

U.D. Electronic Corp. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 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 September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (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 September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the nine months ended September 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-Hsun Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 11, 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 | September 30, 2025 | | December 31, 2024 | | September 30, 2024 | |
|---|---------------------|------------|---------------------|------------|---------------------|------------|
| | Amount | % | Amount | % | Amount | % |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents (Note 6) | \$ 1,730,986 | 29 | \$ 1,388,302 | 24 | \$ 1,418,204 | 26 |
| Financial assets at fair value through profit or loss (FVTPL) - current (Notes 7 and 21) | 537 | - | 1,213 | - | 3,940 | - |
| Financial assets at amortized cost - current (Notes 9, 10 and 33) | 6,755 | - | 6,745 | - | 6,745 | - |
| Notes receivable (Notes 11 and 24) | 13,274 | - | 14,255 | - | 14,721 | - |
| Trade receivables (Notes 11 and 24) | 1,714,740 | 28 | 1,755,041 | 30 | 1,617,719 | 30 |
| Other receivables (Note 11) | 43,356 | 1 | 51,462 | 1 | 46,737 | 1 |
| Current tax assets | 826 | - | 669 | - | 651 | - |
| Inventories (Note 12) | 562,155 | 9 | 720,808 | 13 | 620,030 | 11 |
| Other current assets (Note 19) | 117,022 | 2 | 157,035 | 3 | 110,074 | 2 |
| Total current assets | <u>4,189,651</u> | <u>69</u> | <u>4,095,530</u> | <u>71</u> | <u>3,838,821</u> | <u>70</u> |
| NON-CURRENT ASSETS | | | | | | |
| Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8) | 86,835 | 2 | 87,445 | 2 | 89,111 | 2 |
| Investments accounted for using the equity method (Note 14) | 1,894 | - | 3,888 | - | 5,420 | - |
| Property, plant and equipment (Notes 15 and 33) | 1,435,782 | 24 | 1,277,015 | 22 | 1,192,614 | 22 |
| Right-of-use assets (Notes 16 and 33) | 138,481 | 2 | 169,117 | 3 | 158,162 | 3 |
| Other intangible assets (Note 18) | 25,819 | - | 23,798 | - | 21,637 | - |
| Goodwill (Note 17) | 6,103 | - | 6,103 | - | 12,457 | - |
| Deferred tax assets | 82,137 | 1 | 39,166 | 1 | 53,540 | 1 |
| Other non-current assets (Note 19) | 99,791 | 2 | 70,593 | 1 | 79,054 | 2 |
| Total non-current assets | <u>1,876,842</u> | <u>31</u> | <u>1,677,125</u> | <u>29</u> | <u>1,611,995</u> | <u>30</u> |
| TOTAL | <u>\$ 6,066,493</u> | <u>100</u> | <u>\$ 5,772,655</u> | <u>100</u> | <u>\$ 5,450,816</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term borrowings (Note 20) | \$ 323,630 | 5 | \$ 60,000 | 1 | \$ 80,000 | 1 |
| Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7) | 5,786 | - | 1,074 | - | 605 | - |
| Contract liabilities - current (Note 24) | 7,425 | - | 13,057 | - | 36,247 | 1 |
| Trade payables | 414,193 | 7 | 464,838 | 8 | 452,129 | 8 |
| Other payables (Note 22) | 635,348 | 11 | 676,300 | 12 | 575,607 | 11 |
| Current tax liabilities | 125,570 | 2 | 82,860 | 1 | 55,464 | 1 |
| Lease liabilities - current (Note 16) | - | - | 2,103 | - | 2,637 | - |
| Current portion of long-term borrowings and bonds payable (Notes 20 and 21) | 64,613 | 1 | 547 | - | 406 | - |
| Other current liabilities | 37,362 | 1 | 34,287 | 1 | 38,728 | 1 |
| Total current liabilities | <u>1,613,927</u> | <u>27</u> | <u>1,335,066</u> | <u>23</u> | <u>1,241,823</u> | <u>23</u> |
| NON-CURRENT LIABILITIES | | | | | | |
| Bonds payable (Note 21) | - | - | 231,135 | 4 | 428,280 | 8 |
| Long-term borrowings (Note 20) | - | - | 4,014 | - | 4,110 | - |
| Deferred tax liabilities | 2,490 | - | 10,375 | - | 9,494 | - |
| Lease liabilities - non-current (Note 16) | - | - | 12,360 | 1 | - | - |
| Guarantee deposit received | 3,383 | - | 898 | - | 1,477 | - |
| Total non-current liabilities | <u>5,873</u> | <u>-</u> | <u>258,782</u> | <u>5</u> | <u>443,361</u> | <u>8</u> |
| Total liabilities | <u>1,619,800</u> | <u>27</u> | <u>1,593,848</u> | <u>28</u> | <u>1,685,184</u> | <u>31</u> |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23) | | | | | | |
| Share capital | | | | | | |
| Ordinary shares | 852,257 | 14 | 802,847 | 14 | 787,250 | 15 |
| Capital collected in advance | 21,859 | - | 32,856 | - | 15,597 | - |
| Total share capital | <u>874,116</u> | <u>14</u> | <u>835,703</u> | <u>14</u> | <u>802,847</u> | <u>15</u> |
| Capital surplus | 1,417,451 | 23 | 1,240,807 | 22 | 1,073,843 | 20 |
| 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 | 1,819,796 | 30 | 1,511,686 | 26 | 1,346,103 | 24 |
| Total retained earnings | <u>2,357,789</u> | <u>39</u> | <u>2,137,905</u> | <u>37</u> | <u>1,972,322</u> | <u>36</u> |
| Other equity | (246,419) | (4) | (64,568) | (1) | (105,266) | (2) |
| Total equity attributable to owners of the Company | <u>4,402,937</u> | <u>72</u> | <u>4,149,847</u> | <u>72</u> | <u>3,743,746</u> | <u>69</u> |
| NON-CONTROLLING INTERESTS (Note 23) | <u>43,756</u> | <u>1</u> | <u>28,960</u> | <u>-</u> | <u>21,886</u> | <u>-</u> |
| Total equity | <u>4,446,693</u> | <u>73</u> | <u>4,178,807</u> | <u>72</u> | <u>3,765,632</u> | <u>69</u> |
| TOTAL | <u>\$ 6,066,493</u> | <u>100</u> | <u>\$ 5,772,655</u> | <u>100</u> | <u>\$ 5,450,816</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 September 30 | | | | For the Nine Months Ended September 30 | | | |
|--|---|------|--------------|------|--|------|--------------|------|
| | 2025 | | 2024 | | 2025 | | 2024 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| OPERATING REVENUE | | | | | | | | |
| Sales (Note 24) | \$ 1,504,845 | 100 | \$ 1,432,754 | 100 | \$ 4,536,942 | 100 | \$ 3,726,483 | 100 |
| OPERATING COSTS | | | | | | | | |
| Cost of goods sold (Notes 12 and 25) | (1,052,063) | (70) | (1,000,280) | (70) | (3,195,513) | (70) | (2,774,325) | (74) |
| GROSS PROFIT | 452,782 | 30 | 432,474 | 30 | 1,341,429 | 30 | 952,158 | 26 |
| OPERATING EXPENSES (Note 25) | | | | | | | | |
| Selling and marketing expenses | (54,452) | (4) | (58,103) | (4) | (174,287) | (4) | (156,664) | (4) |
| General and administrative expenses | (126,968) | (8) | (96,953) | (7) | (348,393) | (8) | (288,042) | (8) |
| Research and development expenses | (69,156) | (4) | (60,637) | (4) | (203,067) | (4) | (183,383) | (5) |
| Expected credit gain (loss) (Note 11) | 254 | - | (3,917) | - | 1,634 | - | (3,539) | - |
| Total operating expenses | (250,322) | (16) | (219,610) | (15) | (724,113) | (16) | (631,628) | (17) |
| PROFIT FROM OPERATIONS | 202,460 | 14 | 212,864 | 15 | 617,316 | 14 | 320,530 | 9 |
| NON-OPERATING INCOME AND EXPENSES (Note 25) | | | | | | | | |
| Interest income | 4,779 | - | 7,096 | - | 16,852 | - | 25,058 | 1 |
| Other income | 19,125 | 1 | 10,725 | 1 | 54,395 | 1 | 44,582 | 1 |
| Other gains and losses | (14,768) | (1) | 4,111 | - | (17,754) | - | 53,114 | 1 |
| Finance costs (Note 21) | (2,282) | - | (3,490) | - | (6,465) | - | (10,337) | - |
| Share of profit or loss of associates accounted for using the equity method (Note 14) | (1,404) | - | - | - | (1,788) | - | - | - |
| Total non-operating income and expenses | 5,450 | - | 18,442 | 1 | 45,240 | 1 | 112,417 | 3 |
| PROFIT BEFORE INCOME TAX | 207,910 | 14 | 231,306 | 16 | 662,556 | 15 | 432,947 | 12 |
| INCOME TAX EXPENSE (Notes 4 and 26) | (55,997) | (4) | (43,393) | (3) | (175,622) | (4) | (90,296) | (3) |
| NET PROFIT FOR THE PERIOD | 151,913 | 10 | 187,913 | 13 | 486,934 | 11 | 342,651 | 9 |

(Continued)

