

U.D. Electronic Corp. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

Scope of Review

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

Conclusion

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to 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	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,501,716	25	\$ 1,388,302	24	\$ 1,446,013	29
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 7 and 21)	5,732	-	1,213	-	1,259	-
Financial assets at amortized cost - current (Notes 9, 10 and 32)	6,745	-	6,745	-	6,735	-
Notes receivable (Notes 11 and 24)	10,006	-	14,255	-	9,510	-
Trade receivables (Notes 11 and 24)	1,789,473	30	1,755,041	30	1,405,678	28
Other receivables (Note 11)	34,492	1	51,462	1	30,820	1
Current tax assets	747	-	669	-	400	-
Inventories (Note 12)	672,316	11	720,808	13	586,354	12
Other current assets (Note 19)	189,184	3	157,035	3	74,361	1
Total current assets	<u>4,210,411</u>	<u>70</u>	<u>4,095,530</u>	<u>71</u>	<u>3,561,130</u>	<u>71</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	77,972	1	87,445	2	102,201	2
Investments accounted for using the equity method (Note 14)	3,876	-	3,888	-	-	-
Property, plant and equipment (Notes 15 and 32)	1,340,336	22	1,277,015	22	1,073,956	21
Right-of-use assets (Notes 16 and 32)	169,054	3	169,117	3	161,466	3
Other intangible assets (Note 18)	22,493	1	23,798	-	25,540	1
Goodwill (Note 17)	6,103	-	6,103	-	12,448	-
Deferred tax assets	29,532	1	39,166	1	54,666	1
Other non-current assets (Note 19)	134,016	2	70,593	1	45,441	1
Total non-current assets	<u>1,783,382</u>	<u>30</u>	<u>1,677,125</u>	<u>29</u>	<u>1,475,718</u>	<u>29</u>
TOTAL	<u>\$ 5,993,793</u>	<u>100</u>	<u>\$ 5,772,655</u>	<u>100</u>	<u>\$ 5,036,848</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 20)	\$ 98,000	2	\$ 60,000	1	\$ 29,515	1
Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	3,783	-	1,074	-	2,242	-
Contract liabilities - current (Note 24)	4,762	-	13,057	-	5,217	-
Trade payables	419,730	7	464,838	8	320,771	6
Other payables (Notes 22 and 29)	898,373	15	676,300	12	653,868	13
Current tax liabilities	115,717	2	82,860	1	51,108	1
Lease liabilities - current (Note 16)	2,145	-	2,103	-	2,529	-
Current portion of long-term borrowings and bonds payable (Notes 20, 21 and 32)	167,275	3	547	-	19,819	1
Other current liabilities	33,573	-	34,287	1	39,669	1
Total current liabilities	<u>1,743,358</u>	<u>29</u>	<u>1,335,066</u>	<u>23</u>	<u>1,124,738</u>	<u>23</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 21)	-	-	231,135	4	468,780	9
Long-term borrowings (Notes 20 and 32)	3,932	-	4,014	-	31,381	1
Deferred tax liabilities	1,032	-	10,375	-	11,412	-
Lease liabilities - non-current (Note 16)	11,187	-	12,360	1	1,352	-
Guarantee deposits received	887	-	898	-	1,978	-
Total non-current liabilities	<u>17,038</u>	<u>-</u>	<u>258,782</u>	<u>5</u>	<u>514,903</u>	<u>10</u>
Total liabilities	<u>1,760,396</u>	<u>29</u>	<u>1,593,848</u>	<u>28</u>	<u>1,639,641</u>	<u>33</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)						
Share capital						
Ordinary shares	835,703	14	802,847	14	787,250	16
Capital collected in advance	16,554	-	32,856	-	-	-
Total share capital	<u>852,257</u>	<u>14</u>	<u>835,703</u>	<u>14</u>	<u>787,250</u>	<u>16</u>
Capital surplus	1,312,669	22	1,240,807	22	1,008,973	20
Retained earnings						
Legal reserve	422,304	7	422,304	7	383,833	8
Special reserve	203,915	4	203,915	4	169,656	3
Unappropriated earnings	1,447,002	24	1,511,686	26	1,116,591	22
Total retained earnings	<u>2,073,221</u>	<u>35</u>	<u>2,137,905</u>	<u>37</u>	<u>1,670,080</u>	<u>33</u>
Other equity	(32,560)	(1)	(64,568)	(1)	(91,023)	(2)
Total equity attributable to owners of the Company	<u>4,205,587</u>	<u>70</u>	<u>4,149,847</u>	<u>72</u>	<u>3,375,280</u>	<u>67</u>
NON-CONTROLLING INTERESTS (Note 23)	<u>27,810</u>	<u>1</u>	<u>28,960</u>	<u>-</u>	<u>21,927</u>	<u>-</u>
Total equity	<u>4,233,397</u>	<u>71</u>	<u>4,178,807</u>	<u>72</u>	<u>3,397,207</u>	<u>67</u>
TOTAL	<u>\$ 5,993,793</u>	<u>100</u>	<u>\$ 5,772,655</u>	<u>100</u>	<u>\$ 5,036,848</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 March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 24)	\$ 1,487,655	100	\$ 1,086,622	100
OPERATING COSTS				
Cost of goods sold (Notes 12 and 25)	(1,047,850)	(70)	(864,035)	(80)
GROSS PROFIT	<u>439,805</u>	<u>30</u>	<u>222,587</u>	<u>20</u>
OPERATING EXPENSES (Note 25)				
Selling and marketing expenses	(62,323)	(4)	(50,860)	(5)
General and administrative expenses	(107,050)	(7)	(91,573)	(8)
Research and development expenses	(67,311)	(5)	(58,122)	(5)
Expected credit gain (loss) (Note 11)	<u>541</u>	<u>-</u>	<u>(425)</u>	<u>-</u>
Total operating expenses	<u>(236,143)</u>	<u>(16)</u>	<u>(200,980)</u>	<u>(18)</u>
PROFIT FROM OPERATIONS	<u>203,662</u>	<u>14</u>	<u>21,607</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Note 25)				
Interest income	5,481	-	7,235	1
Other income	13,802	1	12,002	1
Other gains and losses	18,447	1	14,718	1
Finance costs (Note 21)	(2,093)	-	(3,587)	-
Share of profit or loss of associates accounted for using the equity method (Note 14)	<u>(67)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>35,570</u>	<u>2</u>	<u>30,368</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	239,232	16	51,975	5
INCOME TAX EXPENSE (Notes 4 and 26)	<u>(51,752)</u>	<u>(3)</u>	<u>(11,814)</u>	<u>(1)</u>
NET PROFIT FOR THE PERIOD	<u>187,480</u>	<u>13</u>	<u>40,161</u>	<u>4</u>
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	(9,473)	(1)	16,408	1
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>1,895</u>	<u>-</u>	<u>(3,282)</u>	<u>-</u>
	<u>(7,578)</u>	<u>(1)</u>	<u>13,126</u>	<u>1</u>

(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 March 31			
	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 49,079	3	\$ 124,394	11
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(9,806)</u>	<u>-</u>	<u>(24,848)</u>	<u>(2)</u>
	<u>39,273</u>	<u>3</u>	<u>99,546</u>	<u>9</u>
Other comprehensive income for the period, net of income tax	<u>31,695</u>	<u>2</u>	<u>112,672</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 219,175</u>	<u>15</u>	<u>\$ 152,833</u>	<u>14</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 188,317	13	\$ 43,390	4
Non-controlling interests	<u>(837)</u>	<u>-</u>	<u>(3,229)</u>	<u>-</u>
	<u>\$ 187,480</u>	<u>13</u>	<u>\$ 40,161</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 220,325	15	\$ 156,282	14
Non-controlling interests	<u>(1,150)</u>	<u>-</u>	<u>(3,449)</u>	<u>-</u>
	<u>\$ 219,175</u>	<u>15</u>	<u>\$ 152,833</u>	<u>14</u>
EARNINGS PER SHARE (Note 27)				
From continuing operations				
Basic	<u>\$ 2.23</u>		<u>\$ 0.55</u>	
Diluted	<u>\$ 2.11</u>		<u>\$ 0.50</u>	

