)</u>
Net foreign exchange (losses) gains	<u>\$ (37,276)</u>	<u>\$ 5,959</u>	<u>\$ (32,417)</u>	<u>\$ 21,779</u>

## 26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Three Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Current tax				
In respect of the current period	\$ 47,498	\$ 33,833	\$ 106,464	\$ 44,986
Income tax on unappropriated earnings	17,322	5,877	17,322	5,877
Adjustment for prior periods	<u>1,803</u>	<u>(3,642)</u>	<u>1,803</u>	<u>(3,642)</u>
	66,623	36,068	125,589	47,221
Deferred tax				
In respect of the current period	<u>1,250</u>	<u>(979)</u>	<u>(5,964)</u>	<u>(318)</u>
Income tax expense recognized in profit or loss	<u>\$ 67,873</u>	<u>\$ 35,089</u>	<u>\$ 119,625</u>	<u>\$ 46,903</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>Deferred tax</u>				
In respect of the current period				
Translation of the financial statements of foreign operations	\$ (84,120)	\$ 6,583	\$ (74,314)	\$ 31,431
Fair value changes of financial assets at FVTOCI	<u>(492)</u>	<u>(576)</u>	<u>(2,387)</u>	<u>2,706</u>
Total income tax recognized in other comprehensive income	<u>\$ (84,612)</u>	<u>\$ 6,007</u>	<u>\$ (76,701)</u>	<u>\$ 34,137</u>

c. Income tax assessments

The income tax returns through 2022 of the Company and its subsidiaries - CDE Corp. and DYP Corp., have been assessed by the tax authorities.

## 27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Basic earnings per share				
From continuing operations	<u>\$ 1.65</u>	<u>\$ 1.47</u>	<u>\$ 3.87</u>	<u>\$ 2.02</u>
Diluted earnings per share				
From continuing operations	<u>\$ 1.58</u>	<u>\$ 1.34</u>	<u>\$ 3.69</u>	<u>\$ 1.84</u>

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

### Net Profit for the Year

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Profit for the period attributable to owners of the Company	<u>\$ 140,945</u>	<u>\$ 115,853</u>	<u>\$ 329,262</u>	<u>\$ 159,243</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Earnings used in the computation of basic earnings per share	\$ 140,945	\$ 115,853	\$ 329,262	\$ 159,243
Effects of potentially dilutive ordinary shares:				
Interest and valuation loss on convertible bonds after tax	565	2,014	1,625	2,613
Earnings used in the computation of diluted earnings per share	\$ 141,510	\$ 117,867	\$ 330,887	\$ 161,856

(Concluded)

## Shares

Unit: Thousand Shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares in computation of basic earnings per share	85,470	78,811	85,041	78,768
Effect of potentially dilutive ordinary shares:				
Convertible bonds	2,570	7,610	2,899	7,610
Employee stock option	1,215	1,489	1,422	1,428
Compensation of employees	283	156	400	281
Weighted average number of ordinary shares used in the computation of diluted earnings per share	89,538	88,066	89,762	88,087

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

## 28. DISPOSAL OF SUBSIDIARIES

On October 28, 2024, the Board of Directors of the Group resolved to liquidate its subsidiary, Dongguan Ai Te Chieh Intellectual Technology Co., Ltd. (“Ai Te Chieh Intellectual Technology Co., Ltd.”). The dissolution was approved on March 11, 2025.

a. Consideration transferred

**Ai Te Chieh  
Intellectual  
Technology  
Co., Ltd.**

Cash and cash equivalents	\$ _____ -
Total consideration received	<u>\$ _____ -</u>

b. Analysis of assets and liabilities on the date control was lost

**Ai Te Chieh  
Intellectual  
Technology  
Co., Ltd.**

Current assets	
Other payables	\$ (546)
Net assets disposed of	<u>\$ (546)</u>

c. Gain on disposal of subsidiaries

**Ai Te Chieh  
Intellectual  
Technology  
Co., Ltd.**

Consideration received	\$ -
Net assets disposed of	<u>(546)</u>
Gain on disposal	<u>\$ (546)</u>

The gains on disposal of Dongguan Ai Te Chieh Intellectual Technology Co., Ltd. was included in the profit from other gains or losses.

## 29. SHARE-BASED PAYMENT ARRANGEMENTS

### Employee Share Option Plan of the Company

Qualified employees of the Company and its subsidiaries were granted 3,655 options on May 5, 2022. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 6 years and exercisable at certain percentages after the second anniversary from the grant date. The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the Taipei Exchange at the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly.

The company reduced the exercise price from NT\$38.75 to NT\$37.6 in August 2024. The changing of consideration did not cause any increase of fair value and was effective after the company's record date of ex-dividend trade on August 5, 2024.

Information of employee share options was as follow:

	<b>For the Six Months Ended June 30</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Number of Options (In Thousands of Units)</b>	<b>Weighted- average Exercise Price (\$)</b>	<b>Number of Options (In Thousands of Units)</b>	<b>Weighted- average Exercise Price (\$)</b>
Balance at January 1	2,852	\$ 37.60	3,655	\$ 38.75
Options granted	<u>(889)</u>	37.60	<u>(703)</u>	38.75
Balance at June 30	<u>1,963</u>	37.60	<u>2,952</u>	38.75
Options exercisable, end of the period	<u>1,963</u>		<u>1,476</u>	

Information on outstanding options was as follows:

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Range of exercise price (\$)	\$ 37.60	\$ 38.75
Weighted-average remaining contractual life (in years)	2.83	3.83

Options granted in May 2022 is priced using the binomial option pricing model, and the inputs to the model are as follows:

	<b>May 2022</b>
Grant-date share price	\$42.9
Exercise price	\$42.9
Expected volatility	37.83%
Expected life (in years)	6
Expected dividend yield	-
Risk-free interest rate	1.0993%

Expected volatility was based on the historical share price volatility over the past 6 year which uses the Company's daily annualized standard deviation of returns as hypotheses.

Compensation costs recognized were \$1,955 thousand and \$6,117 thousand for the six months ended June 30, 2025 and 2024, respectively.