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 September 30 | | | | For the Nine Months Ended September 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 | \$ 11,326 | - | \$ (10,209) | (1) | \$ (610) | - | \$ 3,318 | - |
| Income tax related to items that will not be reclassified subsequently to profit or loss | (2,265) | - | 2,041 | - | 122 | - | (665) | - |
| | <u>9,061</u> | - | <u>(8,168)</u> | (1) | <u>(488)</u> | - | <u>2,653</u> | - |
| Items that may be reclassified subsequently to profit or loss: | | | | | | | | |
| Exchange differences on translation of the financial statements of foreign operations | 146,279 | 10 | (38,014) | (3) | (225,713) | (5) | 119,320 | 3 |
| Income tax related to items that may be reclassified subsequently to profit or loss | (29,217) | (2) | 7,598 | 1 | 45,097 | 1 | (23,833) | - |
| | <u>117,062</u> | 8 | <u>(30,416)</u> | (2) | <u>(180,616)</u> | (4) | <u>95,487</u> | 3 |
| Other comprehensive income (loss) for the period, net of income tax | <u>126,123</u> | 8 | <u>(38,584)</u> | (3) | <u>(181,104)</u> | (4) | <u>98,140</u> | 3 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>\$ 278,036</u> | 18 | <u>\$ 149,329</u> | 10 | <u>\$ 305,830</u> | 7 | <u>\$ 440,791</u> | 12 |
| NET PROFIT | | | | | | | | |
| ATTRIBUTABLE TO: | | | | | | | | |
| Owners of the Company | \$ 143,623 | 9 | \$ 186,389 | 13 | \$ 472,885 | 11 | \$ 345,632 | 9 |
| Non-controlling interests | <u>8,290</u> | 1 | <u>1,524</u> | - | <u>14,049</u> | - | <u>(2,981)</u> | - |
| | <u>\$ 151,913</u> | 10 | <u>\$ 187,913</u> | 13 | <u>\$ 486,934</u> | 11 | <u>\$ 342,651</u> | 9 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | | | | | |
| Owners of the Company | \$ 270,816 | 18 | \$ 148,100 | 10 | \$ 291,034 | 7 | \$ 444,281 | 12 |
| Non-controlling interests | <u>7,220</u> | - | <u>1,229</u> | - | <u>14,796</u> | - | <u>(3,490)</u> | - |
| | <u>\$ 278,036</u> | 18 | <u>\$ 149,329</u> | 10 | <u>\$ 305,830</u> | 7 | <u>\$ 440,791</u> | 12 |
| EARNINGS PER SHARE (Note 27) | | | | | | | | |
| From continuing operations | | | | | | | | |
| Basic | <u>\$ 1.67</u> | | <u>\$ 2.34</u> | | <u>\$ 5.52</u> | | <u>\$ 4.37</u> | |
| Diluted | <u>\$ 1.62</u> | | <u>\$ 2.10</u> | | <u>\$ 5.28</u> | | <u>\$ 3.94</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 Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Total | Non-controlling Interests | Total Equity |
|---|--|---------------------------------|---------------------|-------------------|-------------------|----------------------------|--|--|---------------------|------------------------------|---------------------|
| | Share Capital | | Capital Surplus | Retained Earnings | | | Exchange Differences on Translation of the Financial Statements of Foreign Operations | | | | |
| | Ordinary Share | Capital Collected in Advance | | Legal Reserve | Special Reserve | Unappropriated Earnings | | | | | |
| BALANCE ON 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 (Notes 21 and 23) | 2,413 | 5,154 | 38,043 | - | - | - | - | - | 45,610 | - | 45,610 |
| Compensation cost of employee share options (Note 29) | - | - | 7,567 | - | - | - | - | - | 7,567 | - | 7,567 |
| Issuance of ordinary shares under employee share options (Note 23) | - | 8,030 | 23,058 | - | - | - | - | - | 31,088 | - | 31,088 |
| Net profit (loss) for the nine months ended September 30, 2024 | - | - | - | - | - | 345,632 | - | - | 345,632 | (2,981) | 342,651 |
| Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax (Note 23) | - | - | - | - | - | - | 95,996 | 2,653 | 98,649 | (509) | 98,140 |
| Total comprehensive income (loss) for the nine months ended September 30, 2024 | - | - | - | - | - | 345,632 | 95,996 | 2,653 | 444,281 | (3,490) | 440,791 |
| BALANCE ON SEPTEMBER 30, 2024 | <u>\$ 787,250</u> | <u>\$ 15,597</u> | <u>\$ 1,073,843</u> | <u>\$ 422,304</u> | <u>\$ 203,915</u> | <u>\$ 1,346,103</u> | <u>\$ (117,044)</u> | <u>\$ 11,778</u> | <u>\$ 3,743,746</u> | <u>\$ 21,886</u> | <u>\$ 3,765,632</u> |
| BALANCE ON 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 (Notes 21 and 23) | 43,610 | (15,817) | 140,406 | - | - | - | - | - | 168,199 | - | 168,199 |
| Compensation cost of employee share options (Note 29) | - | - | 7,110 | - | - | - | - | - | 7,110 | - | 7,110 |
| Issuance of ordinary shares under employee share options (Note 23) | 5,800 | 4,820 | 29,128 | - | - | - | - | - | 39,748 | - | 39,748 |
| Net profit for the nine months ended September 30, 2025 | - | - | - | - | - | 472,885 | - | - | 472,885 | 14,049 | 486,934 |
| Other comprehensive income (loss) for the nine months ended September 30, 2025, net of income tax (Note 23) | - | - | - | - | - | - | (181,363) | (488) | (181,851) | 747 | (181,104) |
| Total comprehensive income (loss) for the nine months ended September 30, 2025 | - | - | - | - | - | 472,885 | (181,363) | (488) | 291,034 | 14,796 | 305,830 |
| BALANCE ON SEPTEMBER 30, 2025 | <u>\$ 852,257</u> | <u>\$ 21,859</u> | <u>\$ 1,417,451</u> | <u>\$ 473,425</u> | <u>\$ 64,568</u> | <u>\$ 1,819,796</u> | <u>\$ (256,377)</u> | <u>\$ 9,958</u> | <u>\$ 4,402,937</u> | <u>\$ 43,756</u> | <u>\$ 4,446,693</u> |

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 Nine Months Ended September 30 | |
|---|---|------------|
| | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before income tax | \$ 662,556 | \$ 432,947 |
| Adjustments for: | | |
| Expected credit (reversed) loss recognized on trade receivables | (1,634) | 3,539 |
| Depreciation expenses | 189,877 | 224,741 |
| Amortization expenses | 6,013 | 5,869 |
| Net gain on fair value changes of financial assets and liabilities at FVTPL | (27,010) | (34,606) |
| Finance costs | 6,465 | 10,337 |
| Interest income | (16,852) | (25,058) |
| Dividend income | (7,339) | (5,997) |
| Compensation cost of employee share options | 7,110 | 7,567 |
| Share of loss of associates | 1,788 | - |
| Gain on disposal of property, plant and equipment | (6,061) | (1,712) |
| Gain on disposal of subsidiary | (546) | - |
| Write-down of inventories | - | 21,123 |
| Net (gain) loss on foreign currency exchange | (5,863) | 10,002 |
| Gains on lease modification | (650) | - |
| Changes in operating assets and liabilities | | |
| Financial assets mandatorily classified as at fair value through profit or loss | 36,539 | 33,505 |
| Notes receivable | 120 | (1,158) |
| Trade receivables | 61,966 | (88,739) |
| Other receivables | 8,467 | (12,710) |
| Inventories | 159,128 | 38,277 |
| Other current assets | 29,168 | (31,189) |
| Financial liabilities held for trade | (4,970) | (2,040) |
| Contract liabilities | (5,465) | 19,390 |
| Trade payables | (24,265) | 48,359 |
| Other payables | (7,885) | 57,770 |
| Other current liabilities | 4,347 | (3,464) |
| Cash generated from operations | 1,065,004 | 706,753 |
| Interest received | 15,319 | 25,454 |
| Interest paid | (3,780) | (4,686) |
| Income tax paid | (136,802) | (72,692) |
| Net cash generated from operating activities | 939,741 | 654,829 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of financial assets at amortized cost | (6,155) | (10) |
| Proceeds from sale of financial assets at amortized cost | 6,145 | - |
| Acquisition of associate | - | (5,377) |
| Payments for property, plant and equipment | (433,047) | (350,658) |

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U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

| | For the Nine Months Ended September 30 | |
|---|---|---------------------|
| | 2025 | 2024 |
| Proceeds from disposal of property, plant and equipment | \$ 34,232 | \$ 17,193 |
| Increase in refundable deposits | (6,929) | - |
| Decrease in refundable deposits | - | 321 |
| Payments for intangible assets | (8,095) | (229) |
| Increase in other non-current assets | (239) | - |
| Decrease in other non-current assets | - | 1,802 |
| Increase in prepayments for equipment | (56,048) | (60,813) |
| Other dividends received | <u>7,339</u> | <u>5,997</u> |
| Net cash used in investing activities | <u>(462,797)</u> | <u>(391,774)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from short-term borrowings | 325,611 | 24,511 |
| Repayments of short-term borrowings | (60,000) | (553,511) |
| Proceeds from issuance of convertible bonds | - | 502,500 |
| Proceeds from long-term borrowings | - | 4,506 |
| Repayment of long-term borrowings | (3,834) | (176,800) |
| Proceeds from guarantee deposits received | 2,644 | - |
| Refund of guarantee deposits received | - | (349) |
| Repayment of the principal portion of lease liabilities | (917) | (3,480) |
| Dividends paid to the owners of the company | (253,001) | (194,450) |
| Proceeds from the exercise of employee share options | 39,748 | 31,088 |
| Repayment for the issuance costs of convertible bonds | <u>-</u> | <u>(5,545)</u> |
| Net cash generated from (used in) financing activities | <u>50,251</u> | <u>(371,530)</u> |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | <u>(184,511)</u> | <u>112,446</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 342,684 | 3,971 |
| 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>\$ 1,730,986</u> | <u>\$ 1,418,204</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 NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 September 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 November 6, 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

| New, Amended and Revised Standards and Interpretations | Effective Date Announced by IASB |
|---|---|
| Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” | January 1, 2026 |
| 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” (including the 2020 and 2021 amendments to IFRS 17) | January 1, 2023 |

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 and will disclose the relevant impact when the assessment is completed.

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

| New, Amended and Revised Standards and Interpretations | Effective Date Announced by IASB (Note 1) |
|--|--|
| 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 Disclosure in Financial Statements” | January 1, 2027 (Note 2) |
| IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19) | January 1, 2027 |

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

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

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

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|---|-----------------------|----------------------|-----------------------|
| Cash on hand | \$ 2,407 | \$ 3,460 | \$ 3,164 |
| Demand deposits | 481,371 | 321,649 | 334,151 |
| Cash equivalents (investments with original maturities of 3 months or less) | | | |
| Time deposits | <u>1,247,208</u> | <u>1,063,193</u> | <u>1,080,889</u> |
| | <u>\$ 1,730,986</u> | <u>\$ 1,388,302</u> | <u>\$ 1,418,204</u> |

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|---|-----------------------|----------------------|-----------------------|
| <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 | \$ 240 | \$ 1,213 | \$ 2,214 |
| Foreign exchange forward contracts | <u>297</u> | <u>-</u> | <u>1,726</u> |
| | <u>\$ 537</u> | <u>\$ 1,213</u> | <u>\$ 3,940</u> |
| <u>Financial liabilities at FVTPL - current</u> | | | |
| Financial liabilities held for trading | | | |
| Derivative financial liabilities (not under hedge accounting) | | | |
| Foreign exchange forward contracts | \$ 5,786 | \$ 1,074 | \$ 605 |

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

| | Currency | Maturity Date | Notional Amount (In Thousands) |
|---------------------------|----------|-----------------------|-----------------------------------|
| <u>September 30, 2025</u> | | | |
| Sell | USD/NTD | 2025.10.2-2025.12.15 | USD7,000/NTD210,662 |
| Sell | RMB/NTD | 2025.10.9-2026.2.4 | RMB20,100/NTD84,298 |
| Sell | USD/RMB | 2025.11.21-2025.12.23 | USD9,000/RMB63,892 |
| Sell | USD/RMB | 2025.11.21 | USD5,000/RMB 35,516 |
| Sell | USD/RMB | 2026.1.21 | USD3,000/RMB 21,240 |
| Sell | USD/RMB | 2025.10.22-2025.12.23 | USD10,000/RMB 71,066 |
| Sell | USD/RMB | 2025.10.22-2026.1.21 | USD8,000/RMB 56,752 |
| Sell | USD/RMB | 2025.10.13 | USD500/RMB 3,561 |
| <u>December 31, 2024</u> | | | |
| Sell | RMB/NTD | 2025.3.6 | RMB3,400/NTD15,207 |
| Sell | RMB/NTD | 2025.1.6-2025.5.6 | RMB9,800/NTD43,923 |
| <u>September 30, 2024</u> | | | |
| Sell | USD/NTD | 2024.10.16-2024.11.4 | USD2,000/NTD63,740 |
| Sell | RMB/NTD | 2024.10.16-2025.2.6 | RMB12,300/NTD54,949 |
| Sell | USD/RMB | 2024.10.23 | USD4,000/RMB28,316 |

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

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|-----------------------------------|-----------------------|----------------------|-----------------------|
| <u>Non-current</u> | | | |
| Domestic investment | | | |
| Unlisted shares | | | |
| Emerging Creation Capital Inc. | \$ 19,963 | \$ 21,731 | \$ 21,635 |
| Dy-Precision Industrial Co., Ltd. | 4,955 | 5,184 | 2,495 |
| Yongda Investment Co., Ltd. | <u>61,917</u> | <u>60,530</u> | <u>64,981</u> |
| | <u>\$ 86,835</u> | <u>\$ 87,445</u> | <u>\$ 89,111</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 nine months ended September 30, 2025 and 2024, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

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

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|-------------------------------------|-----------------------|----------------------|-----------------------|
| Gross carrying amount | \$ 6,755 | \$ 6,745 | \$ 6,745 |
| Less: Allowance for impairment loss | <u>-</u> | <u>-</u> | <u>-</u> |
| | \$ <u>6,755</u> | \$ <u>6,745</u> | \$ <u>6,745</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 September 30, 2025, December 31, 2024 and September 30, 2024 the expected credit loss for debt instrument investments held by the Group was 0%.

