

**ZHEN DING TECHNOLOGY HOLDING  
LIMITED AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
REVIEW REPORT OF INDEPENDENT ACCOUNTANTS  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31,  
2025 AND 2024**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Zhen Ding Technology Holding Limited:

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Zhen Ding Technology Holding Limited and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting”, as endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the TWSRE No. 2410 “Review of Financial Information Performed by the Independent Auditor of the Entity” in the Republic of China. 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 causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Zhen Ding Technology Holding Limited and its subsidiaries as at March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three-month period then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission.

Sheng-Chung Hsu

Chieh-Ju Hsu

For and on behalf of PricewaterhouseCoopers, Taiwan

May 13, 2025

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2025; DECEMBER 31, 2024 AND MARCH 31, 2024

(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			Amount	%	Amount	%	Amount	%
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 85,879,030	33	\$ 79,502,013	30	\$ 70,847,235	29
1136	Current financial assets at amortised cost	6(3)	-	-	327,850	-	2,147,979	1
1170	Accounts receivable, net	6(4)	18,872,935	7	26,920,233	10	17,633,493	7
1180	Accounts receivable due from related parties, net	6(4) and 7	3,090,564	1	3,262,888	1	2,804,976	1
1200	Other receivables	6(5)	712,383	-	775,487	-	417,038	-
130X	Inventories	6(6)	16,780,125	6	17,989,585	7	15,857,917	7
1410	Prepayments	6(5)	3,403,020	1	3,725,689	2	2,938,172	1
1470	Other current assets	8	4,924	-	4,879	-	4,886	-
11XX	<b>Total current assets</b>		<u>128,742,981</u>	<u>48</u>	<u>132,508,624</u>	<u>50</u>	<u>112,651,696</u>	<u>46</u>
<b>Non-current assets</b>								
1510	Non-current financial assets at fair value through profit or loss	6(2)	1,804,854	1	1,753,687	1	1,629,005	1
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	2,673,112	1	1,768,742	1	1,451,177	-
1550	Investments accounted for using equity method		13,674	-	22,444	-	14,101	-
1600	Property, plant and equipment	6(8)	112,097,347	42	110,172,595	41	106,429,975	44
1755	Right-of-use assets	6(9)	9,268,331	4	9,229,121	3	9,312,905	4
1760	Investment property, net	6(10)	3,299,275	1	3,289,200	1	4,376,248	2
1780	Intangible assets	6(11)	2,014,874	1	2,096,679	1	2,316,973	1
1840	Deferred income tax assets		3,222,394	1	3,105,262	1	3,162,134	1
1990	Other non-current assets	6(12) and 8	2,607,195	1	2,046,938	1	1,939,142	1
15XX	<b>Total non-current assets</b>		<u>137,001,056</u>	<u>52</u>	<u>133,484,668</u>	<u>50</u>	<u>130,631,660</u>	<u>54</u>
1XXX	<b>Total assets</b>		<u>\$ 265,744,037</u>	<u>100</u>	<u>\$ 265,993,292</u>	<u>100</u>	<u>\$ 243,283,356</u>	<u>100</u>

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ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2025; DECEMBER 31, 2024 AND MARCH 31, 2024