### 30. CASH INFORMATION

#### a. Non-cash transaction

In addition to those disclosed in other notes, for the six months ended June 30, 2025 and 2024, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statement of cash flows:

- 1) As of June 30, 2025, December 31, 2024 and June 30, 2024, the amounts unpaid for acquiring the property, plant and equipment were \$130,953 thousand, \$50,662 thousand and \$43,653 thousand, respectively, which were included in other payables.

2) The Company's board of directors resolved to distribute cash dividends on February 27, 2025 and March 7, 2024, As of June 30, 2025 and 2024 the unpaid amounts were \$253,001 thousand and \$194,451 thousand, respectively, which were included in other payables.

b. Changes in liabilities from financing activities

For the six months ended June 30, 2025

	Balance at January 1, 2025	Cash Flows	Interest Expense	Non-cash Changes		Balance at June 30, 2025
				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other (Note 1)	
Short-term borrowings	\$ 60,000	\$ 199,933	\$ -	\$ (5,491)	\$ -	\$ 254,442
Lease liabilities	14,463	(997)	-	(1,787)	-	11,679
Bonds payable	231,135	-	2,001	-	(118,440)	114,696
Long-term borrowings (including current portion of long-term borrowings)	4,561	(266)	-	(449)	-	3,846
Guarantee deposits received	898	2,709	-	(323)	-	3,284
	<u>\$ 311,057</u>	<u>\$ 201,379</u>	<u>\$ 2,001</u>	<u>\$ (8,050)</u>	<u>\$ (118,440)</u>	<u>\$ 387,947</u>

For the six months ended June 30, 2024

	Balance at January 1, 2024	Cash Flows	Interest Expense	Addition	Non-cash Changes		Balance at June 30, 2024
					Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other (Note 2)	
Short-term borrowings	\$ 609,000	\$(542,000)	\$ -	\$ -	\$ -	\$ -	\$ 67,000
Lease liabilities	5,982	(2,127)	-	-	81	-	3,936
Bonds payable	-	502,500	3,337	-	-	(34,469)	471,368
Long-term borrowings (including current portion of long-term borrowings)	176,800	(176,800)	-	-	-	-	-
Guarantee deposits received	1,900	52	-	-	35	-	1,987
Other payables (issuance costs of the convertible bonds)	-	(5,545)	-	5,545	-	-	-
	<u>\$ 793,682</u>	<u>\$(223,920)</u>	<u>\$ 3,337</u>	<u>\$ 5,545</u>	<u>\$ 116</u>	<u>\$ (34,469)</u>	<u>\$ 544,291</u>

Note 1: The conversion of convertible bonds, please refer to Note 21.

Note 2: The liabilities and equities relating to issuance of convertible bonds, please refer to Note 21.

### 31. FINANCIAL INSTRUMENTS

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

June 30, 2025

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Convertible bonds	<u>\$ 114,696</u>	<u>\$ 275,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275,720</u>

December 31, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Convertible bonds	\$ 231,135	\$ 380,289	\$ -	\$ -	\$ 380,289

June 30, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Convertible bonds	\$ 471,368	\$ 655,100	\$ -	\$ -	\$ 655,100

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

1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives				
Convertible bond options	\$ -	\$ -	\$ 631	\$ 631
Foreign exchange forward contracts	-	11,044	-	11,044
	\$ -	\$ 11,044	\$ 631	\$ 11,675

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic unlisted shares	\$ -	\$ -	\$ 75,509	\$ 75,509

Financial liabilities at FVTPL

Derivatives				
Foreign exchange forward contracts	\$ -	\$ 4,346	\$ -	\$ 4,346

December 31, 2024

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Derivatives				
Convertible bond options	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>  1,213</u>	\$ <u>  1,213</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic unlisted shares	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u> 87,445</u>	\$ <u> 87,445</u>
Investments in debt instruments at FVTOCI				
Factored trade receivables to banks without recourse	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>112,407</u>	\$ <u>112,407</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives				
Foreign exchange forward contracts	\$ <u>          -</u>	\$ <u>  1,074</u>	\$ <u>          -</u>	\$ <u>  1,074</u>

June 30, 2024

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Derivatives				
Convertible bond options	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>    800</u>	\$ <u>    800</u>
Foreign exchange forward contracts	<u>          -</u>	<u>  1,769</u>	<u>          -</u>	<u>  1,769</u>
	\$ <u>          -</u>	\$ <u>  1,769</u>	\$ <u>    800</u>	\$ <u>  2,569</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic unlisted shares	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u> 99,320</u>	\$ <u> 99,320</u>
Investments in debt instruments at FVTOCI				
Factored trade receivables to banks without recourse	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u> 95,675</u>	\$ <u> 95,675</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives				
Foreign exchange forward contracts	\$ <u>          -</u>	\$ <u>  1,390</u>	\$ <u>          -</u>	\$ <u>  1,390</u>

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

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

For the six months ended June 30, 2025

<b>Financial Assets</b>	<b>Financial Assets at FVTOCI</b>		<b>Total</b>
	<b>Equity Instrument</b>	<b>Debt Instrument</b>	
Balance at January 1, 2025	\$ 87,445	\$ 112,407	\$ 199,852
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	(11,936)	-	(11,936)
Decrease	<u>-</u>	<u>(112,407)</u>	<u>(112,407)</u>
Balance at June 30, 2025	<u>\$ 75,509</u>	<u>\$ -</u>	<u>\$ 75,509</u>

**Derivatives**

Financial assets at FVTPL

Balance at January 1, 2025	\$ 1,213
Recognized in profit or loss (included in other gains and losses)	(31)
Conversion	<u>(551)</u>
Balance at June 30, 2025	<u>\$ 631</u>

For the six months ended June 30, 2024

<b>Financial Assets</b>	<b>Financial Assets at FVTOCI</b>		<b>Total</b>
	<b>Equity Instrument</b>	<b>Debt Instrument</b>	
Balance at January 1, 2024	\$ 85,793	\$ 105,119	\$ 190,912
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	13,527	-	13,527
Decrease	<u>-</u>	<u>(9,444)</u>	<u>(9,444)</u>
Balance at June 30, 2024	<u>\$ 99,320</u>	<u>\$ 95,675</u>	<u>\$ 194,995</u>