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|-------------------------------------|-----------------------|----------------------|-----------------------|
| <u>Notes receivable</u> | | | |
| At amortized cost | | | |
| Gross carrying amount - operating | \$ 13,274 | \$ 14,255 | \$ 14,721 |
| Less: Allowance for impairment loss | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 13,274</u> | <u>\$ 14,255</u> | <u>\$ 14,721</u> |
| <u>Trade receivables</u> | | | |
| At amortized cost | | | |
| Gross carrying amount | \$ 1,722,960 | \$ 1,653,034 | \$ 1,509,863 |
| Less: Allowance for impairment loss | <u>(8,220)</u> | <u>(10,400)</u> | <u>(10,581)</u> |
| | 1,714,740 | 1,642,634 | 1,499,282 |
| At FVTOCI | <u>-</u> | <u>112,407</u> | <u>118,437</u> |
| | <u>\$ 1,714,740</u> | <u>\$ 1,755,041</u> | <u>\$ 1,617,719</u> |
| <u>Other receivables</u> | | | |
| Tax refund receivable | \$ 30,410 | \$ 39,024 | \$ 33,946 |
| Others | <u>12,946</u> | <u>12,438</u> | <u>12,791</u> |
| | <u>\$ 43,356</u> | <u>\$ 51,462</u> | <u>\$ 46,737</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 outlook.

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

September 30, 2025

| | Not Past Due |
|--------------------------------|---------------------|
| Expected credit loss rate | - |
| Gross carrying amount | \$ 13,274 |
| Loss allowance (Lifetime ECLs) | <u>-</u> |
| Amortized cost | <u>\$ 13,274</u> |

December 31, 2024

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

September 30, 2024

| | Not Past Due |
|--------------------------------|---------------------|
| Expected credit loss rate | - |
| Gross carrying amount | \$ 14,721 |
| Loss allowance (Lifetime ECLs) | <u>-</u> |
| Amortized cost | <u>\$ 14,721</u> |

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

September 30, 2025

| | 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% | 0.5581% | 3.4036% | 8.4646% | 100% | |
| Gross carrying amount | \$ 1,675,968 | \$ 37,985 | \$ 617 | \$ 507 | \$ 7,883 | \$ 1,722,960 |
| Loss allowance (Lifetime ECLs) | <u>(61)</u> | <u>(212)</u> | <u>(21)</u> | <u>(43)</u> | <u>(7,883)</u> | <u>(8,220)</u> |
| Amortized cost | <u>\$ 1,675,907</u> | <u>\$ 37,773</u> | <u>\$ 596</u> | <u>\$ 464</u> | <u>\$ -</u> | <u>\$ 1,714,740</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) | <u>(56)</u> | <u>(95)</u> | <u>(34)</u> | <u>(70)</u> | <u>(10,145)</u> | <u>(10,400)</u> |
| 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> |

September 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 | 0.0078% | 0.2744% | 1.5835% | 16.5680% | 100% | |
| Gross carrying amount | \$ 1,425,840 | \$ 68,873 | \$ 4,231 | \$ 845 | \$ 10,074 | \$ 1,509,863 |
| Loss allowance (Lifetime ECLs) | <u>(111)</u> | <u>(189)</u> | <u>(67)</u> | <u>(140)</u> | <u>(10,074)</u> | <u>(10,581)</u> |
| Amortized cost | <u>\$ 1,425,729</u> | <u>\$ 68,684</u> | <u>\$ 4,164</u> | <u>\$ 705</u> | <u>\$ -</u> | <u>\$ 1,499,282</u> |

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

| | For the Nine Months Ended September 30 | |
|---|---|------------------|
| | 2025 | 2024 |
| Balance on January 1 | \$ 10,400 | \$ 7,167 |
| Add: Net remeasurement of loss allowance | - | 3,539 |
| Less: Net remeasurement of loss allowance | (1,634) | - |
| Less: Amounts written off | (197) | (108) |
| Foreign exchange gains and losses | <u>(349)</u> | <u>(17)</u> |
| Balance on September 30 | <u>\$ 8,220</u> | <u>\$ 10,581</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

| | Not Past Due | Past Due Within 60 Days | 61 to 120 Days Past Due | Past Due Over 121 Days | Total |
|--------------------------------|-------------------|-------------------------|-------------------------|------------------------|-------------------|
| 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> |

September 30, 2024

| | Not Past Due | Past Due Within 60 Days | 61 to 120 Days Past Due | Past Due Over 121 Days | Total |
|--------------------------------|---------------------|------------------------------------|------------------------------------|-----------------------------------|-------------------|
| Expected credit loss rate | - | - | - | - | |
| Gross carrying amount | \$ 118,437 | \$ - | \$ - | \$ - | \$ 118,437 |
| Loss allowance (Lifetime ECLs) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Amortized cost | <u>\$ 118,437</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 118,437</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 September 30, 2025, December 31, 2024 and September 30, 2024, the expected credit risk was considered 0% by the assessment of the Group.

12. INVENTORIES

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|----------------------------|-------------------------------|------------------------------|-------------------------------|
| Finished goods | \$ 237,940 | \$ 394,192 | \$ 299,903 |
| Work in progress | 147,638 | 138,381 | 122,646 |
| Raw materials and supplies | <u>176,577</u> | <u>188,235</u> | <u>197,481</u> |
| | <u>\$ 562,155</u> | <u>\$ 720,808</u> | <u>\$ 620,030</u> |

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

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--------------------------|--|---------------------|---|---------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Cost of inventories sold | \$ 1,052,063 | \$ 979,157 | \$ 3,195,513 | \$ 2,753,202 |
| Inventory write-downs | <u>-</u> | <u>21,123</u> | <u>-</u> | <u>21,123</u> |
| | <u>\$ 1,052,063</u> | <u>\$ 1,000,280</u> | <u>\$ 3,195,513</u> | <u>\$ 2,774,325</u> |

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

| Investor | Investee | Investee's Company Type/Main Business | Proportion of Ownership (%) | | | Remark |
|--|--|--|-----------------------------|-------------------|--------------------|---|
| | | | September 30, 2025 | December 31, 2024 | September 30, 2024 | |
| 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

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|--|--------------------|-------------------|--------------------|
| Individually insignificant associate | | | |
| Shenzhen Deshenglong Electronics Co., Ltd. | \$ 1,894 | \$ 3,888 | \$ 5,420 |

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 | | |
|--|---|-------------------------------------|---|-------------------|--------------------|
| | | | September 30, 2025 | December 31, 2024 | September 30, 2024 |
| Shenzhen Deshenglong Electronics Co., Ltd. | Manufacturing of computer hardware, software and peripheral devices | Shenzhen, Guangdong Province, China | 40 | 40 | 40 |

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 | 1-10 years |
| Transportation equipment | 4-6 years |
| Office equipment | 2-6 years |
| Mold equipment | 1-5 years |
| Leasehold improvements | 2-5 years |
| Other equipment | 1-8 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

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|--|--|---|-------------------------------|
| <u>Carrying amounts</u> | | | |
| Land | \$ 138,481 | \$ 154,969 | \$ 154,995 |
| Buildings | <u> -</u> | <u> 14,148</u> | <u> 3,167</u> |
| | <u>\$ 138,481</u> | <u>\$ 169,117</u> | <u>\$ 158,162</u> |
| | For the Three Months Ended September 30 | For the Nine Months Ended September 30 | |
| | 2025 | 2024 | 2025 |
| | 2024 | 2025 | 2024 |
| Derecognition of right-of-use assets upon lease termination | | | |
| | | <u>\$ 11,989</u> | <u>\$ -</u> |
| Depreciation charge for right-of-use assets | | | |
| Land | \$ 840 | \$ 949 | 2,637 |
| Buildings | <u> 156</u> | <u> 619</u> | <u> 1,273</u> |
| | <u>\$ 996</u> | <u>\$ 1,568</u> | <u>\$ 3,910</u> |
| | | <u>\$ 3,910</u> | <u>\$ 5,436</u> |

In addition to the above of derecognition upon lease termination and recognized depreciation, there was no additions and impairment loss after performing impairment assessment for the nine months ended September 30, 2025 and 2024.

b. Lease liabilities

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|-------------------------|-------------------------------|------------------------------|-------------------------------|
| <u>Carrying amounts</u> | | | |
| Current | <u>\$ -</u> | <u>\$ 2,103</u> | <u>\$ 2,637</u> |
| Non-current | <u>\$ -</u> | <u>\$ 12,360</u> | <u>\$ -</u> |

Discount rate for lease liabilities was as follows:

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|-----------|-------------------------------|------------------------------|-------------------------------|
| Buildings | - | 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 3 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. In July 2025, the Group reached a mutual agreement with the lessor to terminate the lease. Accordingly, the Group derecognizing the related assets and lease liabilities and recognized a lease modification gain of \$650 thousand.

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 September 30 | | For the Nine Months Ended September 30 | |
|---|--|-------------------|---|--------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Expenses relating to short-term leases | <u>\$ 4,283</u> | <u>\$ 4,323</u> | <u>\$ 14,210</u> | <u>\$ 15,551</u> |
| Expenses relating to low-value asset leases | <u>\$ 109</u> | <u>\$ 311</u> | <u>\$ 202</u> | <u>\$ 897</u> |
| Total cash outflow for leases | <u>\$ (4,360)</u> | <u>\$ (6,059)</u> | <u>\$ (15,719)</u> | <u>\$ (20,184)</u> |

17. GOODWILL

| | For the Nine Months Ended September 30 | |
|-------------------------------------|---|------------------|
| | 2025 | 2024 |
| <u>Cost</u> | | |
| Balance on January 1 | \$ 12,519 | \$ 12,202 |
| Disposal of subsidiary | (6,162) | - |
| Net foreign exchange gains (losses) | <u>(183)</u> | <u>255</u> |
| Balance on September 30 | <u>\$ 6,174</u> | <u>\$ 12,457</u> |

(Continued)

| | For the Nine Months Ended September 30 | |
|--------------------------------------|---|---------------------------------|
| | 2025 | 2024 |
| <u>Accumulated impairment losses</u> | | |
| Balance on January 1 | \$ 6,416 | \$ - |
| Disposal of subsidiary | (6,162) | - |
| Net foreign exchange losses | <u>(183)</u> | <u>-</u> |
| Balance on September 30 | <u>\$ 71</u> | <u>\$ -</u> |
| Carrying amount on September 30 | <u>\$ 6,103</u> | <u>\$ 12,457</u> (Concluded) |

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 nine months ended September 30, 2025 and 2024.