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

(Concluded)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
	Ordinary Share	Capital Collected in Advance		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2024	\$ 784,837	\$ 2,413	\$ 974,399	\$ 383,833	\$ 169,656	\$ 1,267,651	\$ (213,040)	\$ 9,125	\$ 3,378,874	\$ 25,376	\$ 3,404,250
Appropriation of 2023 earnings (Note 23)											
Cash dividends distributed by the Company	-	-	-	-	-	(194,450)	-	-	(194,450)	-	(194,450)
Other changes in capital surplus:											
Equity component of convertible bonds issued by the Company (Note 21)	-	-	30,776	-	-	-	-	-	30,776	-	30,776
Convertible bonds converted to ordinary shares (Note 23)	2,413	(2,413)	-	-	-	-	-	-	-	-	-
Compensation cost of employee share options (Note 28)	-	-	3,798	-	-	-	-	-	3,798	-	3,798
Net profit (loss) for the three months ended March 31, 2024	-	-	-	-	-	43,390	-	-	43,390	(3,229)	40,161
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax (Note 23)	-	-	-	-	-	-	99,766	13,126	112,892	(220)	112,672
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	43,390	99,766	13,126	156,282	(3,449)	152,833
BALANCE AT MARCH 31, 2024	<u>\$ 787,250</u>	<u>\$ -</u>	<u>\$ 1,008,973</u>	<u>\$ 383,833</u>	<u>\$ 169,656</u>	<u>\$ 1,116,591</u>	<u>\$ (113,274)</u>	<u>\$ 22,251</u>	<u>\$ 3,375,280</u>	<u>\$ 21,927</u>	<u>\$ 3,397,207</u>
BALANCE AT JANUARY 1, 2025	\$ 802,847	\$ 32,856	\$ 1,240,807	\$ 422,304	\$ 203,915	\$ 1,511,686	\$ (75,014)	\$ 10,446	\$ 4,149,847	\$ 28,960	\$ 4,178,807
Appropriation of 2024 earnings (Note 23)											
Cash dividends distributed by the Company	-	-	-	-	-	(253,001)	-	-	(253,001)	-	(253,001)
Convertible bonds converted to ordinary shares (Note 21)	32,856	(22,102)	54,435	-	-	-	-	-	65,189	-	65,189
Compensation cost of employee share options (Note 28)	-	-	1,419	-	-	-	-	-	1,419	-	1,419
Issuance of ordinary shares under employee share options (Note 23)	-	5,800	16,008	-	-	-	-	-	21,808	-	21,808
Net profit (loss) for the three months ended March 31, 2025	-	-	-	-	-	188,317	-	-	188,317	(837)	187,480
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax (Note 23)	-	-	-	-	-	-	39,586	(7,578)	32,008	(313)	31,695
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	188,317	39,586	(7,578)	220,325	(1,150)	219,175
BALANCE AT MARCH 31, 2025	<u>\$ 835,703</u>	<u>\$ 16,554</u>	<u>\$ 1,312,669</u>	<u>\$ 422,304</u>	<u>\$ 203,915</u>	<u>\$ 1,447,002</u>	<u>\$ (35,428)</u>	<u>\$ 2,868</u>	<u>\$ 4,205,587</u>	<u>\$ 27,810</u>	<u>\$ 4,233,397</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 Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 239,232	\$ 51,975
Adjustments for:		
Expected credit (gain) loss	(541)	425
Depreciation expenses	66,071	80,755
Amortization expenses	1,919	1,951
Net (gain) loss on fair value changes of financial assets and liabilities at FVTPL	(15,674)	966
Finance costs	2,093	3,587
Interest income	(5,481)	(7,235)
Compensation cost of employee share options	1,419	3,798
Share of loss of associates	67	-
Gain on disposal of property, plant and equipment	(2,001)	(11)
Write-downs of inventories	-	4,574
Net gain on foreign currency exchange	(27,800)	(32,539)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	13,660	514
Notes receivable	4,412	3,962
Trade receivables	(5,849)	170,645
Other receivables	18,219	3,175
Inventories	55,319	85,849
Other current assets	(30,283)	2,586
Financial liabilities held for trade	(138)	(226)
Contract liabilities	(8,327)	(11,600)
Trade payables	(50,831)	(81,046)
Other payables	(58,644)	(44,956)
Other current liabilities	(956)	(2,495)
Cash generated from operations	195,886	234,654
Interest received	5,052	7,924
Interest paid	(965)	(3,136)
Income tax paid	(27,019)	(1,129)
Net cash generated from operating activities	<u>172,954</u>	<u>238,313</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(77,576)	(96,673)
Proceeds from disposal of property, plant and equipment	4,252	630
Decrease in refundable deposits	39	357
Payments for intangible assets	(600)	(225)
Decrease in other non-current assets	-	1,067
Increase in prepayments for equipment	(84,294)	(17,272)
Net cash used in investing activities	<u>(158,179)</u>	<u>(112,116)</u>

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U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 38,000	\$ 19,432
Repayments of short-term borrowings	-	(599,000)
Proceeds from issuance of convertible bonds	-	502,500
Repayment of long-term borrowings	(138)	(125,600)
Proceeds from guarantee deposits received	-	52
Refund of guarantee deposits received	(20)	-
Repayment of the principal portion of lease liabilities	(1,213)	(2,201)
Proceeds from the exercise of employee share options	21,808	-
Repayment for the issuance costs of convertible bonds	-	(545)
	<u>58,437</u>	<u>(205,362)</u>
Net cash generated from/(used in) financing activities		
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>40,202</u>	<u>110,945</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	113,414	31,780
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>\$ 1,501,716</u>	<u>\$ 1,446,013</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 THREE MONTHS ENDED MARCH 31, 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 \$835,703 thousand as of March 31, 2025. 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 May 8, 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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 1)

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

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosures in Financial Statements”

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). 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

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 2,793	\$ 3,460	\$ 5,076
Demand deposits	401,858	321,649	365,989
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>1,097,065</u>	<u>1,063,193</u>	<u>1,074,948</u>
	<u>\$ 1,501,716</u>	<u>\$ 1,388,302</u>	<u>\$ 1,446,013</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 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	\$ 661	\$ 1,213	\$ 743
Foreign exchange forward contracts	<u>5,071</u>	<u>-</u>	<u>516</u>
	<u>\$ 5,732</u>	<u>\$ 1,213</u>	<u>\$ 1,259</u>
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 3,783</u>	<u>\$ 1,074</u>	<u>\$ 2,242</u>

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

	Currency	Maturity Period	Notional Amount (In Thousands)
<u>March 31, 2025</u>			
Sell	USD/NTD	2025.5.15	USD 1,000/NTD 32,791
Sell	USD/NTD	2025.5.6-2025.5.16	USD 5,000/NTD 164,338
Sell	RMB/NTD	2025.4.2-2025.8.4	RMB 12,700/NTD 57,085
Sell	USD/RMB	2025.4.22-2025.6.23	USD 10,000/RMB 72,261
Sell	USD/RMB	2025.6.23-2025.7.23	USD 8,000/RMB 57,523
Sell	USD/RMB	2025.5.21	USD 3,000/RMB 21,677
Sell	USD/RMB	2025.4.22-2025.8.20	USD 12,000/RMB 86,452
Sell	USD/RMB	2025.4.11-2025.8.20	USD 3,500/RMB 25,205

December 31, 2024

Sell	RMB/NTD	2025.3.6	RMB 3,400/NTD 15,207
Sell	RMB/NTD	2025.1.6-2025.5.6	RMB 9,800/NTD 43,923

March 31, 2024

Sell	USD/RMB	2024.4.11	USD500/RMB3,627
Sell	RMB/NTD	2024.4.3-2024.8.2	RMB11,990/NTD51,836
Sell	NTD/USD	2024.4.10	NTD16,155/USD510

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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investment			
Unlisted shares			
Emerging Creation Capital Inc.	\$ 21,021	\$ 21,731	\$ 32,518
Dy-Precision Industrial Co., Ltd.	2,957	5,184	4,144
Yongda Investment Co., Ltd.	<u>53,994</u>	<u>60,530</u>	<u>65,539</u>
	<u>\$ 77,972</u>	<u>\$ 87,445</u>	<u>\$ 102,201</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.