**Derivatives**

Financial assets at FVTPL

Balance at January 1, 2024	\$ -
Addition-proceeds from issuance of convertible bonds	743
Recognized in profit or loss (included in other gains and losses)	<u>57</u>
Balance at June 30, 2024	<u>\$ 800</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - foreign exchange forward contracts	Discounted cash flow:  Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Convertible bond options	The binomial tree evaluation model of convertible bonds:  Consideration of the duration, the share price and volatility of the convertible bond object, conversion price, risk-free interest rate, discount rate, liquidity risk of the convertible bonds and other factors.
Unlisted equity securities - ROC	Market approach:  In the market approach, the selling price of comparable companies was used to estimate the fair value of the target asset through comparison, analysis and adjustments.  Asset approach:  In the asset approach, the fair value is estimated by evaluating the total market value of individual assets and individual liabilities covered by the evaluation target and considering risk factors such as liquidity reduction.
Factored trade receivables to banks without recourse	Since the effect of discounting is not significant, the fair value is measured based on the original invoice amount.

c. Categories of financial instruments

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
<u>Financial assets</u>			
Mandatorily classified as at FVTPL	\$ 11,675	\$ 1,213	\$ 2,569
Financial asset at amortized cost (1)	3,382,238	3,067,215	3,071,439
Financial assets at FVTOCI			
Equity instruments	75,509	87,445	99,320
Debt instruments			
Factored trade receivables to banks without recourse	-	112,407	95,675
			(Continued)

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
<u>Financial liabilities</u>			
FVTPL			
Held for trading	\$ 4,346	\$ 1,074	\$ 1,390
Amortized cost (2)	1,265,039	1,203,153	1,257,612 (Concluded)

- 1) The balances included cash and cash equivalents, financial assets at amortized cost - current, notes receivable, trade receivables (excluding debt instruments), other receivables (excluding tax refund receivable) and refundable deposits that are measured at amortized cost.
- 2) The balances included short-term loans, trade payables, other payables (excluding salaries, bonuses, dividends, labor and health insurance, social security and pension), bonds payable (including current portion of bonds payable), long-term loans (including current portion of long-term loans payable) and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, financial assets and liabilities at FVTPL, notes receivable, trade receivables, trade payables, lease liabilities, borrowings and convertible bonds.

Risks on the financial instruments include market risk (such as currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), in interest rates (see (b) below) and other price risk (see (c) below).

a) Foreign currency risk

The Group has foreign currency sales and purchases, which expose the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency which has a significant impact denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 35.

Sensitivity analysis

The Group was mainly exposed to the exchange movements in USD and RMB.

The following table details the Group's sensitivity to a 1% increase and decrease in each functional currency against the relevant foreign currencies. The 1% sensitivity rate is used in reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. Sensitivity analysis includes its foreign operations. A positive number below indicates an increase in pretax profit and other equity associated with a 1% weakening of each functional currency against the relevant currency. For a 1% strengthening of each functional currency against the relevant currency, there would be an equal and opposite impact on pretax profit and other equity, and the balances below would be negative.

	<b>U.S. Dollar Impact</b>		<b>RMB Impact</b>	
	<b>For the Six Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Profit or loss	\$ 2,913	\$ 6,246	\$ 167	\$ 224

This was mainly attributable to the exposure on outstanding accounts receivable and payable in USD and RMB, which were not hedged at the end of the reporting period.

The Group's sensitivity to the USD decreased during the current period mainly due to the increased of derivative denominated in USD.

The Group's sensitivity to the RMB decreased during the current period mainly due to the increased of derivative denominated in RMB.

b) Interest rate risk

The Group was exposed to interest rate related to its deposits, financial assets at amortized cost - current, bank loans, convertible bonds and lease liabilities at both fixed and floating interest rates.

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Fair value interest rate risk			
Financial assets	\$ 1,323,578	\$ 1,069,938	\$ 1,133,242
Financial liabilities	380,817	305,598	542,304
Cash flow interest rate risk			
Financial assets	380,713	321,649	541,869
Financial liabilities	3,846	4,561	-

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables held constant, the Group's pretax profits for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$1,884 thousand and \$2,709 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings and bank deposits.

The Group's sensitivity to interest rates decreased during the current year mainly due to the decreased of bank demand deposits borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for medium- to long-term strategic purposes rather than for trading.

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax other comprehensive income for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$755 thousand and \$993 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to equity prices decreased due to the decreased of fair value in equity instrument investment.

2) Credit risk

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

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group continues to monitor its credit exposure and the credit ratings of its counterparties. Credit exposure is controlled by setting a counterparty credit limit, which is approved and periodically reviewed by the risk management committee.

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

The Group transact with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

### 3) Liquidity risk

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

For the Group, bank loans are an important resource of liquidity to the Group. Refer to section (c) below for more information about unused amounts of financing facilities at June 30, 2025, December 31, 2024 and June 30, 2024.

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

The following table shows the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up on the basis of undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed-upon repayment dates.

##### June 30, 2025

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Short-term borrowings	\$ 255,211	\$ -	\$ -	\$ -	\$ -
Long-term borrowings	122	154	332	3,441	-
Lease liabilities	-	-	2,426	10,916	-
Trade payables	152,970	190,169	47,636	-	-
Other payables	292,825	162,558	295,567	47	-
Bonds payable	-	-	119,100	-	-
Guarantee deposits received	-	-	3,284	-	-
	<u>\$ 701,128</u>	<u>\$ 352,881</u>	<u>\$ 468,345</u>	<u>\$ 14,404</u>	<u>\$ -</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>
Lease liabilities	<u>\$ 2,426</u>	<u>\$ 10,916</u>	<u>\$ -</u>

##### December 31, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Short-term borrowings	\$ 10,026	\$ 50,156	\$ -	\$ -	\$ -
Long-term borrowings	137	174	380	4,194	-
Lease liabilities	-	1,394	1,394	13,943	-
Trade payables	155,973	250,574	58,291	-	-
Other payables	236,981	186,212	18,528	-	-
Guarantee deposits received	-	-	-	898	-
Bonds payable	-	-	-	242,500	-
	<u>\$ 403,117</u>	<u>\$ 488,510</u>	<u>\$ 78,593</u>	<u>\$ 261,535</u>	<u>\$ -</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>
Lease liabilities	<u>\$ 2,788</u>	<u>\$ 13,943</u>	<u>\$ -</u>