18. OTHER INTANGIBLE ASSETS

| | Computer Software | Trademarks | Patents | Total |
|---|------------------------------|-------------------|------------------|---------------------------------|
| <u>Cost</u> | | | | |
| Balance on January 1, 2025 | \$ 49,569 | \$ 29,286 | \$ 7,000 | \$ 85,855 |
| Additions | 1,497 | - | 6,598 | 8,095 |
| Disposals | (2,235) | - | - | (2,235) |
| Effects of foreign currency exchange differences | <u>(2,548)</u> | <u>-</u> | <u>-</u> | <u>(2,548)</u> |
| Balance on September 30, 2025 | <u>\$ 46,283</u> | <u>\$ 29,286</u> | <u>\$ 13,598</u> | <u>\$ 89,167</u> (Continued) |

| | Computer Software | Trademarks | Patents | Total |
|---|------------------------------|-------------------|-----------------|------------------|
| <u>Accumulated amortization</u> | | | | |
| Balance on January 1, 2025 | \$ 43,606 | \$ 15,068 | \$ 3,383 | \$ 62,057 |
| Amortization expenses | 3,107 | 1,910 | 996 | 6,013 |
| Disposals | (2,235) | - | - | (2,235) |
| Effects of foreign currency exchange differences | <u>(2,487)</u> | <u>-</u> | <u>-</u> | <u>(2,487)</u> |
| Balance on September 30, 2025 | <u>\$ 41,991</u> | <u>\$ 16,978</u> | <u>\$ 4,379</u> | <u>\$ 63,348</u> |
| Carrying amount on December 31, 2024 and January 1, 2025 | <u>\$ 5,963</u> | <u>\$ 14,218</u> | <u>\$ 3,617</u> | <u>\$ 23,798</u> |
| Carrying amount on September 30, 2025 | <u>\$ 4,292</u> | <u>\$ 12,308</u> | <u>\$ 9,219</u> | <u>\$ 25,819</u> |
| <u>Cost</u> | | | | |
| Balance on January 1, 2024 | \$ 44,377 | \$ 29,286 | \$ 7,000 | \$ 80,663 |
| Additions | 229 | - | - | 229 |
| Disposals | (507) | - | - | (507) |
| Effects of foreign currency exchange differences | <u>1,688</u> | <u>-</u> | <u>-</u> | <u>1,688</u> |
| Balance on September 30, 2024 | <u>\$ 45,787</u> | <u>\$ 29,286</u> | <u>\$ 7,000</u> | <u>\$ 82,073</u> |
| <u>Accumulated amortization</u> | | | | |
| Balance on January 1, 2024 | \$ 38,336 | \$ 12,521 | \$ 2,683 | \$ 53,540 |
| Amortization expenses | 3,435 | 1,909 | 525 | 5,869 |
| Disposals | (507) | - | - | (507) |
| Effects of foreign currency exchange differences | <u>1,534</u> | <u>-</u> | <u>-</u> | <u>1,534</u> |
| Balance on September 30, 2024 | <u>\$ 42,798</u> | <u>\$ 14,430</u> | <u>\$ 3,208</u> | <u>\$ 60,436</u> |
| Carrying amount on September 30, 2024 | <u>\$ 2,989</u> | <u>\$ 14,856</u> | <u>\$ 3,792</u> | <u>\$ 21,637</u> |

(Concluded)

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

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

| | |
|-------------------|------------|
| Computer software | 1-6 years |
| Trademarks | 12 years |
| Patents | 2-10 years |

19. OTHER ASSETS

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|---------------------------|-----------------------|----------------------|-----------------------|
| <u>Current</u> | | | |
| Prepaid sales tax | \$ 58,827 | \$ 109,265 | \$ 60,982 |
| Prepayments | 49,001 | 36,140 | 39,931 |
| Overpaid sales tax | 2,823 | 6,136 | 5,845 |
| Others | <u>6,371</u> | <u>5,494</u> | <u>3,316</u> |
| | <u>\$ 117,022</u> | <u>\$ 157,035</u> | <u>\$ 110,074</u> |
| <u>Non-current</u> | | | |
| Prepayments for equipment | \$ 90,323 | \$ 67,752 | \$ 73,682 |
| Refundable deposits | <u>9,468</u> | <u>2,841</u> | <u>5,372</u> |
| | <u>\$ 99,791</u> | <u>\$ 70,593</u> | <u>\$ 79,054</u> |

20. BORROWINGS

a. Short-term borrowings

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|---------------------------|-----------------------|----------------------|-----------------------|
| Line of credit borrowings | <u>\$ 323,630</u> | <u>\$ 60,000</u> | <u>\$ 80,000</u> |

The range of interest rates for bank loans was 4.52%-4.55%, 2.00%-2.17% and 1.875%-2.00% per annum as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

b. Long-term borrowings

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|------------------------|-----------------------|----------------------|-----------------------|
| Bank loans | \$ - | \$ 4,561 | \$ 4,516 |
| Less: Current portions | <u>-</u> | <u>(547)</u> | <u>(406)</u> |
| Long-term borrowings | <u>\$ -</u> | <u>\$ 4,014</u> | <u>\$ 4,110</u> |

| | Repayment Method | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|-----------------------------|--|-------------------------------|------------------------------|-------------------------------|
| <u>Unsecured borrowings</u> | | | | |
| Bank of China Limited | 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. However, the Group had settled the loan in advance. | \$ - | \$ 4,561 | \$ 4,516 |
| Less: Current portions | | - | (547) | (406) |
| | | <u>\$ -</u> | <u>\$ 4,014</u> | <u>\$ 4,110</u> |

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

21. BONDS PAYABLE

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|---|-------------------------------|------------------------------|-------------------------------|
| Fourth unsecured domestic convertible bonds | \$ 64,613 | \$ 231,135 | \$ 428,280 |
| Less: Current portion | <u>(64,613)</u> | - | - |
| | <u>\$ -</u> | <u>\$ 231,135</u> | <u>\$ 428,280</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, and was further adjusted to NT\$61.70 per share on August 9, 2025.

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 |
| Convertible bonds converted into ordinary shares | (45,687) |
| Interest charged at an effective interest rate of 2.2045% | <u>5,936</u> |
| Liability component on September 30, 2024 | <u>\$ 428,280</u> |
| Liability component on January 1, 2025 | \$ 231,135 |
| Interest charged at an effective interest rate of 2.2045% - for the nine months ended September 30, 2025 | 2,505 |
| Convertibles bonds converted into ordinary shares | <u>(169,027)</u> |
| Liability component on September 30, 2025 | <u>\$ 64,613</u> |

During January to September 2025, the convertible bonds were converted for the par value of \$175,700 thousand, of which the Group reclassified to advance receipts for capital stock for amount of \$27,793 thousand. With conversion occurrence, originally recorded capital surplus-options decreased \$10,815 thousand, bonds payable reduced \$6,673 thousand, financial assets at FVPL reduced \$828 thousand, and capital surplus increased \$151,221 thousand derived from the difference between the consideration received and the par value of bonds payable.

During August to September 2024, the convertible bonds were converted for the par value of \$48,200 thousand, of which the Group reclassified to advance receipts for capital stock for amount of \$7,567 thousand. With conversion occurrence, originally recorded capital surplus-options decreased \$2,967 thousand, bonds payable reduced \$2,513 thousand, financial assets at FVPL reduced \$77 thousand, and capital surplus increased \$41,010 thousand derived from the difference between the consideration received and the par value of bonds payable.

22. OTHER PAYABLES

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|--|-----------------------|----------------------|-----------------------|
| Payables for salaries and bonuses | \$ 202,072 | \$ 197,328 | \$ 164,954 |
| Payables for processing fees | 168,657 | 225,259 | 194,575 |
| Payables for labor and health insurance, social security and pension | 37,897 | 37,251 | 36,464 |
| Payables for purchases of equipment (Note 30) | 49,011 | 50,662 | 36,397 |
| Others | <u>177,711</u> | <u>165,800</u> | <u>143,217</u> |
| | <u>\$ 635,348</u> | <u>\$ 676,300</u> | <u>\$ 575,607</u> |

23. EQUITY

a. Share capital

Ordinary shares

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|---|-----------------------|----------------------|-----------------------|
| 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 September 2025, employees executed share options 1,062 units, converted into 1,062 thousand common shares, with total proceeds of \$39,748 thousand. Of these, 580 thousand shares had a capital increase record date of May 9, 2025, the registration was completed on June 16, 2025, and recorded as common stock capital of \$5,800 thousand. The remaining 482 thousand shares had not completed registration as of September 30, 2025, and were recorded as advance receipts for capital stock of \$4,820 thousand. On November 6, 2025, the Board of Directors resolved that the record date for the capital increase would be November 7, 2025.

At the beginning of 2025, the Company's advance receipts for share capital included \$32,856 thousand arising from the conversion of convertible bonds into common shares. On February 27, 2025, the Company resolved that the record date for the capital increase would be March 3, 2025, and the registration of change was completed on March 26, 2025. In addition, during January to September 2025, bondholders converted a total of \$27,793 thousand of convertible bonds into the Company's common shares. On May 8, 2025, the Board of Directors resolved that \$10,754 thousand would have a record date of May 9, 2025, and the registration of change was completed on June 16, 2025. As of September 30, 2025, the remaining \$17,039 thousand from convertible bond conversions had not yet completed registration and was recorded as advance receipts for share capital. On November 6, 2025, the Board of Directors resolved that the record date for this capital increase would be November 7, 2025.

During January to September 2024, employees exercised 803 units of stock options, converting into 803 thousand common shares, with total proceeds of \$31,088 thousand. As of September 30, 2024, the registration of change had not yet been completed, and \$8,030 thousand was recorded as advance receipts for share capital.