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			Amount	%	Amount	%	Amount	%
<b>Current liabilities</b>								
2100	Short-term borrowings	6(13)	\$ 23,074,507	9	\$ 21,706,441	8	\$ 21,562,985	9
2170	Accounts payable		17,932,049	7	20,654,870	8	13,694,804	5
2180	Accounts payable to related parties	7	805,466	-	1,061,617	-	816,649	-
2200	Other payables	6(14)	22,155,096	9	19,141,301	7	18,718,107	8
2230	Current income tax liabilities		661,951	-	1,193,279	1	501,311	-
2280	Current lease liabilities		246,270	-	246,902	-	216,700	-
2320	Long-term liabilities, current portion	6(16)	5,210,150	2	1,333,125	1	1,698,775	1
2399	Other current liabilities		3,520,307	1	3,866,715	1	4,819,882	2
21XX	<b>Total current liabilities</b>		<u>73,605,796</u>	<u>28</u>	<u>69,204,250</u>	<u>26</u>	<u>62,029,213</u>	<u>25</u>
<b>Non-current liabilities</b>								
2530	Bonds payable	6(15)	11,914,064	4	11,601,604	4	11,808,759	5
2540	Long-term borrowings	6(16)	18,710,944	7	22,410,057	9	19,072,846	8
2570	Deferred income tax liabilities		3,053,697	1	2,896,003	1	3,052,049	1
2580	Non-current lease liabilities		857,553	-	872,602	-	1,015,738	1
2600	Other non-current liabilities		6,614,924	3	6,985,166	3	7,653,078	3
25XX	<b>Total non-current liabilities</b>		<u>41,151,182</u>	<u>15</u>	<u>44,765,432</u>	<u>17</u>	<u>42,602,470</u>	<u>18</u>
2XXX	<b>Total liabilities</b>		<u>114,756,978</u>	<u>43</u>	<u>113,969,682</u>	<u>43</u>	<u>104,631,683</u>	<u>43</u>
<b>Equity</b>								
<b>Equity attributable to owners of parent</b>								
	Share capital	6(19)						
3110	Ordinary shares		9,566,525	4	9,566,525	4	9,470,492	4
	Capital surplus	6(20)						
3200	Capital surplus		40,598,198	15	40,540,212	15	39,573,174	16
	Retained earnings	6(21)						
3310	Legal reserve		9,036,250	3	9,036,250	3	8,417,315	4
3320	Special reserve		5,120,220	2	5,120,220	2	2,882,437	1
3350	Unappropriated retained earnings		41,050,478	16	45,001,928	17	39,624,957	16
	Other equity interest	6(22)						
3400	Other equity interest		1,540,697	-	(189,408)	-	(1,551,449)	(1)
3500	Treasury shares	6(19)	(257,489)	-	(257,489)	-	(257,489)	-
31XX	<b>Total equity attributable to owners of parent</b>		<u>106,654,879</u>	<u>40</u>	<u>108,818,238</u>	<u>41</u>	<u>98,159,437</u>	<u>40</u>
36XX	<b>Non-controlling interests</b>		<u>44,332,180</u>	<u>17</u>	<u>43,205,372</u>	<u>16</u>	<u>40,492,236</u>	<u>17</u>
3XXX	<b>Total equity</b>		<u>150,987,059</u>	<u>57</u>	<u>152,023,610</u>	<u>57</u>	<u>138,651,673</u>	<u>57</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant disaster loss	10						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 265,744,037</u>	<u>100</u>	<u>\$ 265,993,292</u>	<u>100</u>	<u>\$ 243,283,356</u>	<u>100</u>

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

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024**

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Item	Notes	Three-month period ended		Three-month period ended	
		March 31, 2025		March 31, 2024	
		Amount	%	Amount	%
4000 Operating revenue	6(23), 7 and 14	\$ 40,081,873	100	\$ 32,510,315	100
5000 Operating costs	6(6) and 7	( 34,196,843)	( 85)	( 27,173,381)	( 84)
5950 Gross profit from operations		5,885,030	15	5,336,934	16
Operating expenses	6(24)				
6100 Selling expenses		( 485,576)	( 1)	( 425,068)	( 1)
6200 Administrative expenses		( 1,799,947)	( 5)	( 1,581,438)	( 5)
6300 Research and development expenses		( 2,562,606)	( 6)	( 2,634,237)	( 8)
6450 Impairment gain in accordance with IFRS 9	12	18,985	-	46,364	-
6000 Total operating expenses		( 4,829,144)	( 12)	( 4,594,379)	( 14)
6900 Net operating income		1,055,886	3	742,555	2
Non-operating income and expenses					
7100 Interest income	6(26)	700,937	2	764,083	2
7010 Other income	6(27)	285,414	1	165,679	1
7020 Other gains and losses	6(28)	8,427	-	410,469	1
7050 Finance costs	6(29)	( 584,540)	( 2)	( 580,067)	( 2)
7060 Share of loss of associates and joint ventures accounted for using equity method		( 9,519)	-	( 5,042)	-
7000 Total non-operating income and expenses		400,719	1	755,122	2
<b>7900 Profit before income tax</b>		1,456,605	4	1,497,677	4
7950 Income tax expense	6(30)	( 431,463)	( 1)	( 61,627)	-
<b>8200 Profit</b>		\$ 1,025,142	3	\$ 1,436,050	4
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(7)(22)	\$ 392,682	1	( \$ 391,167)	( 1)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	( 67,136)	-	70,625	-
8310 Other comprehensive income that will not be reclassified to profit or loss		325,546	1	( 320,542)	( 1)
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361 Financial statement translation differences of foreign operations	6(22)	2,124,268	5	5,293,921	17
<b>8300 Other comprehensive income</b>		\$ 2,449,814	6	\$ 4,973,379	16
<b>8500 Total comprehensive income</b>		\$ 3,474,956	9	\$ 6,409,429	20
Profit attributable to:					
8610 Owners of the parent		\$ 632,451	2	\$ 977,360	3
8620 Non-controlling interests		392,691	1	458,690	1
		\$ 1,025,142	3	\$ 1,436,050	4
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 2,370,587	6	\$ 4,546,131	14
8720 Non-controlling interests		1,104,369	3	1,863,298	6
		\$ 3,474,956	9	\$ 6,409,429	20
Earnings per share (in dollars)					
9750 Basic earnings per share	6(31)	\$ 0.66		\$ 1.03	
9850 Diluted earnings per share	6(31)	\$ 0.66		\$ 1.03	