June 30, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Short-term borrowings	\$ 67,112	\$ -	\$ -	\$ -	\$ -
Lease liabilities	-	1,381	1,381	1,381	-
Trade payables	143,557	205,472	48,497	-	-
Other payables	170,732	128,014	215,429	6	-
Guarantee deposits received	-	-	1,987	-	-
	<u>\$ 381,401</u>	<u>\$ 334,867</u>	<u>\$ 267,294</u>	<u>\$ 1,387</u>	<u>\$ -</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>
Lease liabilities	<u>\$ 2,762</u>	<u>\$ 1,381</u>	<u>\$ -</u>

b) Liquidity risk table for derivative financial liabilities

The table is based on the undiscounted contractual gross cash inflows and outflows on derivative instruments that require gross settlement.

June 30, 2025

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>Over 3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ -	\$ 157,650	\$ 2,920,049	\$ -
Outflows	-	(158,420)	(2,923,625)	-
	<u>\$ -</u>	<u>\$ (770)</u>	<u>\$ (3,576)</u>	<u>\$ -</u>

December 31, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>Over 3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 10,983	\$ 32,282	\$ 14,791	\$ -
Outflows	<u>(11,193)</u>	<u>(32,788)</u>	<u>(15,149)</u>	<u>-</u>
	<u>\$ (210)</u>	<u>\$ (506)</u>	<u>\$ (358)</u>	<u>\$ -</u>

June 30, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>Over 3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 4,867	\$ 18,057	\$ 10,210	\$ -
Outflows	<u>(5,097)</u>	<u>(18,636)</u>	<u>(10,791)</u>	<u>-</u>
	<u>\$ (230)</u>	<u>\$ (579)</u>	<u>\$ (581)</u>	<u>\$ -</u>

c) Financing facilities

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Unsecured bank loan facilities (reviewed annually)			
Amount used	\$ 258,288	\$ 64,561	\$ 67,000
Amount unused	<u>2,072,092</u>	<u>2,269,925</u>	<u>2,103,553</u>
	<u>\$ 2,330,380</u>	<u>\$ 2,334,486</u>	<u>\$ 2,170,553</u>
Secured bank loan facilities which may be extend by mutual agreement			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>245,495</u>	<u>273,649</u>	<u>273,194</u>
	<u>\$ 245,495</u>	<u>\$ 273,649</u>	<u>\$ 273,194</u>

e. Transfers of financial assets

The Group has signed factoring agreements with banks for the sale of accounts receivable. According to the terms of the factoring agreements, while losses from the credit risks were borne by the banks. The Group did not engage in any accounts receivable sales at June 30, 2025 and 2024. The aforementioned factoring agreement of accounts receivable expired in January 2025. As of December 31, 2024 and March 31, 2024, the Group had issued promissory notes consisting of checks for US\$8,000 thousand as collateral to the banks.

### 32. TRANSACTIONS WITH RELATED PARTIES

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

#### Compensation of Key Management Personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 8,478	\$ 9,144	\$ 19,741	\$ 20,307
Post-employment benefits	<u>135</u>	<u>119</u>	<u>324</u>	<u>238</u>
	<u>\$ 8,613</u>	<u>\$ 9,263</u>	<u>\$ 20,065</u>	<u>\$ 20,545</u>

The remunerations of directors and key executives were determined by the remuneration committee on the basis of individual performance and market trends.

### 33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been provided as collateral for bank borrowings and import duties:

	June 30, 2025	December 31, 2024	June 30, 2024
Freehold land	\$ -	\$ 159,538	\$ 159,538
Building	53,813	131,085	139,720
Right-of-use assets - land	45,523	51,454	52,077
Time deposits	<u>6,755</u>	<u>6,745</u>	<u>6,735</u>
	<u>\$ 106,091</u>	<u>\$ 348,822</u>	<u>\$ 358,070</u>

### 34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

#### Significant Commitments

Unrecognized commitments were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Acquisition of property, plant and equipment			
RMB	<u>\$ 4,003</u>	<u>\$ 26,124</u>	<u>\$ 11,380</u>
VND	<u>\$ 13,807</u>	<u>\$ 216,438</u>	<u>\$ 337,455</u>

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

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

June 30, 2025

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 74,559	29.290 (USD:NTD)	\$ 2,183,847
USD	49,377	7.1586 (USD:RMB)	1,446,250
RMB	23,651	4.0916 (RMB:NTD)	96,772
RMB	11,494	0.1397 (RMB:USD)	47,029
Non-monetary items			
Derivative instruments			
USD	28,000	Note	6,855
RMB	13,200	Note	4,189
<u>Financial liabilities</u>			
Monetary items			
USD	64,328	29.290 (USD:NTD)	1,884,159
USD	2,662	7.1586 (USD:RMB)	77,963
RMB	12,114	0.1397 (RMB:USD)	49,565
Non-monetary items			
Derivative instruments			
USD	19,000	Note	4,235
RMB	5,750	Note	111

December 31, 2024

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 68,152	32.785 (USD:NTD)	\$ 2,234,352
USD	41,979	7.1884 (USD:RMB)	1,376,285
RMB	19,842	4.5608 (RMB:NTD)	90,494
RMB	5,532	0.1391 (RMB:USD)	25,231
<u>Financial liabilities</u>			
Monetary items			
USD	65,446	32.785 (USD:NTD)	2,145,647
USD	2,777	7.1884 (USD:RMB)	91,059
RMB	12,179	0.1391 (RMB:USD)	55,545
Non-monetary items			
Derivative instruments			
RMB	13,200	Note	1,074

June 30, 2024

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 47,372	32.4500 (USD:NTD)	\$ 1,537,214
USD	21,675	7.1268 (USD:RMB)	703,361
RMB	14,061	4.5532 (RMB:NTD)	64,022
RMB	7,222	0.1403 (RMB:USD)	32,883
Non-monetary items			
Derivative instruments			
USD	3,000	Note	1,769
<u>Financial liabilities</u>			
Monetary items			
USD	43,726	32.4500 (USD:NTD)	1,418,907
USD	3,074	7.1268 (USD:RMB)	99,738
RMB	6,813	0.1403 (RMB:USD)	31,021
Non-monetary items			
Derivative instruments			
RMB	9,540	Note	1,390

Note: The fair value of forward foreign exchange contract calculated by discounted cash flow method.