At the beginning of 2024, the Company's advance receipts for share capital included \$2,413 thousand arising from the conversion of convertible bonds into common shares. During January to September 2024, bondholders converted a total of \$7,567 thousand of convertible bonds into the Company's common shares. On January 25, 2024, the Board of Directors resolved that \$2,413 thousand of this amount would have a record date of January 26, 2024, and the registration of change was completed on March 6, 2024. As of September 30, 2024, the remaining \$7,567 thousand from convertible bond conversions had not yet completed registration and was recorded as advance receipts for share capital.

b. Capital surplus

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|---|-------------------------------|------------------------------|-------------------------------|
| May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1) | | | |
| Premium on issuance of ordinary shares (2) | \$ 650,528 | \$ 604,143 | \$ 604,143 |
| Premium on conversion of bonds | 735,307 | 584,086 | 405,690 |
| Redemption or repayment of convertible bonds | 14,480 | 14,480 | 14,480 |
| <u>May be used to offset a deficit only</u> | | | |
| 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 | 11,119 | 21,266 | 19,815 |
| Share warrants (4) | <u>4,111</u> | <u>14,926</u> | <u>27,809</u> |
| | <u>\$ 1,417,451</u> | <u>\$ 1,240,807</u> | <u>\$ 1,073,843</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 September 2025, some employees exercised share warrants, resulting in an increase in capital surplus - stock issuance premium by \$46,385 thousand. Additionally, the amount reclassified from the capital surplus - employee stock options to the capital surplus - stock issuance premium was \$17,257 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 significant changes of capital surplus due to the conversion of the fourth unsecured domestic convertible bonds on March 2024.
- c. Retained earnings and dividends 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:

| | Appropriation of Earnings | |
|---------------------------------|---------------------------------------|-------------------|
| | For the Year Ended December 31 | |
| | 2024 | 2023 |
| 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

| | For the Nine Months Ended September 30 | |
|---|---|---------------------|
| | 2025 | 2024 |
| Balance on January 1 | <u>\$ (75,014)</u> | <u>\$ (213,040)</u> |
| Recognized for the period | | |
| Exchange differences on translating the financial statements of foreign operations | (226,704) | 119,994 |
| Related income tax | <u>45,341</u> | <u>(23,998)</u> |
| Other comprehensive (loss) income recognized for the period | <u>(181,363)</u> | <u>95,996</u> |
| Balance on September 30 | <u>\$ (256,377)</u> | <u>\$ (117,044)</u> |

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

| | For the Nine Months Ended September 30 | |
|---|---|------------------|
| | 2025 | 2024 |
| Balance on January 1 | <u>\$ 10,446</u> | <u>\$ 9,125</u> |
| Recognized for the period | | |
| Unrealized (loss) gain - equity instruments | (610) | 3,318 |
| Related income tax | <u>122</u> | <u>(665)</u> |
| Other comprehensive (loss) income recognized for the period | <u>(488)</u> | <u>2,653</u> |
| Balance on September 30 | <u>\$ 9,958</u> | <u>\$ 11,778</u> |

e. Non-controlling interests

| | For the Nine Months Ended September 30 | |
|---|---|------------------|
| | 2025 | 2024 |
| Balance on January 1 | <u>\$ 28,960</u> | <u>\$ 25,376</u> |
| Share in loss for the period | <u>14,049</u> | <u>(2,981)</u> |
| Other comprehensive income (loss) during the period | | |
| Exchange differences on translating the financial statements of foreign entities | 990 | (674) |
| Related income tax | <u>(243)</u> | <u>165</u> |
| | <u>747</u> | <u>(509)</u> |
| Balance on September 30 | <u>\$ 43,756</u> | <u>\$ 21,886</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

| | September 30, 2025 | December 31, 2024 | September 30, 2024 | January 1, 2024 |
|---|-------------------------------|------------------------------|-------------------------------|----------------------------|
| Notes receivable and trade receivables (Note 11) | <u>\$ 1,728,014</u> | <u>\$ 1,769,296</u> | <u>\$ 1,632,440</u> | <u>\$ 1,563,256</u> |
| Contract liabilities Sale of goods | <u>\$ 7,425</u> | <u>\$ 13,057</u> | <u>\$ 36,247</u> | <u>\$ 16,768</u> |

c. Disaggregation of revenue

| | For the Nine Months Ended September 30 | |
|---------------------------------|---|---------------------|
| | 2025 | 2024 |
| Type of goods | | |
| Information products | \$ 840,398 | \$ 614,918 |
| Internet communication products | 2,398,713 | 1,847,831 |
| Consumer electronic products | 470,994 | 565,296 |
| Others | <u>826,837</u> | <u>698,438</u> |
| Integrated signal connector | <u>\$ 4,536,942</u> | <u>\$ 3,726,483</u> |

25. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|---------------|--|-----------------|---|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Bank deposits | <u>\$ 4,779</u> | <u>\$ 7,096</u> | <u>\$ 16,852</u> | <u>\$ 25,058</u> |

b. Other income

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--|--|------------------|---|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Dividend income | \$ - | \$ - | \$ 7,339 | \$ 5,997 |
| Government grants | - | 3,283 | 294 | 5,228 |
| Subsidy arising from launched production line | 1,161 | 1,161 | 3,481 | 3,481 |
| Compensation income | 1,333 | 3,172 | 6,301 | 8,104 |
| Mold income | 6,879 | 2,316 | 12,014 | 5,818 |
| Others | <u>9,752</u> | <u>793</u> | <u>24,966</u> | <u>15,954</u> |
| | <u>\$ 19,125</u> | <u>\$ 10,725</u> | <u>\$ 54,395</u> | <u>\$ 44,582</u> |

c. Other gains and losses

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--|--|-----------------|---|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Gain on disposal of property, plant and equipment | \$ 1,420 | \$ 1,158 | \$ 6,061 | \$ 1,712 |
| Fair value changes of financial assets/liabilities | | | | |
| Financial assets mandatorily classified as at FVTPL | 873 | 7,312 | 36,692 | 36,441 |
| Financial liabilities held for trading | (5,450) | 363 | (9,682) | (1,835) |
| Gain on disposal of subsidiary | - | - | 546 | - |
| Gains on lease modification | 650 | - | 650 | - |
| Net foreign exchange (losses) gains | (4,902) | (4,709) | (37,319) | 17,070 |
| Others | <u>(7,359)</u> | <u>(13)</u> | <u>(14,702)</u> | <u>(274)</u> |
| | <u>\$ (14,768)</u> | <u>\$ 4,111</u> | <u>\$ (17,754)</u> | <u>\$ 53,114</u> |

d. Finance costs

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--|--|-----------------|---|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Interest on bank loans | \$ 1,730 | \$ 819 | \$ 3,570 | \$ 4,145 |
| Interest on convertible bonds (Note 21) | 504 | 2,599 | 2,505 | 5,936 |
| Interest on lease liabilities | <u>48</u> | <u>72</u> | <u>390</u> | <u>256</u> |
| | <u>\$ 2,282</u> | <u>\$ 3,490</u> | <u>\$ 6,465</u> | <u>\$ 10,337</u> |

e. Depreciation and amortization

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|---|--|------------------|---|-------------------|
| | 2025 | 2024 | 2025 | 2024 |
| An analysis of deprecation by function | | | | |
| Operating costs | \$ 47,387 | \$ 53,622 | \$ 144,384 | \$ 175,697 |
| Operating expenses | <u>14,467</u> | <u>15,814</u> | <u>45,493</u> | <u>49,044</u> |
| | <u>\$ 61,854</u> | <u>\$ 69,436</u> | <u>\$ 189,877</u> | <u>\$ 224,741</u> |
| An analysis of amortization by function | | | | |
| Operating costs | \$ 175 | \$ 175 | \$ 525 | \$ 525 |
| Selling and marketing expense | 1,166 | 704 | 2,549 | 2,156 |
| General and administrative expense | 385 | 670 | 1,215 | 1,998 |
| Research and development expense | <u>430</u> | <u>395</u> | <u>1,724</u> | <u>1,190</u> |
| | <u>\$ 2,156</u> | <u>\$ 1,944</u> | <u>\$ 6,013</u> | <u>\$ 5,869</u> |

f. Employee benefits expense

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--|--|-------------------|---|-------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Post-employment benefits | | | | |
| Defined contribution plans | \$ 25,039 | \$ 18,434 | \$ 74,980 | \$ 68,019 |
| Share-based payments | | | | |
| Equity-settled | 5,155 | 1,450 | 7,110 | 7,567 |
| Other employee benefits | <u>316,941</u> | <u>290,350</u> | <u>928,627</u> | <u>807,930</u> |
| Total employee benefits expense | <u>\$ 347,135</u> | <u>\$ 310,234</u> | <u>\$ 1,010,717</u> | <u>\$ 883,516</u> |
| An analysis of employee benefits expense by function | | | | |
| Operating costs | \$ 200,866 | \$ 183,304 | \$ 596,232 | \$ 515,587 |
| Operating expenses | <u>146,269</u> | <u>126,930</u> | <u>414,485</u> | <u>367,929</u> |
| | <u>\$ 347,135</u> | <u>\$ 310,234</u> | <u>\$ 1,010,717</u> | <u>\$ 883,516</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 nine months ended September 30, 2025 and 2024 are as follows:

Accrual rate

| | For the Nine Months Ended September 30 | |
|---------------------------|---|-------------|
| | 2025 | 2024 |
| Compensation of employees | 6.00% | 5.91% |
| Remuneration of directors | 1.87% | 1.83% |

Amount

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|---------------------------|--|------------------|---|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Compensation of employees | <u>\$ 12,227</u> | <u>\$ 13,748</u> | <u>\$ 39,650</u> | <u>\$ 25,956</u> |
| Remuneration of directors | <u>\$ 3,811</u> | <u>\$ 4,231</u> | <u>\$ 12,358</u> | <u>\$ 8,039</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:

| | For the Year Ended December 31 | |
|---------------------------|---------------------------------------|------------------|
| | 2024 | 2023 |
| | Cash | Cash |
| 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. Gains or losses on foreign currency exchange

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--|--|-------------------|---|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Foreign exchange gains | \$ (7,920) | \$ 64,375 | \$ 290,034 | \$ 132,430 |
| Foreign exchange losses | <u>3,018</u> | <u>(69,084)</u> | <u>(327,353)</u> | <u>(115,360)</u> |
| Net foreign exchange (losses) gains | <u>\$ (4,902)</u> | <u>\$ (4,709)</u> | <u>\$ (37,319)</u> | <u>\$ 17,070</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:

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|---|--|------------------|---|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Current tax | | | | |
| In respect of the current period | \$ 47,793 | \$ 39,969 | \$ 154,257 | \$ 84,955 |
| Income tax on unappropriated earnings | - | - | 17,322 | 5,877 |
| Adjustment for prior periods | <u>3,812</u> | <u>(507)</u> | <u>5,615</u> | <u>(4,149)</u> |
| | 51,605 | 39,462 | 177,194 | 86,683 |
| Deferred tax | | | | |
| In respect of the current period | <u>4,392</u> | <u>3,931</u> | <u>(1,572)</u> | <u>3,613</u> |
| Income tax expense recognized in profit or loss | <u>\$ 55,997</u> | <u>\$ 43,393</u> | <u>\$ 175,622</u> | <u>\$ 90,296</u> |

b. Income tax recognized in other comprehensive income

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--|--|-------------------|---|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| <u>Deferred tax</u> | | | | |
| In respect of the current period | | | | |
| Translation of the financial statements of foreign operations | \$ 29,217 | \$ (7,598) | \$ (45,097) | \$ 23,833 |
| Fair value changes of financial assets at FVTOCI | <u>2,265</u> | <u>(2,041)</u> | <u>(122)</u> | <u>665</u> |
| Total income tax recognized in other comprehensive income (loss) | <u>\$ 31,482</u> | <u>\$ (9,639)</u> | <u>\$ (45,219)</u> | <u>\$ 24,498</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 September 30 | | For the Nine Months Ended September 30 | |
|----------------------------|--|----------------|---|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| Basic earnings per share | | | | |
| From continuing operations | <u>\$ 1.67</u> | <u>\$ 2.34</u> | <u>\$ 5.52</u> | <u>\$ 4.37</u> |
| Diluted earnings per share | | | | |
| From continuing operations | <u>\$ 1.62</u> | <u>\$ 2.10</u> | <u>\$ 5.28</u> | <u>\$ 3.94</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 Period

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--|--|-------------------|---|-------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Profit for the period attributable to owners of the Company | <u>\$ 143,623</u> | <u>\$ 186,389</u> | <u>\$ 472,885</u> | <u>\$ 345,632</u> |
| Earnings used in the computation of basic earnings per share | \$ 143,623 | \$ 186,389 | \$ 472,885 | \$ 345,632 |
| Effects of potentially dilutive ordinary shares: | | | | |
| Interest and valuation loss on convertible bonds after tax | <u>494</u> | <u>588</u> | <u>2,119</u> | <u>3,201</u> |
| Earnings used in the computation of diluted earnings per share | <u>\$ 144,117</u> | <u>\$ 186,977</u> | <u>\$ 475,004</u> | <u>\$ 348,833</u> |

Shares

Unit: Thousand Shares

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--|--|---------------|---|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| Weighted average number of ordinary shares in computation of basic earnings per share | 85,999 | 79,621 | 85,684 | 79,054 |
| Effect of potentially dilutive ordinary shares: | | | | |
| Convertible bonds | 1,402 | 7,507 | 2,394 | 7,565 |
| Employee stock option | 1,374 | 1,592 | 1,425 | 1,578 |
| Compensation of employees | <u>408</u> | <u>286</u> | <u>485</u> | <u>369</u> |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>89,183</u> | <u>89,006</u> | <u>89,988</u> | <u>88,566</u> |

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\$37.6 to NT\$36.4 in August 2025. 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 7, 2025.