9. FINANCIAL ASSETS AT AMORTIZED COST

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

- a. The collateral for import tariffs. Refer to Note 32.
- 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:

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

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

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

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount - operating	\$ 10,006	\$ 14,255	\$ 9,510
Less: Allowance for impairment loss	-	-	-
	<u>\$ 10,006</u>	<u>\$ 14,255</u>	<u>\$ 9,510</u>

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,799,313	\$ 1,653,034	\$ 1,335,493
Less: Allowance for impairment loss	(9,840)	(10,400)	(7,518)
	<u>1,789,473</u>	<u>1,642,634</u>	<u>1,327,975</u>
At FVTOCI	<u>-</u>	<u>112,407</u>	<u>77,703</u>
	<u><u>\$ 1,789,473</u></u>	<u><u>\$ 1,755,041</u></u>	<u><u>\$ 1,405,678</u></u>
<u>Other receivables</u>			
Tax refund receivable	\$ 28,695	\$ 39,024	\$ 18,973
Others	<u>5,797</u>	<u>12,438</u>	<u>11,847</u>
	<u><u>\$ 34,492</u></u>	<u><u>\$ 51,462</u></u>	<u><u>\$ 30,820</u></u>

(Concluded)

a. Notes receivable and trade receivables

1) At amortized cost

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

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

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

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

March 31, 2025

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	\$ 10,006
Loss allowance (Lifetime ECLs)	<u>-</u>
Amortized cost	<u><u>\$ 10,006</u></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>

March 31, 2024

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	\$ 9,510
Loss allowance (Lifetime ECLs)	<u> -</u>
Amortized cost	<u>\$ 9,510</u>

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

March 31, 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	0.0690%	0.9303%	6.4198%	12.1350%	100%	
Gross carrying amount	\$ 1,682,977	\$ 96,954	\$ 10,343	\$ 2,192	\$ 6,847	\$ 1,799,313
Loss allowance (Lifetime ECLs)	<u> (1,161)</u>	<u> (902)</u>	<u> (664)</u>	<u> (266)</u>	<u> (6,847)</u>	<u> (9,840)</u>
Amortized cost	<u>\$ 1,681,816</u>	<u>\$ 96,052</u>	<u>\$ 9,679</u>	<u>\$ 1,926</u>	<u>\$ -</u>	<u>\$ 1,789,473</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>

March 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	0.0184%	0.1959%	0.2378%	7.5472%	100%	
Gross carrying amount	\$ 1,187,898	\$ 79,104	\$ 61,394	\$ 106	\$ 6,991	\$ 1,335,493
Loss allowance (Lifetime ECLs)	(218)	(155)	(146)	(8)	(6,991)	(7,518)
Amortized cost	<u>\$ 1,187,680</u>	<u>\$ 78,949</u>	<u>\$ 61,248</u>	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 1,327,975</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 10,400	\$ 7,167
Add: Net remeasurement of loss allowance	-	425
Less: Net reversal of remeasurement of loss allowance	(541)	-
Less: Amounts written off	(82)	(106)
Foreign exchange gains and losses	63	32
Balance at March 31	<u>\$ 9,840</u>	<u>\$ 7,518</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	121 to 180 Days Past Due	Past Due Over 181 Days	Total
Expected credit loss rate	-	-	-	-	-	
Gross carrying amount	\$ 103,257	\$ 9,150	\$ -	\$ -	\$ -	\$ 112,407
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	<u>\$ 103,257</u>	<u>\$ 9,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,407</u>

March 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	\$ 77,703	\$ -	\$ -	\$ -	\$ 77,703
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 77,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,703</u>

b. Other receivables

Other receivables mainly contain VAT refunds receivable. 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 March 31, 2025, December 31, 2024 and March 31, 2024, the expected credit risk was considered 0% by the assessment of the Group.

12. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 334,479	\$ 394,192	\$ 290,729
Work in progress	159,061	138,381	159,950
Raw materials and supplies	<u>178,776</u>	<u>188,235</u>	<u>135,675</u>
	<u>\$ 672,316</u>	<u>\$ 720,808</u>	<u>\$ 586,354</u>

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

	For the Three Months Ended March 31	
	2025	2024
Cost of inventories sold	\$ 1,047,850	\$ 859,461
Inventory write-downs	<u>-</u>	<u>4,574</u>
	<u>\$ 1,047,850</u>	<u>\$ 864,035</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
			March 31, 2025	December 31, 2024	March 31, 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.	General investment	100 (Note)	-	-	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	60	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: The Company established Jinyue Investment Co., Ltd. with a capital of \$30,000 thousand in March 2025, mainly engaged in general investment business.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associate

	March 31, 2025	December 31, 2024	March 31, 2024
Individually insignificant associate			
Shenzhen Deshenglong Electronics Co., Ltd.	\$ 3,876	\$ 3,888	\$ -

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

Aggregate Information of Associates That are Not Individually Material

	For the Year Ended March 31	
	2025	2024
The Company's share of:		
Loss from continuing operations	\$ (67)	\$ -
Other comprehensive income (loss)	-	-
Total comprehensive loss for the year	\$ (67)	\$ -

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

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

	Freehold Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Mold Equipment	Leasehold Improvements	Other Equipment	Property under construction	Total
Cost										
Balance at January 1, 2025	\$ 159,538	\$ 284,861	\$ 1,669,836	\$ 19,411	\$ 16,823	\$ 506,105	\$ 115,167	\$ 405,017	\$ 365,852	\$ 3,542,610
Additions	-	-	12,064	-	39	2,634	-	4,156	78,936	97,829
Disposals	-	-	(13,560)	-	(2,023)	(19,655)	(8,665)	(6,702)	-	(50,605)
Transfer from prepayments	-	-	2,576	-	-	17,367	-	2,177	-	22,120
Effects of foreign currency exchange differences	-	2,365	18,747	276	204	7,213	1,467	5,766	2,818	38,856
Balance at March 31, 2025	\$ 159,538	\$ 287,226	\$ 1,689,663	\$ 19,687	\$ 15,043	\$ 513,664	\$ 107,969	\$ 410,414	\$ 447,606	\$ 3,650,810
Accumulated depreciation										
Balance at January 1, 2025	\$ -	\$ 149,667	\$ 1,176,067	\$ 18,552	\$ 15,315	\$ 424,517	\$ 108,443	\$ 373,034	\$ -	\$ 2,265,595
Disposals	-	-	(12,647)	-	(2,023)	(18,317)	(8,665)	(6,702)	-	(48,354)
Depreciation	-	4,600	34,853	89	209	13,888	1,166	9,753	-	64,558
Effects of foreign currency exchange differences	-	1,402	14,038	266	191	6,007	1,430	5,341	-	28,675
Balance at March 31, 2025	\$ -	\$ 155,669	\$ 1,212,311	\$ 18,907	\$ 13,692	\$ 426,095	\$ 102,374	\$ 381,426	\$ -	\$ 2,310,474
Carrying amount at December 31, 2024 and January 1, 2025	\$ 159,538	\$ 135,194	\$ 493,769	\$ 859	\$ 1,508	\$ 81,588	\$ 6,724	\$ 31,983	\$ 365,852	\$ 1,277,015
Carrying amount at March 31, 2025	\$ 159,538	\$ 131,557	\$ 477,352	\$ 780	\$ 1,351	\$ 87,569	\$ 5,595	\$ 28,988	\$ 447,606	\$ 1,340,336
Cost										
Balance at January 1, 2024	\$ 159,538	\$ 276,654	\$ 1,795,415	\$ 22,279	\$ 15,626	\$ 494,506	\$ 109,638	\$ 426,590	\$ 2,104	\$ 3,302,350
Additions	-	-	1,898	-	-	2,233	365	1,410	88,783	94,689
Disposals	-	(201)	(95,190)	(1,664)	(183)	(5,620)	-	(10,543)	-	(113,401)
Transfer from prepayments	-	-	205	-	-	11,108	-	757	-	12,070
Effects of foreign currency exchange differences	-	6,374	52,100	867	570	20,107	4,202	17,062	732	102,014
Balance at March 31, 2024	\$ 159,538	\$ 282,827	\$ 1,754,428	\$ 21,482	\$ 16,013	\$ 522,334	\$ 114,205	\$ 435,276	\$ 91,619	\$ 3,397,222
Accumulated depreciation										
Balance at January 1, 2024	\$ -	\$ 127,223	\$ 1,241,451	\$ 20,871	\$ 14,321	\$ 417,576	\$ 101,356	\$ 357,180	\$ -	\$ 2,279,978
Disposals	-	(201)	(94,754)	(1,664)	(183)	(5,591)	-	(10,389)	-	(112,782)
Depreciation	-	4,587	38,193	189	148	16,593	1,239	17,466	-	78,415
Effects of foreign currency exchange differences	-	3,338	37,769	815	549	17,062	4,071	14,551	-	78,155
Balance at March 31, 2024	\$ -	\$ 134,947	\$ 1,222,659	\$ 20,211	\$ 14,835	\$ 445,640	\$ 106,666	\$ 378,808	\$ -	\$ 2,323,766
Carrying amount at March 31, 2024	\$ 159,538	\$ 147,880	\$ 531,769	\$ 1,271	\$ 1,178	\$ 76,694	\$ 7,539	\$ 56,468	\$ 91,619	\$ 1,073,956

There was no recognition and reversal of impairment loss for the three months ended March 31, 2025 and 2024.