For the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024, net foreign exchange (losses) gains (realized and unrealized), were \$(37,276) thousand, \$5,959 thousand, \$(32,417) thousand and \$21,779 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

### 36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

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

b. Information on investees (Table 7)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

### **37. SEGMENT INFORMATION**

The connector manufacturing segment includes a number of direct sales operations in various cities, each of which is considered separate operating segment by the chief operating decision maker. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- a. The nature of the products and production processes are similar;
- b. The pricing strategy of the products are similar;
- c. The methods used to distribute the products to the customers are the same.

## U.D. ELECTRONIC CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance (Note 4)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	U.D. Electronic Corp.	U.D. Electronic Vietnam Company Limited	Other receivables from related party	Yes	\$ 771,550	\$ 755,682	\$ 667,812	2.01-2.91	Demand of short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 1,628,134 (Note 2)	\$ 1,628,134 (Note 2)
1	Morning Paragon Limited	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Other receivables from related party	Yes	25,905	22,913	22,913	2.01	Demand of short-term financing	-	Operating capital	-	-	-	25,145 (Notes 3)	25,145 (Notes 3)
2	Zhong Jiang U.D.E. Electronics Corp.	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Other receivables from related party	Yes	212,825	194,759	171,846	2.16-2.91	Demand of short-term financing	-	Operating capital	-	-	-	477,175 (Note 5)	935,636 (Note 5)
3	Dongguan Jian Guan P.E. Co, Ltd.	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Other receivables from related party	Yes	61,761	-	-	2.91	Demand of short-term financing	-	Operating capital	-	-	-	45,724 (Note 5)	89,655 (Note 5)
4	All First International Co., Ltd.	U.D. Electronic Vietnam Company Limited	Other receivables from related party	Yes	19,671	-	-	2.10	Demand of short-term financing	-	Operating capital	-	-	-	65,255 (Note 6)	130,510 (Note 6)

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

- a. 0 for parent company.
- b. The rest subsidiaries coding from 1.

Note 2: a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company's most recent year's predictable purchases or sells with such company and shall not exceed 10% of the net worth of the company.

b. The total or individually amount available for lending is as follow:

- 1) The total amount available for lending to the subsidiaries whose voting shares or has substantive control are owned directly or indirectly by the parent company, shall not exceed 40% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of the net worth of the lending company based on its most recent audited or reviewed financial statements.
- 2) The total amount available for lending to the subsidiaries, whose voting shares or has substantive control are not owned directly or indirectly by the parent company, shall not exceed 20% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 10% of the net worth of the lending company based on its most recent audited or reviewed financial statements.

c. The lending between foreign company whose voting shares are 100% owned directly or indirectly by the Company or the between the Company and the foreign company whose voting shares are 100% owned directly or indirectly by the Company still restricted to (b.) only the calculation of net worth is still based on the net worth of lending company.

Note 3: The lending regulations of MORNING PARAGON LIMITED is as follows:

a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company's most recent year's predictable purchases or sells with such company and shall not exceed 10% of the net worth of the company.

b. The total or individually amount available for lending is as follow:

- 1) The total amount available for lending to the subsidiaries whose voting shares are owned directly or indirectly by the lending company, shall not exceed 40% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of the net worth of the lending company based on its most recent audited or reviewed financial statements.
- 2) The total amount available for lending to the subsidiaries, whose voting shares are not 100% owned directly or indirectly by the lending company, shall not exceed 20% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 10% of the net worth of the lending company based on its most recent audited or reviewed financial statements.

c. The lending between foreign company whose voting shares are 100% owned directly or indirectly by the Company or the between the Company and the foreign company whose voting shares are 100% owned directly or indirectly by the Company still restricted to (b.) only the calculation of net worth is still based on the net worth of lending company.

Note 4: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation, and translated into NTD with the exchange rate on the reporting date.

(Continued)

Note 5: The lending regulations of Dongguan Jian Guan P.E. Co, Ltd. and Zhong Jiang U.D.E. Electronics Corp. are as follows:

- a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company's purchases or sells with such company and shall not exceed 10% of the net worth of the Company.
- b. If there is a need for short-term financing, the total amount of capital loans and the limits of individual objects are as follow:
  - 1) The total amount available for lending to the subsidiaries whose voting shares or has substantive control are owned directly or indirectly by the parent company, shall not exceed 40% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of higher the net worth of the lending company multiple its shareholding ratio based on its most recent audited or reviewed financial statements.
  - 2) The total amount available for lending to the companies, whose voting shares or has substantive control are not owned directly or indirectly by the parent company, shall not exceed 20% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 10% of the net worth of the lending company based on its most recent audited or reviewed financial statements.

Note 6: The lending regulations of All First Int'l Co., Ltd. are as follows:

- a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company's purchases or sells with such company and shall not exceed 10% of the net worth of the Company.
- b. If there is a need for short-term financing, the total amount of capital loans and the limits of individual objects are as follow:
  - 1) The total amount available for lending to the subsidiaries whose voting shares are owned directly or indirectly by the lending company and inter-subsidiaries, shall not exceed 40% of higher the net worth of the lending company based on their most recently audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of higher the net worth of the lending company multiple its shareholding ratio based on its most recently audited or reviewed financial statements.
  - 2) The total amount available for lending to the companies, whose voting shares are not owned directly or indirectly by the lending company, shall not exceed 20% of higher the net worth of the lending company based on their most recently audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 10% of the net worth of the lending company based on their most recently audited or reviewed financial statements.

Note 7: The interest expenses due to financing ended June 30, 2025 are specified as follows:

Dongguan De Yang Precision Rubber Plastic Co., Ltd.: The sum of interest expenses is \$2,576 thousand.

U.D. ELECTRONIC VIETNAM COMPANY: The sum of interest expenses is \$7,087 thousand.