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 on employee share options was as follows:

| | For the Nine Months Ended September 30 | | | |
|--|--|--|--|--|
| | 2025 | | 2024 | |
| | Number of Options (In Thousands of Units) | Weighted- average Exercise Price (\$) | Number of Options (In Thousands of Units) | Weighted- average Exercise Price (\$) |
| Balance on January 1 | 2,852 | \$ 37.60 | 3,655 | \$ 38.75 |
| Options granted | <u>(1,062)</u> | 37.40 | <u>(803)</u> | 38.71 |
| Balance on September 30 | <u>1,790</u> | 36.40 | <u>2,852</u> | 37.60 |
| Options exercisable, end of the period | <u>1,790</u> | | <u>1,426</u> | |

Information on outstanding options was as follows:

| | For the Nine Months Ended September 30 | |
|--|---|-------------|
| | 2025 | 2024 |
| Range of exercise price (\$) | \$ 36.40 | \$ 37.60 |
| Weighted-average remaining contractual life (in years) | 2.58 | 3.58 |

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

| | May 2022 |
|--------------------------|-----------------|
| 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 \$7,110 thousand and \$7,567 thousand for the nine months ended September 30, 2025 and 2024, respectively.

30. CASH FLOW INFORMATIONS

a. Non-cash transaction

For the nine months ended September 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:

As of September 30, 2025, December 31, 2024 and September 30, 2024, the amounts unpaid for acquiring property, plant and equipment were \$49,011 thousand, \$50,662 thousand and \$36,397 thousand, respectively, which were included in other payables.

b. Changes in liabilities from financing activities

For the nine months ended September 30, 2025

| | Balance on January 1, 2025 | Cash Flows | Non-cash Changes | | | | Balance on September 30, 2025 |
|--|----------------------------------|-------------------|---------------------|--|---|---------------------|-------------------------------------|
| | | | Interest Expense | Derecognition upon lease termination | Exchange Differences on Translation of the Financial Statements of Foreign Operations | Others (Note 1) | |
| Short-term borrowings | \$ 60,000 | \$ 265,611 | \$ - | \$ - | \$ (1,981) | \$ - | \$ 323,630 |
| Lease liabilities | 14,463 | (917) | - | (12,639) | (907) | - | - |
| Bonds payable | 231,135 | - | 2,505 | - | - | (169,027) | 64,613 |
| Long-term borrowings (including current portion of long-term borrowings) | 4,561 | (3,834) | - | - | (727) | - | - |
| Guarantee deposits received | 898 | 2,644 | - | - | (159) | - | 3,383 |
| | <u>\$ 311,057</u> | <u>\$ 263,504</u> | <u>\$ 2,505</u> | <u>\$ (12,639)</u> | <u>\$ (3,774)</u> | <u>\$ (169,027)</u> | <u>\$ 391,626</u> |

For the nine months ended September 30, 2024

| | Balance on January 1, 2024 | Cash Flows | Non-cash Changes | | | | Balance on September 30, 2024 |
|--|----------------------------------|---------------------|---------------------|-----------------|---|--------------------|-------------------------------------|
| | | | Interest Expense | Addition | Exchange Differences on Translation of the Financial Statements of Foreign Operations | Others (Note 2) | |
| Short-term borrowings | \$ 609,000 | \$ (529,000) | \$ - | \$ - | \$ - | \$ - | \$ 80,000 |
| Lease liabilities | 5,982 | (3,480) | - | - | 135 | - | 2,637 |
| Bonds payable | - | 502,500 | 5,936 | - | - | (80,156) | 428,280 |
| Long-term borrowings (including current portion of long-term borrowings) | 176,800 | (172,294) | - | - | 10 | - | 4,516 |
| Guarantee deposits received | 1,900 | (349) | - | - | (74) | - | 1,477 |
| Other payables (issuance costs of the convertible bonds) | - | (5,545) | - | 5,545 | - | - | - |
| | <u>\$ 793,682</u> | <u>\$ (208,168)</u> | <u>\$ 5,936</u> | <u>\$ 5,545</u> | <u>\$ 71</u> | <u>\$ (80,156)</u> | <u>\$ 516,910</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

September 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>\$ 64,613</u> | <u>\$ 120,013</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 120,013</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 | <u>\$ 231,135</u> | <u>\$ 380,289</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 380,289</u> |

September 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 | <u>\$ 428,280</u> | <u>\$ 655,246</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 655,246</u> |

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

1) Fair value hierarchy

September 30, 2025

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|-------------|---------------|---------------|---------------|
| <u>Financial assets at FVTPL</u> | | | | |
| Derivatives | | | | |
| Convertible bond options | \$ - | \$ - | \$ 240 | \$ 240 |
| Foreign exchange forward contracts | - | 297 | - | 297 |
| | <u>\$ -</u> | <u>\$ 297</u> | <u>\$ 240</u> | <u>\$ 537</u> |

(Continued)

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|-------------------------|
| <u>Financial assets at FVTOCI</u> | | | | |
| Investments in equity instruments at FVTOCI | | | | |
| Domestic unlisted shares | \$ _____ - | \$ _____ - | \$ 86,835 | \$ 86,835 |
| <u>Financial liabilities at FVTPL</u> | | | | |
| Derivatives | | | | |
| Foreign exchange forward contracts | \$ _____ - | \$ 5,786 | \$ _____ - | \$ 5,786 (Concluded) |
| <u>December 31, 2024</u> | | | | |

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

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|-------------------|-----------------|-----------------|--------------------------------|
| <u>September 30, 2024</u> | | | | |
| <u>Financial assets at FVTPL</u> | | | | |
| Derivatives | | | | |
| Convertible bond options | \$ - | \$ - | \$ 2,214 | \$ 2,214 |
| Foreign exchange forward contracts | _____ - | 1,726 | _____ - | 1,726 |
| | <u>\$ _____ -</u> | <u>\$ 1,726</u> | <u>\$ 2,214</u> | <u>\$ 3,940</u> (Continued) |

| | Level 1 | Level 2 | Level 3 | Total |
|--|-----------------------|-----------------------|-----------------------|------------------------------------|
| <u>Financial assets at FVTOCI</u> | | | | |
| Investments in equity instruments at FVTOCI | | | | |
| Domestic unlisted shares | \$ <u> -</u> | \$ <u> -</u> | \$ <u> 89,111</u> | \$ <u> 89,111</u> |
| Investments in debt instruments at FVTOCI | | | | |
| Factored trade receivables to banks without recourse | \$ <u> -</u> | \$ <u> -</u> | \$ <u> 118,437</u> | \$ <u> 118,437</u> |
| <u>Financial liabilities at FVTPL</u> | | | | |
| Derivatives | | | | |
| Foreign exchange forward contracts | \$ <u> -</u> | \$ <u> 605</u> | \$ <u> -</u> | \$ <u> 605</u> (Concluded) |

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 nine months ended September 30, 2025

| Financial Assets | Financial Assets at FVTOCI | | Total |
|--|-----------------------------------|------------------------|---------------------|
| | Equity Instrument | Debt Instrument | |
| Balance on January 1, 2025 | \$ 87,445 | \$ 112,407 | \$ 199,852 |
| Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI) | (610) | - | (610) |
| Decrease | <u> -</u> | <u> (112,407)</u> | <u> (112,407)</u> |
| Balance on September 30, 2025 | \$ <u> 86,835</u> | \$ <u> -</u> | \$ <u> 86,835</u> |
| Derivatives | | | |
| <u>Financial assets at FVTPL</u> | | | |
| Balance on January 1, 2025 | | | \$ 1,213 |
| Recognized in profit or loss (included in other gains and losses) | | | (145) |
| Conversion | | | <u> (828)</u> |
| Balance on September 30, 2025 | | | \$ <u> 240</u> |

For the nine months ended September 30, 2024

| Financial Assets | Financial Assets at FVTOCI | | Total |
|--|-----------------------------------|------------------------|-------------------|
| | Equity Instrument | Debt Instrument | |
| Balance on January 1, 2024 | \$ 85,793 | \$ 105,119 | \$ 190,912 |
| Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI) | 3,318 | - | 3,318 |
| Increase | <u>-</u> | <u>13,318</u> | <u>13,318</u> |
| Balance on September 30, 2024 | <u>\$ 89,111</u> | <u>\$ 118,437</u> | <u>\$ 207,548</u> |

Derivatives

Financial assets at FVTPL

| | |
|---|-----------------|
| Balance on January 1, 2024 | \$ - |
| Addition - proceeds from issuance of convertible bonds | 743 |
| Recognized in profit or loss (included in other gains and losses) | 1,548 |
| Conversion | <u>(77)</u> |
| Balance on September 30, 2024 | <u>\$ 2,214</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. |

(Continued)

| <u>Financial Instruments</u> | <u>Valuation Techniques and Inputs</u> |
|---|---|
| Unlisted equity securities - ROC | <p>Market approach:</p> <p>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.</p> <p>Asset approach:</p> <p>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.</p> |
| Factored trade receivables to banks without recourse | <p>Since the effect of discounting is not significant, the fair value is measured based on the original invoice amount.</p> <p style="text-align: right;">(Concluded)</p> |

c. Categories of financial instruments

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|---|-------------------------------|------------------------------|-------------------------------|
| <u>Financial assets</u> | | | |
| Mandatorily classified as at FVTPL | \$ 537 | \$ 1,213 | \$ 3,940 |
| Financial asset at amortized cost (1) | 3,488,169 | 3,067,215 | 2,957,115 |
| Financial assets at FVTOCI | | | |
| Equity instruments | 86,835 | 87,445 | 89,111 |
| Debt instruments | | | |
| Factored trade receivables to banks without recourse | - | 112,407 | 118,437 |
| <u>Financial liabilities</u> | | | |
| FVTPL | | | |
| Held for trading | 5,786 | 1,074 | 605 |
| Amortized cost (2) | 1,201,198 | 1,203,153 | 1,340,591 |

- 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, 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 36.