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

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

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 32.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amounts</u>			
Land	\$ 155,403	\$ 154,969	\$ 157,098
Buildings	<u>13,651</u>	<u>14,148</u>	<u>4,368</u>
	<u>\$ 169,054</u>	<u>\$ 169,117</u>	<u>\$ 161,466</u>
		For the Three Months Ended March 31	
		2025	2024
Depreciation charge for right-of-use assets			
Land		\$ 933	\$ 916
Buildings		<u>580</u>	<u>1,424</u>
		<u>\$ 1,513</u>	<u>\$ 2,340</u>

In addition to the above of additions and depreciation, there was no impairment loss after performing impairment assessment for the three months ended March 31, 2025 and 2024.

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amounts</u>			
Current	<u>\$ 2,145</u>	<u>\$ 2,103</u>	<u>\$ 2,529</u>
Non-current	<u>\$ 11,187</u>	<u>\$ 12,360</u>	<u>\$ 1,352</u>

Discount rate for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	5.30%	1.38%-9.00%	1.38%-9.00%

c. Material lease-in activities and terms

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

d. Land right-of-use assets pledged as collateral for bank borrowings are set out in Note 32.

e. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases	<u>\$ 2,067</u>	<u>\$ 5,499</u>
Expenses relating to low-value asset leases	<u>\$ 45</u>	<u>\$ 184</u>
Total cash outflow for leases	<u>\$ (3,505)</u>	<u>\$ (7,980)</u>

17. GOODWILL

	For the Three Months Ended March 31	
	2025	2024
<u>Cost</u>		
Balance, at January 1	\$ 12,519	\$ 12,202
Effects of foreign currency exchange differences	<u>92</u>	<u>246</u>
Balance at March 31	<u>\$ 12,611</u>	<u>\$ 12,448</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ 6,416	\$ -
Effect of foreign currency exchange differences	<u>92</u>	<u>-</u>
Balance at March 31	<u>\$ 6,508</u>	<u>\$ -</u>
Carrying amount at March 31	<u>\$ 6,103</u>	<u>\$ 12,448</u>

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

No impairment loss was recognized for three months ended March 31, 2025 and 2024.

18. OTHER INTANGIBLE ASSETS

	Computer Software	Trademarks	Patents	Total
<u>Cost</u>				
Balance at January 1, 2025	\$ 49,569	\$ 29,286	\$ 7,000	\$ 85,855
Additions	600	-	-	600
Disposals	(2,351)	-	-	(2,351)
Effects of foreign currency exchange differences	<u>587</u>	<u>-</u>	<u>-</u>	<u>587</u>
Balance at March 31, 2025	<u>\$ 48,405</u>	<u>\$ 29,286</u>	<u>\$ 7,000</u>	<u>\$ 84,691</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2025	\$ 43,606	\$ 15,068	\$ 3,383	\$ 62,057
Amortization expenses	1,107	637	175	1,919
Disposals	(2,351)	-	-	(2,351)
Effects of foreign currency exchange differences	<u>573</u>	<u>-</u>	<u>-</u>	<u>573</u>
Balance at March 31, 2025	<u>\$ 42,935</u>	<u>\$ 15,705</u>	<u>\$ 3,558</u>	<u>\$ 62,198</u>
Carrying amounts at December 31, 2024 and January 1, 2025	<u>\$ 5,963</u>	<u>\$ 14,218</u>	<u>\$ 3,617</u>	<u>\$ 23,798</u>
Carrying amounts at March 31, 2025	<u>\$ 5,470</u>	<u>\$ 13,581</u>	<u>\$ 3,442</u>	<u>\$ 22,493</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 44,377	\$ 29,286	\$ 7,000	\$ 80,663
Additions	225	-	-	225
Effects of foreign currency exchange differences	<u>1,633</u>	<u>-</u>	<u>-</u>	<u>1,633</u>
Balance at March 31, 2024	<u>\$ 46,235</u>	<u>\$ 29,286</u>	<u>\$ 7,000</u>	<u>\$ 82,521</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 38,336	\$ 12,521	\$ 2,683	\$ 53,540
Amortization expenses	1,140	636	175	1,951
Effects of foreign currency exchange differences	<u>1,490</u>	<u>-</u>	<u>-</u>	<u>1,490</u>
Balance at March 31, 2024	<u>\$ 40,966</u>	<u>\$ 13,157</u>	<u>\$ 2,858</u>	<u>\$ 56,981</u>
Carrying amounts at March 31, 2024	<u>\$ 5,269</u>	<u>\$ 16,129</u>	<u>\$ 4,142</u>	<u>\$ 25,540</u>

Except for the recognition of amortization expenses, the Group's other intangible assets did not experience significant additions, disposals, or impairments for the three months ended March 31, 2025 and 2024.

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

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

19. OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Prepaid sales tax	\$ 117,929	\$ 109,265	\$ 39,016
Prepayments	61,083	36,140	28,631
Overpaid sales tax	4,729	6,136	3,015
Others	<u>5,443</u>	<u>5,494</u>	<u>3,699</u>
	<u>\$ 189,184</u>	<u>\$ 157,035</u>	<u>\$ 74,361</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 131,186	\$ 67,752	\$ 39,396
Prepayments - non-current	-	-	717
Refundable deposits	<u>2,830</u>	<u>2,841</u>	<u>5,328</u>
	<u>\$ 134,016</u>	<u>\$ 70,593</u>	<u>\$ 45,441</u>

20. BORROWINGS

a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 98,000</u>	<u>\$ 60,000</u>	<u>\$ 29,515</u>

The range of interest rates for short-term bank loans were 1.88%-2.17%, 2.00%-2.17% and 2.00%-3.20% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

b. Long-term borrowings

		March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings</u>				
Bank loans		\$ 4,487	\$ 4,561	\$ 51,200
Less: Current portions		<u>(555)</u>	<u>(547)</u>	<u>(19,819)</u>
Long-term borrowings		<u>\$ 3,932</u>	<u>\$ 4,014</u>	<u>\$ 31,381</u>
	Repayment Method	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings</u>				
Taipei Fubon Commercial Bank	The loan amounted to \$312,000 thousand is repaid on a monthly basis from September 30, 2021 to September 30, 2026. The interest is paid every month.	\$ -	\$ -	\$ 51,200
<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.	4,487	4,561	\$ -
Less: Current portions		<u>(555)</u>	<u>(547)</u>	<u>(19,819)</u>
Long-term borrowings		<u>\$ 3,932</u>	<u>\$ 4,014</u>	<u>\$ 31,381</u>

The range of interest rates for long-term bank loans were 3.41%, 3.41% and 1.8962% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

Under the loan agreements with Taipei Fubon Commercial Bank, the Group should maintain certain financial ratios during the loan term, which are based on the annual and semi-annually consolidated financial statements. The financial ratios are as follows:

Since the loan to be activated, the financial statements should be reviewed quarterly in April and October including:

- 1) Current ratio (Current asset ÷ Current liabilities) shall be above 100%.
- 2) Liability ratio [(Total liabilities ÷ (Net value - Intangible assets)] shall not be higher than 150%.
- 3) Times interest earned [(Net profit before tax + Depreciation + Amortization + Interest expense)/Interest expense] shall be maintained at 3 times (inclusive) or more.
- 4) Tangible net value (Net value - Intangible assets) shall be maintained at \$2 billion (inclusive) or more.

Should either above mentioned ratios not met for the first time, the interest rate would be increased by 0.25%; and credit facilities would be reconsidered should the covenants breached again. The Group no breach of the covenants and have already repaid the above-mentioned loan early within 2024.