(Concluded)

## U.D. ELECTRONIC CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount (Note 3)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	U.D. Electronic Corp.	All First International Co., Ltd.	b	Net value 100% \$ 4,070,334	\$ 1,228,585	\$ 1,083,730	\$ -	\$ -	27	Net value 100% \$ 4,070,334	Yes	-	-
		DYP Corp.	b	Net value 20% 814,067	252,429	251,968	-	-	6	Net value 40% 1,628,134	Yes	-	-
		Morning Paragon Limited	b	Net value 20% 814,067	99,615	87,870	-	-	2	Net value 40% 1,628,134	Yes	-	-
		Zhong Jiang U.D.E. Electronics Corp.	b	Net value 100% 4,070,334	231,291	204,579	-	-	5	Net value 100% 4,070,334	Yes	-	Yes
		U.D. ELECTRONIC VIETNAM COMPANY	b	Net value 100% 4,070,334	348,209	340,453	-	-	8	Net value 100% 4,070,334	Yes	-	-

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

- a. 0 for parent company.
- b. The rest subsidiaries coding from 1.

Note 2: a. Individual endorsement amounts to a company with business transactions shall not exceed the most recent year's or the coming year's predictable purchases or sells with such company and not exceed 10% of U.D.E.'s net worth based on its most recent financial statement.

- b. Subsidiaries whose voting shares are 50% above owned directly or indirectly by U.D.E.

- 1) The total amount of the guarantee provided by U.D.E. to its subsidiaries whose voting shares are 100% owned directly or indirectly by U.D.E. shall not exceed 100% of U.D.E.'s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 100% of U.D.E.'s net worth based on its most recent financial statements.
- 2) The total amount of the guarantee provided by U.D.E. to its subsidiaries whose voting shares are 50% above but not 100% owned directly or indirectly by U.D.E. shall not exceed 40% of U.D.E.'s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 20% of U.D.E.'s net worth based on its most recent financial statements.
- 3) Between the subsidiaries whose voting shares are owned directly or indirectly by U.D.E.
  - a) The total amount of the guarantee provided by subsidiaries to subsidiaries whose voting shares are 100% owned directly or indirectly by each other shall not exceed 100% of U.D.E.'s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 100% of U.D.E.'s net worth based on its most recent financial statements.
  - b) The total amount of the guarantee provided by its subsidiaries to another subsidiaries whose voting shares are 90% above but not 100% owned directly or indirectly by each other shall not exceed 10% of U.D.E.'s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 10% of U.D.E.'s net worth based on its most recent financial statements.
- c. The total amount of the guarantee provided by U.D.E. to its subsidiaries whose voting shares are 50% above owned directly or indirectly by U.D.E. shall not exceed 40% of U.D.E.'s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 20% of U.D.E.'s net worth based on its most recent financial statements.

Note 3: The amount has been eliminated on consolidation, and translated into NTD with the exchange rate on the reporting date.

**U.D. ELECTRONIC CORP. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**

**JUNE 30, 2025**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
U.D. Electronic Corp.	Emerging Creation Capital Inc.	-	Financial assets at FVTOCI - non-current	2,120	\$ 19,757	10.13	\$ 19,757	Note
	Dy-Precision Industrial Co., Ltd.	-	"	725	3,382	16.22	3,382	Note
	Yongda Investment Co., Ltd.	-	"	5,000	52,370	17.99	52,370	Note

Note: The highest shareholding ratio of the above is equal to the end-of-period shareholding ratio and there is no collateralized pledge.

**U.D. ELECTRONIC CORP. AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
U.D. Electronic Corp.	All First International Co., Ltd.	Affiliated company	Purchase	\$ 1,886,196	93	O/A 105 days	Note 2	Note 2	\$ (1,731,183)	(96)	Note 1
All First International Co., Ltd.	U.D. Electronic Corp.	Parent company	Sale	(1,886,196)	(92)	O/A 105 days	"	"	1,731,183	96	"
	Zhong Jiang U.D.E. Electronics Corp.	Affiliated company	Purchase	1,980,667	98	O/A 105 days	"	"	(1,356,121)	(99)	"
	Zhong Jiang U.D.E. Networking Electronics Corp.	Affiliated company	Sale	(135,884)	(7)	O/A 105 days	"	"	46,872	3	"
Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.	Affiliated company	Sale	(1,980,667)	(98)	O/A 105 days	"	"	1,356,121	97	"
Zhong Jiang U.D.E. Networking Electronics Corp.	All First International Co., Ltd.	Affiliated company	Purchase	135,884	77	O/A 105 days	"	"	(46,872)	(63)	"
Morning Paragon Limited	DYP Corp.	Affiliated company	Sale	(242,711)	(93)	O/A 105 days	"	"	96,810	90	"
	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Affiliated company	Purchase	243,983	93	O/A 105 days	"	"	(68,383)	(84)	"
DYP Corp	Morning Paragon Limited	Affiliated company	Purchase	242,711	92	O/A 105 days	"	"	(96,810)	(91)	"
Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Morning Paragon Limited	Affiliated company	Sale	(243,983)	(86)	O/A 105 days	"	"	68,383	71	"

Note 1: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: The prices and payment terms to related parties were not significantly different from those of sales to third parties.

**U.D. ELECTRONIC CORP. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**JUNE 30, 2025**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
All First International Co., Ltd.	U.D. Electronic Corp.	Parent company	Trade receivables \$ 1,731,183	2.05	\$ -	-	\$ 78,516	\$ -
Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.	Affiliated company	1,356,121	2.98	-	-	658,635	-
Zhong Jiang U.D.E. Electronics Corp.	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Affiliated company	Other receivables 175,005 (including interest receivables)	-	-	-	-	-
U.D. Electronic Corp.	U.D. ELECTRONIC VIETNAM COMPANY	Affiliated company	Other receivables 673,321 (including interest receivables)	-	-	-	-	-

Note 1: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: The amount recovered from July 1, 2025 to August 7, 2025.