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.

| | U.S. Dollar Impact | | RMB Impact | |
|-----------------|----------------------------------|-------------|----------------------------------|-------------|
| | For the Nine Months Ended | | For the Nine Months Ended | |
| | September 30 | | September 30 | |
| | 2025 | 2024 | 2025 | 2024 |
| Profit or loss* | \$ 4,075 | \$ 8,815 | \$ (59) | \$ (65) |

* 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 exchange rates has not changed significantly during this period compared with the same period last year.

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:

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| Fair value interest rate risk | | | |
| Financial assets | \$ 1,253,963 | \$ 1,069,938 | \$ 1,087,634 |
| Financial liabilities | 388,243 | 305,598 | 510,917 |
| Cash flow interest rate risk | | | |
| Financial assets | 481,371 | 321,649 | 334,151 |
| Financial liabilities | - | 4,561 | 4,516 |

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 nine months ended September 30, 2025 and 2024 would have increased/decreased by \$3,610 thousand and \$2,472 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 increased during the current year mainly due to the increase in cash and cash equivalents.

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 nine months ended September 30, 2025 and 2024 would have increased/decreased by \$868 thousand and \$891 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to equity prices has not changed significantly during this period compared with the same period last year.

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 September 30, 2025, December 31, 2024 and September 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.

September 30, 2025

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|-----------------------------|---|-------------------|-------------------------------|------------------|-----------------|
| Short-term borrowings | \$ 324,688 | \$ - | \$ - | \$ - | \$ - |
| Trade payables | 161,400 | 188,957 | 63,836 | - | - |
| Other payables | 205,179 | 157,980 | 31,581 | 639 | - |
| Guarantee deposits received | - | - | 3,383 | - | - |
| Bonds payable | - | - | 66,800 | - | - |
| | <u>\$ 691,267</u> | <u>\$ 346,937</u> | <u>\$ 165,600</u> | <u>\$ 639</u> | <u>\$ -</u> |

December 31, 2024

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|-----------------------------|---|-------------------|-------------------------------|-------------------|-----------------|
| 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:

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

September 30, 2024

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|-----------------------------|---|-------------------|-------------------------------|------------------|-----------------|
| Short-term borrowings | \$ 80,178 | \$ - | \$ - | \$ - | \$ - |
| Long-term borrowings | 28 | 38 | 515 | 4,323 | - |
| Lease liabilities | - | - | 2,778 | - | - |
| Trade payables | 158,888 | 235,978 | 57,263 | - | - |
| Other payables | 188,397 | 163,577 | 22,215 | - | - |
| Guarantee deposits received | - | - | - | 1,477 | - |
| | <u>\$ 427,491</u> | <u>\$ 399,593</u> | <u>\$ 82,771</u> | <u>\$ 5,800</u> | <u>\$ -</u> |

Additional information about the maturity analysis for lease liabilities:

| | Less than 1 Year | 1-5 Years | 5-10 Years |
|-------------------|-----------------------------|------------------|-------------------|
| Lease liabilities | <u>\$ 2,778</u> | <u>\$ -</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.

September 30, 2025

| | On Demand or Less than 1 Month | 1-3 Months | Over 3 Months to 1 Year | Over 1 Year to 5 Years |
|------------------------------------|---|-------------------|------------------------------------|-----------------------------------|
| <u>Gross settled</u> | | | | |
| Foreign exchange forward contracts | | | | |
| Inflows | \$ 75,805 | \$ 658,933 | \$ 1,766,453 | \$ - |
| Outflows | <u>(77,131)</u> | <u>(662,421)</u> | <u>(1,767,425)</u> | <u>-</u> |
| | <u>\$ (1,326)</u> | <u>\$ (3,488)</u> | <u>\$ (972)</u> | <u>\$ -</u> |

December 31, 2024

| | On Demand or Less than 1 Month | 1-3 Months | Over 3 Months to 1 Year | Over 1 Year to 5 Years |
|------------------------------------|---|-------------------|------------------------------------|-----------------------------------|
| <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> |

September 30, 2024

| | On Demand or Less than 1 Month | 1-3 Months | Over 3 Months to 1 Year | Over 1 Year to 5 Years |
|------------------------------------|---|-------------------|------------------------------------|-----------------------------------|
| <u>Gross settled</u> | | | | |
| Foreign exchange forward contracts | | | | |
| Inflows | \$ 10,517 | \$ 15,187 | \$ 28,641 | \$ - |
| Outflows | <u>(10,791)</u> | <u>(15,385)</u> | <u>(28,774)</u> | <u>-</u> |
| | <u>\$ (274)</u> | <u>\$ (198)</u> | <u>\$ (133)</u> | <u>\$ -</u> |

c) Financing facilities

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|--|-------------------------------|------------------------------|-------------------------------|
| Unsecured bank loan facilities (reviewed annually) | | | |
| Amount used | \$ 323,630 | \$ 64,561 | \$ 84,516 |
| Amount unused | <u>2,130,655</u> | <u>2,269,925</u> | <u>2,275,900</u> |
| | <u>\$ 2,454,285</u> | <u>\$ 2,334,486</u> | <u>\$ 2,360,416</u> |
| Secured bank loan facilities which may be extend by mutual agreement | | | |
| Amount used | \$ - | \$ - | \$ - |
| Amount unused | <u>-</u> | <u>273,649</u> | <u>270,999</u> |
| | <u>\$ -</u> | <u>\$ 273,649</u> | <u>\$ 270,999</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 September 30, 2025 and 2024. The aforementioned factoring agreement of accounts receivable expired in January 2025. As of December 31, 2024 and September 30, 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 September 30 | | For the Nine Months Ended September 30 | |
|------------------------------|--|------------------|---|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Short-term employee benefits | \$ 15,349 | \$ 15,066 | \$ 35,090 | \$ 35,373 |
| Post-employment benefits | <u>162</u> | <u>118</u> | <u>486</u> | <u>356</u> |
| | <u>\$ 15,511</u> | <u>\$ 15,184</u> | <u>\$ 35,576</u> | <u>\$ 35,729</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, import duties and issuance of bonds payable:

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|----------------------------|-----------------------|----------------------|-----------------------|
| Freehold land | \$ - | \$ 159,538 | \$ 159,538 |
| Building | 53,887 | 131,085 | 134,740 |
| Right-of-use assets - land | 47,339 | 51,454 | 51,307 |
| Time deposits | <u>6,755</u> | <u>6,745</u> | <u>6,745</u> |
| | <u>\$ 107,981</u> | <u>\$ 348,822</u> | <u>\$ 352,330</u> |

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Significant Commitments

Unrecognized commitments were as follows:

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|--|-----------------------|----------------------|-----------------------|
| Acquisition of property, plant and equipment | | | |
| RMB | <u>\$ 4,171</u> | <u>\$ 26,124</u> | <u>\$ 16,319</u> |
| VND | <u>\$ 1,372</u> | <u>\$ 216,438</u> | <u>\$ 247,289</u> |

35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. To diversify operations and the expand business scale, the Group resolved at the Board of Directors meeting on September 19, 2025, to approve Zhong Jiang U.D.E. Electronics Corp.'s acquisition of a 91.09% equity stake in Linkpower Electronics Co., Ltd. The maximum purchase price is RMB264,161 thousand (approximately NT\$1,200,000 thousand). Both parties signed the agreement on October 14, 2025, and the equity transfer and related business registration changes are expected to be completed in the fourth quarter of 2025.
- b. On October 7, 2025, the Company granted employees 3,060 units of stock options, with each unit entitling the holder to subscribe for 1,000 shares of common stock at an exercise price of \$97.4 per unit. The grantees include employees of the Company and those of its domestic and overseas subsidiaries companies who meet specific eligibility criteria.
- c. On November 6, 2025, the Board of Directors resolved to approve an additional limit on endorsement/guarantee of \$650,325 thousand for Zhong Jiang U.D.E. Electronics Corp.
- d. On November 6, 2025, the Board of Directors resolved to approve an additional limit on endorsement/guarantee of \$46,095 thousand for Morning Paragon Limited.

36. 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:

September 30, 2025

| | Foreign Currencies (In Thousands) | Exchange Rate | Carrying Amount |
|-------------------------|--|----------------------|----------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 81,617 | 30.4450 (USD:NTD) | \$ 2,484,830 |
| USD | 42,750 | 7.1055 (USD:RMB) | 1,301,519 |
| RMB | 25,480 | 4.2847 (RMB:NTD) | 109,175 |
| RMB | 6,378 | 0.1407 (RMB:USD) | 27,328 |
| Non-monetary items | | | |
| Derivative instruments | | | |
| USD | 11,500 | Note | 297 |

Financial liabilities

| | | | |
|------------------------|--------|-------------------|-----------|
| Monetary items | | | |
| USD | 64,370 | 30.4450 (USD:NTD) | 1,959,747 |
| USD | 4,111 | 7.1055 (USD:RMB) | 125,169 |
| RMB | 13,139 | 0.1407 (RMB:USD) | 56,296 |
| Non-monetary items | | | |
| Derivative instruments | | | |
| USD | 31,000 | Note | 3,961 |
| RMB | 20,100 | Note | 1,825 |

December 31, 2024

| | Foreign Currencies (In Thousands) | Exchange Rate | Carrying Amount |
|------------------------------|--|----------------------|----------------------------|
| <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 |

September 30, 2024

| | Foreign Currencies (In Thousands) | Exchange Rate | Carrying Amount |
|------------------------------|--|----------------------|----------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 60,370 | 31.6500 (USD:NTD) | \$ 1,910,706 |
| USD | 35,642 | 7.0074 (USD:RMB) | 1,128,080 |
| RMB | 18,864 | 4.5167 (RMB:NTD) | 85,203 |
| RMB | 5,641 | 0.1427 (RMB:USD) | 25,478 |
| Non-monetary items | | | |
| Derivative instruments | | | |
| USD | 6,000 | Note | 1,726 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 58,515 | 31.6500 (USD:NTD) | 1,851,992 |
| USD | 3,646 | 7.0074 (USD:RMB) | 115,401 |
| RMB | 13,652 | 0.1427 (RMB:USD) | 61,660 |
| Non-monetary items | | | |
| Derivative instruments | | | |
| RMB | 12,300 | Note | 605 |

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

For the three months ended September 30, 2025 and 2024 and the nine months ended September 30, 2025 and 2024, net foreign exchange (losses) gains (realized and unrealized), were \$(4,902) thousand, \$(4,709) thousand, \$(37,319) thousand and \$17,070 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.

37. 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.

38. 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 NINE MONTHS ENDED SEPTEMBER 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 | \$ 850,402 | \$ 846,372 | \$ 785,481 | 2.01-2.91 | Demand of short-term financing | \$ - | Operating capital | \$ - | - | - | \$ 1,761,175 (Note 2) | \$ 1,761,175 (Note 2) |
| 1 | Morning Paragon Limited | Dongguan De Yang Precision Rubber Plastic Co., Ltd. | Other receivables from related party | Yes | 25,905 | 23,994 | 23,994 | 2.01 | Demand of short-term financing | - | Operating capital | - | - | - | 26,452 (Note 3) | 26,452 (Note 3) |
| 2 | Zhong Jiang U.D.E. Electronics Corp. | Dongguan De Yang Precision Rubber Plastic Co., Ltd. | Other receivables from related party | Yes | 279,932 | 179,959 | 179,959 | 1.91-2.18 | Demand of short-term financing | - | Operating capital | - | - | - | 508,718 (Note 5) | 997,487 (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 | - | - | - | 43,378 (Note 5) | 85,054 (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 | - | - | - | 69,249 (Note 6) | 138,498 (Note 6) |

Note 1: Intercompany relationships should be notified in the No. Column, 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 September 30, 2025 are specified as follows:

Dongguan De Yang Precision Rubber Plastic Co., Ltd.: The sum of interest expenses is \$3,688 thousand.