21. BONDS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Fourth unsecured domestic convertible bonds	\$ 166,720	\$ 231,135	\$ 468,780
Less: Current portion	<u>(166,720)</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 231,135</u>	<u>\$ 468,780</u>

Unsecured Domestic Convertible Bonds - IV

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

The following items are the primary clauses in the prospectus:

a. Term

From March 5, 2024 to March 5, 2027.

b. Redemption

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

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

c. Conversion

Conversion period

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

Conversion price and adjustments

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

d. Bondholders' put right

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

e. Bond components

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

Proceeds from issuance (less transaction costs of \$5,545 thousand)	\$ 496,955
Equity component	(30,776)
Financial assets at FVTPL	743
Deferred tax assets	<u>1,109</u>
Liability component at the date of issuance	468,031
Interest charged at an effective interest rate of 2.2045%	<u>749</u>
 Liability component at March 31, 2024	 <u>\$ 468,780</u>
 Liability component at January 1, 2025	 \$ 231,135
Interest charged at an effective interest rate of 2.2045% - for the three months ended March 31, 2025	 1,116
Convertibles bonds converted into ordinary shares	<u>(65,531)</u>
 Liability component at March 31, 2025	 <u>\$ 166,720</u>

For three months ended March 31, 2025, the convertible bonds were converted for the par value of \$68,500 thousand, of which the Group reclassified to advance receipts for capital collected in advance for amount of \$10,754 thousand. With conversion occurrence, originally recorded capital surplus-options decreased \$4,216 thousand, bonds payable reduced \$2,969 thousand, financial assets at FVTPL reduced \$342 thousand, and capital surplus increased \$58,651 thousand derived from the difference between the consideration received and the par value of bonds payable.

22. OTHER PAYABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Other payables			
Payables for dividends (Notes 23 and 29)	\$ 253,001	\$ -	\$ 194,450
Salaries and bonuses	192,669	197,328	151,176
Processing fees	176,091	225,259	120,079
Payable for labor and health insurance, social security and pension	39,204	37,251	38,608
Purchases of equipment (Note 29)	70,915	50,662	24,680
Others	<u>166,493</u>	<u>165,800</u>	<u>124,875</u>
	<u>\$ 898,373</u>	<u>\$ 676,300</u>	<u>\$ 653,868</u>

23. EQUITY

a. Share capital

Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 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>83,570</u>	<u>80,285</u>	<u>78,725</u>
Share capital issued	<u>\$ 835,703</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 March 2025, employees executed share options 580 units, receiving a total amount of \$21,808 thousand, and as of March 31, 2025, the registration has not been completed, and under the advance receipts for capital stock for the amount of \$5,800 thousand. On May 8, 2025, the Company's board of directors would resolve that the capital increase base date of employee share options as May 9, 2025.

During January to March 2025, convertible bonds were converted to ordinary shares for the amount of \$10,754 thousand under advance receipts for capital stock, and since as of the date of financial statements, registration has not been completed. On May 8, 2025, the board of the directors resolved the capital increase base date as May 9, 2025.

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

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

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Premium on issuance of ordinary shares (2)	\$ 629,576	\$ 604,143	\$ 568,037
Premium on conversion of bonds	642,737	584,086	364,680

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>May be used to offset a deficit only</u>			
Redemption/buy back convertible corporate bonds	\$ 14,480	\$ 14,480	\$ 14,480
Changes in percentage of ownership interests in subsidiaries (3)	1,906	1,906	1,906
<u>May not be used for any purpose</u>			
Arising from employee share options	13,260	21,266	29,094
Share warrants (4)	<u>10,710</u>	<u>14,926</u>	<u>30,776</u>
	<u>\$ 1,312,669</u>	<u>\$ 1,240,807</u>	<u>\$ 1,008,973</u>
			(Concluded)

- 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 March 2025, some employees exercised share warrants, resulting in an increase in capital surplus - stock issuance premium by \$25,433 thousand. Additionally, the amount reclassified from the capital surplus - employee stock options to the capital surplus - stock issuance premium was \$9,425 thousand.
- 3) Such capital surplus arises from the effects of changes in ownership interests in a subsidiary resulting from equity transactions other than an actual disposal or acquisition or from changes in capital surplus of subsidiaries accounted for by using the equity method.
- 4) Please refer to Note 21 for increase of capital surplus due to the conversion of the fourth unsecured domestic convertible bonds on March 2024.

c. Retained earnings and dividend policy

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

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

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

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

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

	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. The appropriation of earnings for 2023 was approved in shareholder's meetings on June 18, 2024. The appropriation of earnings for 2024 will be resolved by the Company's annual general meeting on May 29, 2025.

d. Other equity items

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

	For the Three Months Ended	
	March 31	
	2025	2024
Balance at January 1	<u>\$ (75,014)</u>	<u>\$ (213,040)</u>
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	49,483	124,707
Related income tax	<u>(9,897)</u>	<u>(24,941)</u>
Other comprehensive loss recognized for the period	<u>39,586</u>	<u>99,766</u>
Balance at March 31	<u>\$ (35,428)</u>	<u>\$ (113,274)</u>

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

	For the Three Months Ended	
	March 31	
	2025	2024
Balance at January 1	<u>\$ 10,446</u>	<u>\$ 9,125</u>
Recognized for the period		
Unrealized (loss) gain - equity instruments	(9,473)	16,408
Related income tax	<u>1,895</u>	<u>(3,282)</u>
Other comprehensive (loss) income recognized for the period	<u>(7,578)</u>	<u>13,126</u>
Balance at March 31	<u>\$ 2,868</u>	<u>\$ 22,251</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 28,960	\$ 25,376
Share in loss for the period	<u>(837)</u>	<u>(3,229)</u>
Other comprehensive loss during the period		
Exchange differences on translating the financial statements of foreign entities	(404)	(313)
Related income tax	<u>91</u>	<u>93</u>
	<u>(313)</u>	<u>(220)</u>
Balance at March 31	<u>\$ 27,810</u>	<u>\$ 21,927</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

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Notes receivable and trade receivables (Note 11)	<u>\$ 1,799,479</u>	<u>\$ 1,769,296</u>	<u>\$ 1,415,188</u>	<u>\$ 1,563,256</u>
Contract liabilities				
Sale of goods	<u>\$ 4,762</u>	<u>\$ 13,057</u>	<u>\$ 5,217</u>	<u>\$ 16,768</u>

c. Disaggregation of revenue

	For the Three Months Ended March 31	
	2025	2024
Type of goods		
Information products	\$ 263,706	\$ 175,357
Internet communication products	824,690	564,852
Consumer electronic products	167,678	117,150
Others	<u>231,581</u>	<u>229,263</u>
	<u>\$ 1,487,655</u>	<u>\$ 1,086,622</u>

25. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended March 31	
	2025	2024
Bank deposits	<u>\$ 5,481</u>	<u>\$ 7,235</u>

b. Other income

	For the Three Months Ended March 31	
	2025	2024
Government grants	\$ 236	\$ 1,896
Subsidy arising from launched production line	1,160	1,160
Compensation income	3,007	3,873
Mold income	1,040	414
Others	<u>8,359</u>	<u>4,659</u>
	<u>\$ 13,802</u>	<u>\$ 12,002</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Gain on disposal of property, plant and equipment	\$ 2,001	\$ 11
Fair value changes of financial assets/liabilities		
Financial assets mandatorily classified as at FVTPL	18,521	692
Financial liabilities held for trading	(2,847)	(1,658)
Net foreign exchange gains	4,859	15,820
Others	<u>(4,087)</u>	<u>(147)</u>
	<u>\$ 18,447</u>	<u>\$ 14,718</u>

d. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on bank loans	\$ 797	\$ 2,742
Interest on convertible bonds (Note 21)	1,116	749
Interest on lease liabilities	<u>180</u>	<u>96</u>
	<u>\$ 2,093</u>	<u>\$ 3,587</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
An analysis of deprecation by function		
Operating costs	\$ 50,446	\$ 63,834
Operating expenses	<u>15,625</u>	<u>16,921</u>
	<u>\$ 66,071</u>	<u>\$ 80,755</u>
An analysis of amortization by function		
Operating costs	\$ 175	\$ 175
Selling and marketing expense	692	637
General and administrative expense	398	792
Research and development expense	<u>654</u>	<u>347</u>
	<u>\$ 1,919</u>	<u>\$ 1,951</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	\$ 25,577	\$ 23,141
Share-based payments		
Equity-settled	1,419	3,798
Other employee benefits	<u>307,352</u>	<u>249,668</u>
Total employee benefits expense	<u>\$ 334,348</u>	<u>\$ 276,607</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 195,902	\$ 160,621
Operating expenses	<u>138,446</u>	<u>115,986</u>
	<u>\$ 334,348</u>	<u>\$ 276,607</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 three months ended March 31, 2025 and 2024 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	6.00%	6.10%
Remuneration of directors	1.87%	1.88%