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

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024**

(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of parent										Non-controlling interests	Total equity		
		Retained earnings					Other equity interest								
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statement translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total					
<b>Three-month period ended March 31, 2024</b>															
Balance at January 1, 2024		\$ 9,470,492	\$ 38,555,914	\$ 8,417,315	\$ 2,882,437	\$ 41,749,184	( \$ 5,609,453)	\$ 489,233	( \$ 257,489)	\$ 95,697,633	\$ 38,628,215	\$ 134,325,848			
Profit		-	-	-	-	977,360	-	-	-	977,360	458,690	1,436,050			
Other comprehensive income (loss) for the period	6(22)	-	-	-	-	-	3,800,446	( 231,675)	-	3,568,771	1,404,608	4,973,379			
Total comprehensive income (loss)		-	-	-	-	977,360	3,800,446	( 231,675)	-	4,546,131	1,863,298	6,409,429			
Appropriations of 2023 earnings:	6(21)					- ( 3,101,587)	-	-	- ( 3,101,587)	-	- ( 3,101,587)	- ( 3,101,587)			
Cash dividends		-	-	-	-	- ( 3,101,587)	-	-	- ( 3,101,587)	-	- ( 3,101,587)	- ( 3,101,587)			
Issuance of overseas convertible bonds recognized as warrants	6(15)	-	1,015,416	-	-	-	-	-	-	1,015,416	-	1,015,416			
Compensation cost of employee restricted stock	6(20)	-	1,844	-	-	-	-	-	-	1,844	723	2,567			
Balance at March 31, 2024		\$ 9,470,492	\$ 39,573,174	\$ 8,417,315	\$ 2,882,437	\$ 39,624,957	( \$ 1,809,007)	\$ 257,558	( \$ 257,489)	\$ 98,159,437	\$ 40,492,236	\$ 138,651,673			
<b>Three-month period ended March 31, 2025</b>															
Balance at January 1, 2025		\$ 9,566,525	\$ 40,540,212	\$ 9,036,250	\$ 5,120,220	\$ 45,001,928	( \$ 584,774)	\$ 395,366	( \$ 257,489)	\$ 108,818,238	\$ 43,205,372	\$ 152,023,610			
Profit		-	-	-	-	632,451	-	-	-	632,451	392,691	1,025,142			
Other comprehensive income for the period	6(22)	-	-	-	-	-	1,505,917	232,219	-	1,738,136	711,678	2,449,814			
Total comprehensive income		-	-	-	-	632,451	1,505,917	232,219	-	2,370,587	1,104,369	3,474,956			
Appropriations of 2024 earnings:	6(21)					- ( 4,591,932)	-	-	- ( 4,591,932)	-	- ( 4,591,932)	- ( 4,591,932)			
Cash dividends		-	-	-	-	- ( 4,591,932)	-	-	- ( 4,591,932)	-	- ( 4,591,932)	- ( 4,591,932)			
Compensation cost of employee restricted stock	6(20)	-	57,986	-	-	-	-	-	-	57,986	22,439	80,425			
Disposal of equity instruments at fair value through other comprehensive income	6(7)	-	-	-	-	8,031	- ( 8,031)	-	-	-	-	-			
Balance at March 31, 2025		\$ 9,566,525	\$ 40,598,198	\$ 9,036,250	\$ 5,120,220	\$ 41,050,478	\$ 921,143	\$ 619,554	( \$ 257,489)	\$ 106,654,879	\$ 44,332,180	\$ 150,987,059			