## U.D. ELECTRONIC CORP. AND SUBSIDIARIES

### INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (Amounts in Thousands)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 4)
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	
0	U.D. Electronic Corp.	All First International Co., Ltd. DYP Corp. Zhong Jiang U.D.E. Electronics Corp. U.D. Electronic Vietnam Company Limited	a.	Endorsements/guarantees provided	\$ 1,083,730	-	18
			a.	Endorsements/guarantees provided	251,968	-	4
			a.	Endorsements/guarantees provided	204,579	-	3
			a.	Endorsements/guarantees provided	340,453	Financing (including interest receivables \$7,893)	6
				Other receivables	673,321		11
1	All First International Co., Ltd.	U.D. Electronic Corp.  Zhong Jiang U.D.E. Networking Electronics Corp.	b.	Revenue	1,886,196	Negotiated case by case. O/A 105 days	62
			b.	Trade receivables Revenue	1,731,183 135,884	Negotiated case by case. O/A 105 days	29 4
2	Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.  Dongguan De Yang Precision Rubber Plastic Co., Ltd.	c.	Revenue	1,980,667	Negotiated case by case. O/A 105 days	65
			c.	Trade receivables Other receivables	1,356,121 175,005	Financing (including interest receivables \$3,159)	22 3
3	Morning Paragon Limited	DYP Corp.	c.	Revenue	242,711	Negotiated case by case. O/A 105 days	8
4	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Morning Paragon Limited.	c.	Revenue	243,983	Negotiated case by case. O/A 105 days	8

#### Intercompany relationships:

U.D. Electronic Corp., DYP Corp. and CDE Corp. mainly engages in electronic material trading and international trading; Dongguan Jian Guan P.E. Co., Ltd., Zhong Jiang U.D.E. Electronics Corp. and Dongguan De Yang Precision Rubber Plastic Co., Ltd. mainly engage in electronic components manufacturing; Zhong Jiang U.D.E. Networking Electronics Corp. mainly engages in electronic components trading, while Global Connection (Samoa) Holding Inc., Sunderland Inc., San Francisco Inc., Morning Paragon Limited and Ta Yang UDE Limited are holding companies; All First International Co., Ltd. is an international trading company; Dongguan U.D.E. Electronics Corp. mainly engages in development and sales of electronic components; and Dongguan Han Lian Technology Co., Ltd. mainly engages in manufacturing and sales of electronic connectors and electronic products.

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

- a. 0 for parent company.
- b. The rest subsidiaries coding from 1.

Note 2: The Intercompany relationships are as follow (If the transaction is the same between the parent company and subsidiaries or between subsidiaries, there is no need to redisclose. For example, transactions between parent company and subsidiaries, if the parent company has disclosed, the subsidiaries will not need to disclose; transactions between subsidiaries, if one of them has disclosed, the other will not need to disclose.

- a. Parent company to subsidiaries.
- b. Subsidiaries to parent company.
- c. Subsidiaries to subsidiaries.

(Continued)

Note 3: This table only reveals one-way transaction information. Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 4: The calculation of the percentage of the transaction accounts for total consolidated revenues or total assets. For the assets and liabilities subject, they are calculated by the ending balance divided by the consolidated total assets. For the revenue and expense subjects, they are calculated by the accumulated amount at the end of period divided by the consolidated total revenue.

Note 5: This table disclosed the significant purchase or sales exceeded the amount \$100,000 thousand.

(Concluded)

## U.D. ELECTRONIC CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 4)		As of June 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
U.D. Electronic Corp.	Global Connection (Samoa) Holding Inc.	Samoa	Holding company	\$ 1,496,397	\$ 1,674,953	51,089	100	\$ 3,227,721	\$ 114,867	\$ 117,051	Notes 1, 2 and 3
	CDE Corp.	Taiwan	Manufacturing and selling of electronic materials	(US\$ 51,089)	(US\$ 51,089)	15,000	100	111,749	12,840	12,820	Notes 1, 2 and 3
	DYP Corp.	Taiwan	Selling of electronic components	112,200	112,200	11,220	51	33,903	9,421	4,805	Notes 1, 2 and 3
	U.D. ELECTRONIC VIETNAM COMPANY LIMITED	Vietnam	Manufacturing and selling of electronic materials	133,575	153,557	-	100	15,830	(78,894)	(78,894)	Notes 1 and 2
	Jinyue Investment Co., Ltd.	Taiwan	General investment	(VND 118,944,535)	(VND 118,944,535)	3,000	100	30,046	46	46	Notes 1 and 2
Global Connection (Samoa) Holding Inc.	Sunderland Inc.	Republic of Mauritius	Holding company	411,935	461,088	14,064	100	251,210	(35,663)	(35,663)	Notes 1 and 2
	San Francisco Inc.	Republic of Mauritius	Holding company	(US\$ 14,064)	(US\$ 14,064)	27,536	100	2,339,130	142,734	142,734	Notes 1 and 2
	All First International Co., Ltd.	Samoa	International trading	(US\$ 27,536)	(US\$ 27,536)	10,000	100	652,548	7,752	7,752	Notes 1 and 2
				(US\$ 10,000)	(US\$ 10,000)						
DYP Corp.	Ta Yang UDE Limited	Samoa	Holding company	108,695	121,665	4,438	100	(55,785)	(10,318)	(10,653)	Notes 1, 2 and 3
				(US\$ 3,711)	(US\$ 3,711)						
Ta Yang UDE Limited	Morning Paragon Limited	Samoa	International trading	56,793	63,570	1,939	100	62,862	1,662	1,662	Notes 1 and 2
				(US\$ 1,939)	(US\$ 1,939)						

Note 1: No market price for reference. The book value on the reporting date is used as the fair value instead.

Note 2: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 3: The investment gain or loss was recognized based on the net income after tax less unrealized up-stream or side-stream gain or loss.

Note 4: The amount of foreign currency investment was translated with the exchange rate on the reporting date.

Note 5: Information on investments in mainland China. Refer to Table 8.