Amount

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	<u>\$ 14,548</u>	<u>\$ 3,529</u>
Remuneration of directors	<u>\$ 4,550</u>	<u>\$ 1,086</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. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2025	2024
Foreign exchange gains	\$ 59,659	\$ 56,329
Foreign exchange losses	<u>(54,800)</u>	<u>(40,509)</u>
	<u>\$ 4,859</u>	<u>\$ 15,820</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 March 31	
	2025	2024
Current tax		
In respect of the current period	\$ 58,966	\$ 11,153
Deferred tax		
In respect of the current period	<u>(7,214)</u>	<u>661</u>
Income tax expense recognized in profit or loss	<u>\$ 51,752</u>	<u>\$ 11,814</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2025	2024
Deferred tax		
In respect of the current period		
Translation of the financial statements of foreign operations	\$ 9,806	\$ 24,848
Fair value changes of financial assets at FVTOCI	<u>(1,895)</u>	<u>3,282</u>
Total income tax recognized in other comprehensive income	<u>\$ 7,911</u>	<u>\$ 28,130</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 March 31	
	2025	2024
Basic earnings per share		
From continuing operations	<u>\$ 2.23</u>	<u>\$ 0.55</u>
Diluted earnings per share		
From continuing operations	<u>\$ 2.11</u>	<u>\$ 0.50</u>

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

Net Profit for the Year

	For the Three Months Ended March 31	
	2025	2024
Profit for the period attributable to owners of the Company	<u>\$ 188,317</u>	<u>\$ 43,390</u>
Earnings used in the computation of basic earnings per share	\$ 188,317	\$ 43,390
Effects of potentially dilutive ordinary shares:		
Interest and valuation loss on convertible bonds after tax	<u>1,060</u>	<u>599</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 189,377</u>	<u>\$ 43,989</u>

Shares

	Unit: Thousand Shares	
	For the Three Months Ended March 31	
	2025	2024
Weighted average number of ordinary shares in computation of basic earnings per share	84,607	78,725
Effect of potentially dilutive ordinary shares:		
Convertible bonds	3,231	7,610
Employee stock option	1,553	1,465
Compensation of employees	<u>403</u>	<u>296</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>89,794</u>	<u>88,096</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. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

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

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

Information of employee share options was as follow:

	For the Three Months Ended March 31			
	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 at January 1	2,852	\$ 37.60	3,655	\$ 38.75
Options granted	<u>(580)</u>	37.60	<u>-</u>	-
Balance at March 31	<u>2,272</u>	37.60	<u>3,655</u>	38.75
Options exercisable at March 31	<u>1,136</u>		<u>-</u>	

Information on outstanding options was as follows:

	March 31, 2025
Range of exercise price (\$)	\$ 37.60
Weighted-average remaining contractual life (in years)	3.08

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 \$1,419 thousand and \$3,798 thousand for the three months ended March 31, 2025 and 2024, respectively.

29. CASH INFORMATION

a. Non-cash transaction

For the three months ended March 31, 2025 and 2024, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statement of cash flows:

- 1) As of March 31, 2025, December 31, 2024 and March 31, 2024, the amounts unpaid for acquiring the property, plant and equipment were \$70,915 thousand, \$50,662 thousand and \$24,680 thousand, respectively, which were included in other payables.
- 2) The Company's board of directors resolved to distribute cash dividends on February 27, 2025 and March 3, 2024. As of March 31, 2025 and 2024, the unpaid amounts were \$253,001 thousand and \$194,450 thousand, respectively, which were included in other payables (refer to Notes 22 and 23)
- 3) The Group issued the fourth unsecured convertible bonds in March 2024 which accounted for \$5,545 thousand issuance costs. As of March 31, 2024, the amounts of unpaid prepayments for issuance of convertible bonds was \$5,000 thousand, which were included in other payables.

b. Changes in liabilities from financing activities

For the three months ended March 31, 2025

	Balance at January 1, 2025	Cash Flows	Non-cash Changes			Balance at March 31, 2025
			Interest Expense	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other (Note 1)	
Short-term borrowings	\$ 60,000	\$ 38,000	\$ -	\$ -	\$ -	\$ 98,000
Lease liabilities	14,463	(1,213)	-	82	-	13,332
Bonds payable	231,135	-	1,116	-	(65,531)	166,720
Long-term borrowings (including current portion of long-term borrowings)	4,561	(138)	-	64	-	4,487
Guarantee deposits received	898	(20)	-	9	-	887
	<u>\$ 311,057</u>	<u>\$ 36,629</u>	<u>\$ 1,116</u>	<u>\$ 155</u>	<u>\$ (65,531)</u>	<u>\$ 283,426</u>

For the three months ended March 31, 2024

	Balance at January 1, 2024	Cash Flows	Non-cash Changes				Balance at March 31, 2024
			Interest Expense	Addition	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other (Note 2)	
Short-term borrowings	\$ 609,000	\$ (579,568)	\$ -	\$ -	\$ 83	\$ -	\$ 29,515
Lease liabilities	5,982	(2,201)	-	-	100	-	3,881
Bonds payable	-	502,500	749	-	-	(34,469)	468,780
Long-term borrowings (including current portion of long-term borrowings)	176,800	(125,600)	-	-	-	-	51,200
Guarantee deposits received	1,900	52	-	-	26	-	1,978
Other payables (issuance costs of the convertible bonds)	-	(545)	-	5,545	-	-	5,000
	<u>\$ 793,682</u>	<u>\$(205,362)</u>	<u>\$ 749</u>	<u>\$ 5,545</u>	<u>\$ 209</u>	<u>\$(34,469)</u>	<u>\$ 560,354</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.

30. FINANCIAL INSTRUMENTS

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

March 31, 2025

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Convertible bonds	\$ 166,720	\$ 264,480	\$ -	\$ -	\$ 264,480

December 31, 2024

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

March 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	\$ 468,780	\$ 637,900	\$ -	\$ -	\$ 637,900

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

1) Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives				
Convertible bond options	\$ -	\$ -	\$ 661	\$ 661
Foreign exchange forward contracts	<u>-</u>	<u>5,071</u>	<u>-</u>	<u>5,071</u>
	<u>\$ -</u>	<u>\$ 5,071</u>	<u>\$ 661</u>	<u>\$ 5,732</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,972</u>	<u>\$ 77,972</u>
Investments in debt instruments at FVTOCI				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 3,783</u>	<u>\$ -</u>	<u>\$ 3,783</u>

December 31, 2024

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

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives				
Convertible bond options	\$ -	\$ -	\$ 743	\$ 743
Foreign exchange forward contracts	<u>-</u>	<u>516</u>	<u>-</u>	<u>516</u>
	<u>\$ -</u>	<u>\$ 516</u>	<u>\$ 743</u>	<u>\$ 1,259</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,201</u>	<u>\$ 102,201</u>
Investments in debt instruments at FVTOCI				
Factored trade receivables to banks without recourse	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,703</u>	<u>\$ 77,703</u>

Financial liabilities at FVTPL

Derivatives				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 2,242</u>	<u>\$ -</u>	<u>\$ 2,242</u>

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

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

For the three months ended March 31, 2025

Financial Assets	Financial Assets at FVTOCI		Total
	Equity Instrument	Debt Instrument	
Balance at January 1, 2025	\$ 87,445	\$ 112,407	\$ 199,852
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	(9,473)	-	(9,473)
Decrease	<u>-</u>	<u>(112,407)</u>	<u>(112,407)</u>
Balance at March 31, 2025	<u>\$ 77,972</u>	<u>\$ -</u>	<u>\$ 77,972</u>
			Derivatives
Balance at January 1, 2025			\$ 1,213
Recognized in profit or loss (included in other gains and losses)			(210)
Conversion			<u>(342)</u>
Balance at March 31, 2025			<u>\$ 661</u>

For the three months ended March 31, 2024

Financial Assets	Financial Assets at FVTOCI		Total
	Equity Instrument	Debt Instrument	
Balance at January 1, 2024	\$ 85,793	\$ 105,119	\$ 190,912
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	16,408	-	16,408
Decrease	<u>-</u>	<u>(27,416)</u>	<u>(27,416)</u>
Balance at March 31, 2024	<u>\$ 102,201</u>	<u>\$ 77,703</u>	<u>\$ 179,904</u>

Derivatives

Financial assets at FVTPL

Balance at January 1, 2024	\$ -
Addition-Proceeds from issuance of convertible bonds	<u>743</u>
Balance at March 31, 2024	<u>\$ 743</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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Mandatorily classified as at FVTPL	\$ 5,732	\$ 1,213	\$ 1,259
Financial asset at amortized cost (1)	3,316,567	3,067,215	2,807,408
Financial assets at FVTOCI			
Equity instruments	77,972	87,445	102,201
Debt instruments			
Factored trade receivables to banks without recourse	-	112,407	77,703
<u>Financial liabilities</u>			
FVTPL			
Held for trading	3,783	1,074	2,242
Amortized cost (2)	1,103,323	1,203,153	1,141,878

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency which has a significant impact denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 34.