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

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 1,456,605	\$ 1,497,677
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	4,611,825	4,089,869
Amortisation	6(24)	127,515	141,106
Losses on financial assets at fair value through profit or loss, net	6(2)	96,942	150,169
Impairment gain	12	( 18,985 )	46,364 )
Gain on disposal of property, plant and equipment	6(28)	( 15,999 )	6,082 )
Interest income	6(26)	( 700,937 )	764,083 )
Dividend income		( 21,549 )	4,740 )
Interest expenses	6(29)	584,540	580,067
Share of loss of associates and joint ventures accounted for using equity method		9,519	5,042
Share-based payment	6(18)	80,425	2,567
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 168,536 )	75,134 )
Accounts receivable		8,459,682	9,020,788
Accounts receivable due from related parties		205,726	725,335
Other receivables		348,379 (	110,351 )
Inventories		1,865,589	759,155
Prepayments		363,629	232,627
Changes in operating liabilities			
Accounts payable		( 2,983,768 )	5,436,424 )
Accounts payable to related parties		( 268,772 )	282,966 )
Other payables		( 1,813,272 )	1,402,766 )
Other current liabilities		( 144,982 )	16,115
Cash inflow generated from operations		12,073,576	9,091,607
Income tax paid		( 929,599 )	834,512 )
Net cash flows from operating activities		<u>11,143,977</u>	<u>8,257,095</u>

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**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets at fair value through profit or loss		( \$ 144,368 )	\$ 43,387 )
Decrease in financial assets at amortised cost		328,886	2,550,385
Acquisition of financial assets at fair value through other comprehensive income		( 503,069 )	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		22,447	-
Acquisition of property, plant and equipment	6(32)	( 5,636,929 )	3,648,448 )
Proceeds from disposal of property, plant and equipment		55,691	83,843
Acquisition of intangible assets		- ( 747 )	747 )
Decrease in other non-current assets		11,464	10,034
(Decrease) increase in other non-current liabilities		( 92,502 )	514,390
Collected income distribution	6(2)	19,681	10,813
Interest received		687,531	737,822
Dividend received		<u>21,549</u>	<u>4,740</u>
Net cash flows (used in) from investing activities		<u>( 5,229,619 )</u>	<u>219,445</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term borrowings	6(32)	15,766,482	1,476,869
Decrease in short-term borrowings	6(32)	( 14,492,176 )	14,411,254 )
Proceeds from long-term borrowings	6(32)	427,206	802,613
Repayments of long-term borrowings	6(32)	( 576,406 )	116,747 )
Decrease in guarantee deposits received	6(32)	( 682,712 )	791,908 )
Payments of lease liabilities	6(32)	( 24,025 )	20,895 )
Interest paid		( 296,342 )	492,876 )
Proceeds from issuance of convertible bonds	6(32)	- <u>12,468,383</u>	12,468,383
Net cash flows from (used in) financing activities		<u>122,027</u> (	<u>1,085,815 )</u>
Effect of exchange rates on cash and cash equivalents		<u>340,632</u>	<u>2,035,740</u>
Net increase in cash and cash equivalents		<u>6,377,017</u>	<u>9,426,465</u>
Cash and cash equivalents at beginning of period		<u>79,502,013</u>	<u>61,420,770</u>
Cash and cash equivalents at end of period		<u>\$ 85,879,030</u>	<u>\$ 70,847,235</u>

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

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025 AND 2024**

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

**1. HISTORY AND ORGANIZATION**

Zhen Ding Technology Holding Limited ('the Company', formerly named as Foxconn Advanced Technology Limited) was incorporated in the Cayman Islands in June 2006. According to the resolution of the Board of Directors in May 2011, the Company was renamed to Zhen Ding Technology Holding Limited and related registration was completed in July 2011. The Company's registration address is P.O. Box 31119 Grand Pavilion Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands. The Company and its subsidiaries (collectively referred herein as 'the Group') are engaged in manufacturing, processing and selling printed circuit boards (the 'PCB'). The Company has been listed on the Taiwan Stock Exchange since December 26, 2011.