**TABLE 8**

**U.D. ELECTRONIC CORP. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the Investee	Investment Gain (Loss) (Notes 2 b. (2) and 7)	Carrying Amount as of June 30, 2025 (Note 7)	Accumulated Repatriation of Investment Income as of June 30, 2025
					Outward	Inward						
Dongguan Jian Guan P.E. Co, Ltd.	Manufacturing and selling of electronic components	\$ 463,399 (HK\$ 116,432)	b. (1)	\$ 405,981 (HK\$ 12,647 and US\$ 12,000)	\$ -	\$ -	\$ 405,981 (HK\$ 12,647 and US\$ 12,000)	100	\$ (36,397)	\$ (36,397) (Note 6)	\$ 224,138	\$ -
Zhong Jiang U.D.E. Electronics Corp.	Manufacturing and selling of electronic components	935,975 (US\$ 29,000)	b. (2)	833,835 (US\$ 27,603)	-	-	833,835 (US\$ 27,603)	100	142,734	142,734	2,339,091	-
Zhong Jiang U.D.E. Networking Electronics Corp.	Selling of electronic components	2,476 (RMB 500)	b. (3)	- (Note 3)	-	-	-	100	6,969	6,969	74,099	-
Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Manufacturing and selling of electronic components	76,252 (US\$ 2,500)	b. (4)	70,734 (US\$ 2,342)	-	-	70,734 (US\$ 2,342)	51	(11,978)	(6,110)	(60,051)	-
Dongguan U.D.E. Electronics Corp.	Researching of electronic components	16,125 (US\$ 500)	b. (1)	15,871 (US\$ 502)	-	-	15,871 (US\$ 502)	100	734	734	27,050	-
Dongguan Ai Te Chieh Intellectual Technology Co., Ltd.	Machinery and automatic equipment development	44,753 (RMB 10,000)	b. (5)	- (Note 4)	-	-	-	60	(21)	(13)	- (Note 8)	-
Dongguan Han Lian Technology Co., Ltd.	Manufacturing and selling of electronic connectors and electronic products	37,392 (RMB 8,400)	b. (5)	- (Note 4)	-	-	-	85	6,220	5,287	22,455 (Note 5)	-
Shenzhen Deshenglong Electronics Co., Ltd.	Manufacturing of computer hardware, software and peripheral devices	45,608 (RMB 10,000)	b. (5)	- (Note 4)	-	-	-	40	(960)	(384)	3,134	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,326,421	\$1,418,521	(Note 9)

(Continued)

Note 1: Three methods of investing in mainland China are as follows:

- a. Directly invests in mainland China.
- b. Investments in mainland China through an existing company established in a third region
  - 1) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in Sunderland Inc.)
  - 2) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in San Francisco Inc.)
  - 3) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in San Francisco Inc. and re-invested in Zhong Jiang U.D.E. Electronics Corp.)
  - 4) Investments in mainland China through an existing company established in a third region (Ta Yang U.D.E Limited.)
  - 5) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in Sunderland Inc. and re-invested in Dongguan Jian Guan P.E. Co., Ltd.)
- c. Other methods.

Note 2: In the column of investment gain (loss)

- a. If the investment is still in preparation and there is no investment gain (loss), it will be specified.
- b. The basis for recognizing investment gain (loss) is as follows:
  - 1) The financial statement reviewed by the attesting CPA of international accounting firm in cooperation with an accounting firm in the ROC.
  - 2) The financial statement reviewed by the attesting CPA of parent company in Taiwan.
  - 3) Other.

Note 3: Zhong Jiang U.D.E. Networking Electronics Corp. is invested directly by Zhong Jiang U.D.E. Electronics Corp. No outward remittance for investment from Taiwan.

Note 4: Dongguan Ai Te Chieh Intellectual Technology Co., Ltd., Dongguan Han Lian Technology Co., Ltd. and Shenzhen Deshenglong Electronics Co., Ltd. are invested directly by Dongguan Jian Guan P.E. Co., Ltd. No outward remittance for investment from Taiwan.

Note 5: Includes the differences between the cost of investment and the net value of the equity.

Note 6: Unrealized gross profit of up-stream and side-stream transactions were considered.

Note 7: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 8: Dongguan Ai Te Chieh Intellectual Technology Co., Ltd. completed its dissolution and deregistration procedures in March 2025.

Note 9: Pursuant to the Ministry of Economic Affairs Letter No. 11351017250 dated October 4, 2024, the Company has obtained the Certificate of Operation Headquarters issued by the Industrial Development Bureau of the Ministry of Economic Affairs. The certificate is valid from September 16, 2024, to September 15, 2027; therefore, the Company's investment quota in Mainland China is not subject to restrictions.

(Continued)

Significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area:

1. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period, and
2. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

In Thousands of New Taiwan Dollars

Related Party	Type	Purchase (Sale)		Price	Transaction Detail		Notes/Accounts Receivable (Payable)		Unrealized Gain/(Loss)	Note
		Amount	% of Total		Payment Terms	Compare to Normal Transactions	Ending Balance	% of Total		
Dongguan Jian Guan P.E. Co, Ltd.	Purchase	\$ 16,818	1	Negotiated case by case	O/A 105 days	Note 7	\$ (3,136)	(1)	\$ 1,699	Note 1
Zhong Jiang U.D.E. Electronics Corp.	(Sale)	(25,703)	(1)	Negotiated case by case	O/A 105 days	"	18,240	1	-	Note 2
	Purchase	1,980,667	98	Negotiated case by case	O/A 105 days	"	(1,356,121)	(99)	13,484	Note 3
Zhong Jiang U.D.E. Networking Electronics Corp.	(Sale)	(135,884)	(7)	Negotiated case by case	O/A 105 days	"	46,872	3	-	Note 4
Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Purchase	243,983	93	Negotiated case by case	O/A 105 days	"	(68,383)	(84)	906	Note 5

Note 1: The transaction of All First International Co., Ltd. purchase from Dongguan Jian Guan P.E. Co., Ltd.

Note 2: The transaction of All First International Co., Ltd. sales to Zhong Jiang U.D.E. Electronics Corp.

Note 3: The transaction of All First International Co., Ltd. purchase from Zhong Jiang U.D.E. Electronics Corp.

Note 4: The transaction of All First International Co., Ltd. sales to Zhong Jiang U.D.E. Networking Electronics Corp.

Note 5: The transaction of Morning Paragon Limited purchase from Dongguan De Yang Precision Rubber Plastic. Co., Ltd.

Note 6: Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Note 7: The payment terms of non-related party are negotiated case by case, and payment is received in advance or from O/A 30 days to O/A 90 days.

3. The amount of property transactions and the amount of the resultant gains or losses: None.
4. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2.
5. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.
6. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

(Concluded)