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 Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2025	2024	2025	2024
Profit or loss*	\$ 865	\$ 12,062	\$ 162	\$ (121)

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 increased during the current period mainly due to the increased of net assets denominated in RMB.

b) Interest rate risk

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

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

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Financial assets	\$ 1,103,810	\$ 1,069,938	\$ 1,081,683
Financial liabilities	278,052	305,598	502,176
Cash flow interest rate risk			
Financial assets	401,858	321,649	365,989
Financial liabilities	4,487	4,561	51,200

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 three months ended March 31, 2025 and 2024 would have increased/decreased by \$993 thousand and \$787 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 decreased of long-term borrowings.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax other comprehensive income for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$780 thousand and \$1,022 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

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

2) Credit risk

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

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

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

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

3) Liquidity risk

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

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

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Short-term borrowings	\$ 48,112	\$ 50,153	\$ -	\$ -	\$ -
Long-term borrowings	139	176	381	4,082	-
Lease liabilities	-	-	2,806	12,626	-
Trade payables	161,119	206,766	51,845	-	-
Other payables	214,909	160,570	291,020	-	-
Bonds payable	-	-	166,720	-	-
Guarantee deposits received	-	-	-	887	-
	<u>\$ 424,279</u>	<u>\$ 417,665</u>	<u>\$ 512,772</u>	<u>\$ 17,595</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>\$ 2,806</u>	<u>\$ 12,626</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>

March 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	\$ 25,029	\$ 4,649	\$ -	\$ -	\$ -
Long-term borrowings	1,731	3,452	15,404	31,828	-
Lease liabilities	-	-	2,786	1,393	-
Trade payables	115,251	154,354	51,166	-	-
Other payables	144,045	106,492	213,536	11	-
Guarantee deposits received	-	-	1,978	-	-
	<u>\$ 286,056</u>	<u>\$ 268,947</u>	<u>\$ 284,870</u>	<u>\$ 33,232</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>\$ 2,786</u>	<u>\$ 1,393</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.

March 31, 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	\$ 10,301	\$ 344,664	\$ 28,287	\$ -
Outflows	<u>(10,702)</u>	<u>(347,387)</u>	<u>(28,946)</u>	<u>-</u>
	<u>\$ (401)</u>	<u>\$ (2,723)</u>	<u>\$ (659)</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>

March 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	\$ 9,261	\$ 28,155	\$ 4,669	\$ -
Outflows	<u>(9,592)</u>	<u>(29,638)</u>	<u>(5,097)</u>	<u>-</u>
	<u>\$ (331)</u>	<u>\$ (1,483)</u>	<u>\$ (428)</u>	<u>\$ -</u>

c) Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loan facilities (reviewed annually)			
Amount used	\$ 102,487	\$ 64,561	\$ 29,515
Amount unused	<u>2,234,025</u>	<u>2,269,925</u>	<u>2,141,000</u>
	<u>\$ 2,336,512</u>	<u>\$ 2,334,486</u>	<u>\$ 2,170,515</u>
Secured bank loan facilities which may be extend by mutual agreement			
Amount used	\$ -	\$ -	\$ 51,200
Amount unused	<u>277,549</u>	<u>273,649</u>	<u>270,612</u>
	<u>\$ 277,549</u>	<u>\$ 273,649</u>	<u>\$ 321,812</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 March 31, 2025 and 2024. The aforementioned factoring agreement of accounts receivable expired in January 2025. As of December 31, 2024 and March 31, 2024, the Group had issued promissory notes consisting of checks for US\$8,000 thousand as collateral to the banks.

31. 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 March 31	
	2025	2024
Short-term employee benefits	\$ 11,263	\$ 11,163
Post-employment benefits	<u>189</u>	<u>119</u>
	<u>\$ 11,452</u>	<u>\$ 11,282</u>

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

32. 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:

	March 31, 2025	December 31, 2024	March 31, 2024
Freehold land	\$ -	\$ 159,538	\$ 159,538
Building	63,501	131,085	143,466
Right-of-use assets - land	51,827	51,454	52,638
Financial assets at amortized cost - current			
Time deposits	<u>6,745</u>	<u>6,745</u>	<u>6,735</u>
	<u>\$ 122,073</u>	<u>\$ 348,822</u>	<u>\$ 362,377</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Significant commitments

Unrecognized commitments were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Acquisition of property, plant and equipment			
RMB	<u>\$ 7,930</u>	<u>\$ 26,124</u>	<u>\$ 1,638</u>
VND	<u>\$ 132,085</u>	<u>\$ 216,438</u>	<u>\$ 409,759</u>

34. 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:

March 31, 2025

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	71,820	33.205 (USD:NTD)	\$ 2,384,786
USD	40,455	7.1782 (USD:RMB)	1,343,323
RMB	17,723	4.6258 (RMB:NTD)	81,985
RMB	8,113	0.1393 (RMB:USD)	37,528
Non-monetary items			
Derivative instruments			
USD	32,500	Note	5,071

Financial liabilities

Monetary items			
USD	64,381	33.205 (USD:NTD)	2,137,785
USD	2,790	7.1782 (USD:RMB)	92,645
RMB	9,624	0.1393 (RMB:USD)	44,520
Non-monetary items			
Derivative instruments			
USD	10,000	Note	2,120
RMB	12,700	Note	1,663

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
(Continued)			

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<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 (Concluded)

March 31, 2024

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 45,938	32.0000 (USD:NTD)	\$ 1,470,002
USD	37,865	7.0950 (USD:RMB)	1,211,667
RMB	16,497	4.5102 (RMB:NTD)	74,406
RMB	3,172	0.1419 (RMB:USD)	14,308
Non-monetary items			
Derivative instruments			
USD	500	Note	345

Financial liabilities

Monetary items			
USD	43,052	32.0000 (USD:NTD)	1,377,665
USD	2,557	7.0950 (USD:RMB)	81,836
RMB	10,361	0.1419 (RMB:USD)	46,729
Non-monetary items			
Derivative instruments			
RMB	11,990	Note	2,242

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

For the three months ended March 31, 2025 and 2024, net foreign exchange gains (losses), (including realized and unrealized), were \$4,859 thousand and \$15,820 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.

35. 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.

36. 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 THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

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	\$ 757,075	\$ 757,075	\$ 591,049	2.10-2.91	Demand of short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 1,682,235 (Note 2)	\$ 1,682,235 (Note 2)
1	Morning Paragon Limited	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Other receivables from related party	Yes	25,905	25,905	25,905	2.16	Demand of short-term financing	-	Operating capital	-	-	-	7,146 (Notes 3 and 8)	14,293 (Notes 3 and 8)
2	Zhong Jiang U.D.E. Electronics Corp.	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Other receivables from related party	Yes	194,284	194,284	194,284	2.16-2.91	Demand of short-term financing	-	Operating capital	-	-	-	259,047 (Note 5)	518,093 (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	-	-	-	26,850 (Note 5)	53,700 (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	-	-	-	72,799 (Note 6)	145,598 (Note 6)

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

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

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

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

- 1) The total amount available for lending to the subsidiaries whose voting shares are 100% 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 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 100% 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 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 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 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 its most recently 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 March 31, 2025 are specified as follows:

Dongguan De Yang Precision Rubber Plastic Co., Ltd.: The sum of interest expenses is \$1,400 thousand.

U.D. Electronic Vietnam Company Limited: The sum of interest expenses is \$3,300 thousand.

Note 8: Morning Paragon Limited. experienced a decrease in net worth as of March 31, 2025, resulting in exceeding the limit of the financial loan. A corrective plan will be submitted in accordance with regulations.