U.D. ELECTRONIC VIETNAM COMPANY: The sum of interest expenses is \$11,206 thousand.

(Concluded)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 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% \$ 4,402,937 | \$ 1,228,585 | \$ 1,126,465 | \$ - | \$ - | 26 | Net value 100% \$ 4,402,937 | Yes | - | - |
| | | DYP Corp. | b | Net value 20% 880,587 | 252,943 | 252,834 | - | - | 6 | Net value 40% 1,761,175 | Yes | - | - |
| | | Morning Paragon Limited | b | Net value 20% 880,587 | 137,655 | 137,003 | - | - | 3 | Net value 40% 1,761,175 | Yes | - | - |
| | | Zhong Jiang U.D.E. Electronics Corp. | b | Net value 100% 4,402,937 | 231,291 | 214,235 | - | - | 5 | Net value 100% 4,402,937 | Yes | - | Yes |
| | | U.D. ELECTRONIC VIETNAM COMPANY | b | Net value 100% 4,402,937 | 352,842 | 351,046 | - | - | 8 | Net value 100% 4,402,937 | 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

SEPTEMBER 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 | September 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 | \$ 19,963 | 10.13 | \$ 19,963 | Note |
| | Dy-Precision Industrial Co., Ltd. | - | " | 725 | 4,955 | 16.22 | 4,955 | Note |
| | Yongda Investment Co., Ltd. | - | " | 5,000 | 61,917 | 17.99 | 61,917 | Note |

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

TABLE 4**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 NINE MONTHS ENDED SEPTEMBER 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 | Purchases | \$ 2,774,084 | 91 | O/A 105 days | Note 2 | Note 2 | \$ (1,808,668) | (94) | Note 1 |
| CDE Corp. | CDE Corp. | Affiliated company | Purchases | 110,368 | 4 | O/A 105 days | " | " | (82,710) | (4) | " |
| | U.D. Electronic Corp. | Parent company | Sales | (110,368) | (98) | O/A 105 days | " | " | 82,710 | 99 | " |
| All First International Co., Ltd. | U.D. Electronic Corp. | Parent company | Sales | (2,774,084) | (91) | O/A 105 days | " | " | 1,808,668 | 97 | " |
| | Zhong Jiang U.D.E. Electronics Corp. | Affiliated company | Purchases | 2,929,779 | 98 | O/A 105 days | " | " | (1,201,236) | (98) | " |
| | Zhong Jiang U.D.E. Networking Electronics Corp. | Affiliated company | Sales | (215,203) | (7) | O/A 150 days | " | " | 27,205 | 1 | " |
| Zhong Jiang U.D.E. Electronics Corp. | All First International Co., Ltd. | Affiliated company | Sales | (2,929,779) | (97) | O/A 105 days | " | " | 1,201,236 | 96 | " |
| Zhong Jiang U.D.E. Networking Electronics Corp. | All First International Co., Ltd. | Affiliated company | Purchases | 215,203 | 81 | O/A 105 days | " | " | (27,205) | (68) | " |
| Morning Paragon Limited | DYP Corp. | Affiliated company | Sales | (358,104) | (93) | O/A 105 days | " | " | 102,129 | 90 | " |
| | Dongguan De Yang Precision Rubber Plastic Co., Ltd. | Affiliated company | Purchases | 358,978 | 93 | O/A 105 days | " | " | (65,131) | (83) | " |
| DYP Corp. | Morning Paragon Limited | Affiliated company | Purchases | 358,104 | 91 | O/A 105 days | " | " | (102,129) | (92) | " |
| Dongguan De Yang Precision Rubber Plastic Co., Ltd. | Morning Paragon Limited | Affiliated company | Sales | (358,978) | (83) | O/A 105 days | " | " | 65,131 | 57 | " |

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
SEPTEMBER 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 \$ 1,808,668 | 2.95 | \$ - | - | \$ - | \$ - |
| Zhong Jiang U.D.E. Electronics Corp. | All First International Co., Ltd. | Affiliated company | 1,201,236 | 4.68 | - | - | 481,630 | - |
| Morning Paragon Limited | DYP Corp. | Affiliated company | 102,129 | 5.89 | - | - | 36,899 | - |
| Zhong Jiang U.D.E. Electronics Corp. | Dongguan De Yang Precision Rubber Plastic Co., Ltd. | Affiliated company | Other receivables 181,306 (including interest receivables) | - | - | - | - | - |
| U.D. Electronic Corp. | U.D. ELECTRONIC VIETNAM COMPANY | Affiliated company | Other receivables 791,338 (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 October 1, 2025 to November 6, 2025.

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 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. Morning Paragon Limited Zhong Jiang U.D.E. Electronics Corp. U.D. ELECTRONIC VIETNAM COMPANY | a. | Endorsements/guarantees provided | \$ 1,126,465 | - | 19 |
| | | | a. | Endorsements/guarantees provided | 252,834 | - | 4 |
| | | | a. | Endorsements/guarantees provided | 137,003 | - | 2 |
| | | | a. | Endorsements/guarantees provided | 214,235 | - | 4 |
| | | | a. | Endorsements/guarantees provided | 351,046 | - | 6 |
| | | | | Other receivables | 791,338 | Financing (including interest receivables \$5,857) | 13 |
| 1 | All First International Co., Ltd. | U.D. Electronic Corp. | b. | Revenue | 2,774,084 | Negotiated case by case. O/A 105 days | 61 |
| | | | | Trade receivables | 1,808,668 | | 30 |
| | | Zhong Jiang U.D.E. Networking Electronics Corp. | b. | Revenue | 215,203 | Negotiated case by case. O/A 105 days | 5 |
| 2 | Zhong Jiang U.D.E. Electronics Corp. | All First International Co., Ltd. | c. | Revenue | 2,929,779 | Negotiated case by case. O/A 105 days | 65 |
| | | | | Trade receivables | 1,201,236 | | 20 |
| | | Dongguan De Yang Precision Rubber Plastic Co., Ltd. | c. | Other receivables | 181,306 | Financing (including interest receivables \$470) | 3 |
| 3 | Morning Paragon Limited | DYP Corp. | c. | Revenue | 358,104 | Negotiated case by case. O/A 105 days | 8 |
| | | | | Trade receivables | 102,129 | | 2 |
| 4 | Dongguan De Yang Precision Rubber Plastic Co., Ltd. | Morning Paragon Limited | c. | Revenue | 358,978 | 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.

(Continued)

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.

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 NINE MONTHS ENDED SEPTEMBER 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 September 30, 2025 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|--|---|-----------------------|---|-------------------------------------|-------------------------------|--------------------------|-----|-----------------|-----------------------------------|------------------------|------------------|
| | | | | September 30, 2025 | December 31, 2024 | Number of Shares | % | Carrying Amount | | | |
| U.D. Electronic Corp. | Global Connection (Samoa) Holding Inc. | Samoa | Holding company | \$ 1,555,405 (US\$ 51,089) | \$ 1,674,953 (US\$ 51,089) | 51,089 | 100 | \$ 3,414,775 | \$ 150,501 | \$ 154,828 | Notes 1, 2 and 3 |
| | CDE Corp. | Taiwan | Manufacturing and selling of electronic materials | 150,000 | 150,000 | 15,000 | 100 | 119,426 | 20,532 | 20,497 | Notes 1, 2 and 3 |
| | DYP Corp. | Taiwan | Selling of electronic components | 112,200 | 112,200 | 11,220 | 51 | 40,559 | 25,055 | 12,778 | Notes 1, 2 and 3 |
| | U.D. ELECTRONIC VIETNAM COMPANY LIMITED | Vietnam | Manufacturing and selling of electronic materials | 137,500 | 153,557 | - | 100 | (15,331) | (110,089) | (110,089) | Notes 1 and 2 |
| | Jinyue Investment Co., Ltd. | Taiwan | General investment | (VND 118,944,535) 30,000 | (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 | 428,178 (US\$ 14,064) | 461,088 (US\$ 14,064) | 14,064 | 100 | 241,552 | (56,921) | (56,921) | Notes 1 and 2 |
| | San Francisco Inc. | Republic of Mauritius | Holding company | 838,334 (US\$ 27,536) | 902,768 (US\$ 27,536) | 27,536 | 100 | 2,493,758 | 185,210 | 185,210 | Notes 1 and 2 |
| | All First International Co., Ltd. | Samoa | International trading | 304,450 (US\$ 10,000) | 327,850 (US\$ 10,000) | 10,000 | 100 | 692,489 | 22,212 | 22,212 | Notes 1 and 2 |
| DYP Corp. | Ta Yang UDE Limited | Samoa | Holding company | 112,981 (US\$ 3,711) | 121,665 (US\$ 3,711) | 4,438 | 100 | (60,398) | (12,136) | (12,038) | Notes 1, 2 and 3 |
| Ta Yang UDE Limited | Morning Paragon Limited | Samoa | International trading | 59,033 (US\$ 1,939) | 63,570 (US\$ 1,939) | 1,939 | 100 | 66,131 | 2,438 | 2,438 | Notes 1 and 2 |

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 NINE MONTHS ENDED SEPTEMBER 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 September 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 September 30, 2025 (Note 7) | Accumulated Repatriation of Investment Income as of September 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 | \$ (58,218) | \$ (58,218) (Note 6) | \$ 212,636 | \$ - |
| 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 | 185,210 | 185,210 | 2,493,717 | - |
| Zhong Jiang U.D.E. Networking Electronics Corp. | Selling of electronic components | 2,476 (RMB 500) | b. (3) | - (Note 3) | - | - | - | 100 | 10,375 | 10,375 | 81,066 | - |
| 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 | (14,574) | (7,433) | (64,291) | - |
| 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 | 1,297 | 1,297 | 28,894 | - |
| 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 | 10,439 | 8,873 | 27,131 (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 | (4,470) | (1,788) | 1,894 (Note 5) | - |

| Accumulated Outward Remittance for Investment in Mainland China as of September 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 | Purchases (Sales) | | 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. | Purchases | \$ 21,762 | 1 | Negotiated case by case | O/A 105 days | Note 7 | \$ (297) | (1) | \$ - | Note 1 |
| Zhong Jiang U.D.E. Electronics Corp. | (Sales) | (44,221) | (1) | Negotiated case by case | O/A 105 days | " | 26,671 | 1 | - | Note 2 |
| " | Purchases | 2,929,779 | 98 | Negotiated case by case | O/A 105 days | " | (1,201,236) | (99) | 13,039 | Note 3 |
| Zhong Jiang U.D.E. Networking Electronics Corp. | (Sales) | (215,203) | (7) | Negotiated case by case | O/A 105 days | " | 27,205 | 1 | - | Note 4 |
| Dongguan De Yang Precision Rubber Plastic Co., Ltd. | Purchases | 358,978 | 93 | Negotiated case by case | O/A 105 days | " | (65,131) | (83) | 473 | 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)