(Concluded)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

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% \$ 4,205,587	\$ 1,228,585	\$ 1,228,585	\$ -	\$ -	29	Net value 100% \$ 4,205,587	Yes	-	-
		DYP Corp.	b	Net value 20% 841,117	174,904	174,904	68,000	-	4	Net value 40% 1,682,235	Yes	-	-
		Morning Paragon Limited	b	Net value 20% 841,117	99,615	99,615	-	-	2	Net value 40% 1,682,235	Yes	-	-
		Zhong Jiang U.D.E. Electronics Corp.	b	Net value 100% 4,205,587	231,291	231,291	-	-	6	Net value 100% 4,205,587	Yes	-	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

SIGNIFICANT MARKETABLE SECURITIES HELD

MARCH 31, 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	March 31, 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	\$ 21,021	10.13	\$ 21,021	Note
	Dy-Precision Industrial Co., Ltd.	-	"	725	2,957	16.22	2,957	Note
	Yongda Investment Co., Ltd.	-	"	5,000	53,994	17.99	53,994	Note

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

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
U.D. Electronic Corp.	All First International Co., Ltd.	Affiliated company	Purchase	\$ 964,429	97	O/A 105 days	Note 2	Note 2	\$ (1,989,466)	(96)	Note 1
All First International Co., Ltd.	U.D. Electronic Corp.	Parent company	Sale	(964,429)	(93)	O/A 105 days	"	"	1,989,466	97	"
	Zhong Jiang U.D.E. Electronics Corp.	Affiliated company	Purchase	1,002,110	98	O/A 105 days	"	"	(1,292,740)	(98)	"
Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.	Affiliated company	Sale	(1,002,110)	(98)	O/A 105 days	"	"	1,292,740	98	"
Morning Paragon Limited	DYP Corp.	Affiliated company	Sale	(115,579)	(91)	O/A 105 days	"	"	105,068	86	"
	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Affiliated company	Purchase	115,034	91	O/A 105 days	"	"	(68,207)	(77)	"
DYP Corp.	Morning Paragon Limited	Affiliated company	Purchase	115,579	90	O/A 105 days	"	"	(105,068)	(87)	"
Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Morning Paragon Limited	Affiliated company	Sale	(115,034)	(88)	O/A 105 days	"	"	68,207	70	"

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

MARCH 31, 2025

(In Thousands of New Taiwan Dollars)

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 \$ 1,989,466	1.96	\$ -	-	\$ 277,283	\$ -
Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.	Affiliated company	" 1,292,740	3.09	-	-	343,769	-
Morning Paragon Limited	DYP Corp.	Affiliated company	" 105,068	3.76	-	-	44,661	-
Zhong Jiang U.D.E. Electronics Corp.	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Affiliated company	Other receivables 196,588 (including interest receivables)	-	-	-	-	-
U.D. Electronic Corp.	U.D. Electronic Vietnam Company Limited	Affiliated company	Other receivables 598,835 (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 April 1, 2025 to May 8, 2025.

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% of Total Sales or Assets (Note 4)
0	U.D. Electronic Corp.	All First International Co., Ltd.	a.	Endorsements/guarantees provided	\$ 1,228,585	-	20
		DYP Corp.	a.	Endorsements/guarantees provided	174,904	-	3
		Zhong Jiang U.D.E. Electronics Corp.	a.	Endorsements/guarantees provided	231,291	-	4
		U.D. Electronic Vietnam Company Limited	a.	Other receivables	598,835	Financing (including interest receivables \$7,786)	10
1	All First International Co., Ltd.	U.D. Electronic Corp.	b.	Revenue	964,429	Negotiated case by case. O/A 105 days	65
				Trade receivables	1,989,466		33
2	Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.	c.	Revenue	1,002,110	Negotiated case by case. O/A 105 days	67
				Trade receivables	1,292,740		22
		Dongguan De Yang Precision Rubber Plastic Co., Ltd.	c.	Other receivables	196,588	Financing (including interest receivables \$2,304)	3
3	Morning Paragon Limited	DYP Corp.	c.	Revenue	115,579	Negotiated case by case. O/A 105 days	8
				Trade receivables	105,068		2
4	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Morning Paragon Limited	c.	Revenue	115,034	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 Ai Te Chieh Intellectual Technology Co., Ltd. mainly engages in components processing and automatic equipment development; Dongguan U.D.E. Electronics Corp. mainly engages in development and sales of electronic components; and Dongguan Han Lian Technology Co., Ltd. mainly engages in manufacturing and sales of electronic connectors and electronic products.

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

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

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

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

(Continued)

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

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

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

(Concluded)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands Dollars of Unit, Except for the Shares In Thousands)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 4)		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
U.D. Electronic Corp.	Global Connection (Samoa) Holding Inc.	Samoa	Holding company	\$ 1,696,410 (US\$ 51,089)	\$ 1,674,953 (US\$ 51,089)	51,089	100	\$ 3,607,857	\$ 77,228	\$ 75,997	Notes 1, 2 and 3
	CDE Corp.	Taiwan	Manufacturing and selling of electronic materials	150,000	150,000	15,000	100	104,575	5,655	5,646	Notes 1, 2 and 3
	DYP Corp.	Taiwan	Selling of electronic components	112,200	112,200	11,220	51	25,200	(2,336)	(1,191)	Notes 1, 2 and 3
	U.D. Electronic Vietnam Company Limited	Vietnam	Manufacturing and selling of electronic materials	154,509 (VND 118,944,535)	153,557 (VND 118,944,535)	-	100	73,564	(27,205)	(27,205)	Notes 1 and 2
	Jinyue Investment Co., Ltd.	Taiwan	General investment	30,000	-	3,000	100	30,000	-	-	Notes 1 and 2
Global Connection (Samoa) Holding Inc.	Sunderland Inc.	Republic of Mauritius	Holding company	466,995 (US\$ 14,064)	461,088 (US\$ 14,064)	14,064	100	298,655	(22,350)	(22,350)	Notes 1 and 2
	San Francisco Inc.	Republic of Mauritius	Holding company	914,333 (US\$ 27,536)	902,768 (US\$ 27,536)	27,536	100	2,590,510	94,003	94,003	Notes 1 and 2
	All First International Co., Ltd.	Samoa	International trading	332,050 (US\$ 10,000)	327,850 (US\$ 10,000)	10,000	100	737,271	5,575	5,575	Notes 1 and 2
DYP Corp.	Ta Yang UDE Limited	Samoa	Holding company	123,224 (US\$ 3,711)	121,665 (US\$ 3,711)	4,438	100	(64,345)	(12,127)	(12,579)	Notes 1, 2 and 3
Ta Yang UDE Limited	Morning Paragon Limited	Samoa	International trading	64,384 (US\$ 1,939)	63,570 (US\$ 1,939)	1,939	100	72,379	2,821	2,821	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 THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars and Foreign Currencies)**

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 March 31, 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 March 31, 2025 (Note 7)	Accumulated Repatriation of Investment Income as of March 31, 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	\$ (22,659)	\$ (22,660) (Note 6)	\$ 268,501	\$ -
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	94,003	94,003	2,590,465	-
Zhong Jiang U.D.E. Networking Electronics Corp.	Selling of electronic components	2,476 (RMB 500)	b. (3)	- (Note 3)	-	-	-	100	1,146	1,146	77,662	-
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	(14,949)	(7,623)	(69,211)	-
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	310	310	30,130	-
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)	(342) (Note 5)	-
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	2,109	1,793	21,680 (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	(167)	(67)	3,876	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 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	\$2,540,038

(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.

(Continued)

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

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

In Thousands of New Taiwan Dollars

Related Party	Type	Purchase (Sale)		Price	Transaction Detail		Notes/Accounts Receivable (Payable)		Unrealized Gain/(Loss)	Note
		Amount	% of Total		Payment Terms	Compare to Normal Transactions	Ending Balance	% of Total		
Dongguan Jian Guan P.E. Co, Ltd.	Purchase	\$ 10,590	1	Negotiated case by case	O/A 105 days	Note 7	\$ (3,136)	(1)	\$ 1,599	Note 1
Zhong Jiang U.D.E. Electronics Corp.	(Sale)	(12,569)	(1)	Negotiated case by case	O/A 105 days	"	22,698	1	-	Note 2
	Purchase	1,002,110	98	Negotiated case by case	O/A 105 days	"	(1,292,740)	(98)	16,999	Note 3
Zhong Jiang U.D.E. Networking Electronics Corp.	(Sale)	(59,454)	(6)	Negotiated case by case	O/A 105 days	"	37,391	2	-	Note 4
Dongguan De Yang Precision Rubber Plastic. Co, Ltd.	Purchase	115,034	91	Negotiated case by case	O/A 105 days	"	(68,207)	(77)	1,023	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)