**2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION**

The consolidated financial statements were authorized for issuance by the Board of Directors on May 13, 2025.

**3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

**(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ('IFRS') Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ('FSC')**

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendment to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial position and financial performance based on the Group's assessment.

**(2) Effects of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group**

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Partial amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial position and financial performance based on the Group's assessment.

**(3) IFRS Accounting Standards issued by International Accounting Standards Board (IASB) but not yet endorsed by the FSC**

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	Effective date by International Accounting Standards Board
Partial amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7 - 'Contracts referencing nature-dependent electricity'	January 1, 2026
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 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
IFRS 18 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2027

Except for the following, the Group has assessed and determined that the aforementioned standards and interpretations have no significant impact on the Group's financial condition and financial performance. The amount affected will be disclosed when assessment is complete:

A. Partial amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

Amendments endorsed/not yet endorsed by the FSC are described below:

The amendments require an entity to update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as stated otherwise, the principal accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all the periods presented.

##### (1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 'Interim Financial Reporting' as endorsed and issued into effect by the FSC.

##### (2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
  - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
  - (b) Financial assets at fair value through other comprehensive income.
  - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements endorsed by the FSC and in conformity with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The items involving a higher degree of judgement or complexity, or items where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements
  - (a) All subsidiaries are included in the Group's consolidated financial statements. 'Subsidiaries' are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
  - (c) The profit or loss and each component of other comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, and total comprehensive income shall also be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
  - (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions (i.e., transactions with owners in their capacity as owners). It shall be recognised directly in equity and difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received.
  - (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Zhen Ding Technology Co., Ltd.	Trading company	100	100	100	
The Company	Monterey Park Finance Limited (B.V.I.)	Holding company	100	100	100	
The Company	Zhen Ding Technology Singapore Private Limited (Singapore)	Holding company	100	100	100	
The Company	Boardtek Electronics Corporation	Manufacturing company	100	100	100	
Zhen Ding Technology Co., Ltd.	FAT Holdings Limited (Cayman)	Holding company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Coppertone Enterprises Limited (B.V.I.)	Holding company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Pacific Fair International Limited (Hongkong)	Holding company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Huaian Jia Wei Industrial Development Co., Ltd.	Trading company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Manufacturing company	55.99	55.99	55.99	
Monterey Park Finance Limited (B.V.I.)	Leading Interconnect Semiconductor Technology Limited (Cayman)	Holding company	-	-	-	(g)
Monterey Park Finance Limited (B.V.I.)	Yaoding Environmental Energy Technology (Shenzhen) Limited	Environmental protection and energy conservation service company	-	-	-	(f)
Huaian Jia Wei Industrial Development Co., Ltd.	Huaian ChengXin Park Management Co., Ltd.	Property management company	47	47	-	(e)

Name of Investor	Name of subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Leading Interconnect Semiconductor Technology Limited (Cayman)	BRAI Technology Co., Ltd.	Manufacturing company	100	-	-	(j)
Coppertone Enterprises Limited (B.V.I.)	Mayco Industrial Limited (Hongkong)	Holding company	100	100	100	
Mayco Industrial Limited (Hongkong)	Avary Holding (Shenzhen) Co., Limited	Manufacturing company	66.54	66.54	66.54	
Pacific Fair International Limited (Hongkong)	Avary Holding (Shenzhen) Co., Limited	Manufacturing company	5.74	5.74	5.74	
Avary Holding (Shenzhen) Co., Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Manufacturing company	13.72	13.72	13.72	
Avary Holding (Shenzhen) Co., Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huai'an) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Yu Ding Precision Electronics (Huai'an) Co., Ltd.	Manufacturing company	-	-	100	(c)
Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Manufacturing company	100	100	100	(c)
Avary Holding (Shenzhen) Co., Limited	Fu Bo Industry (Shenzhen) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Kui Sheng Technology (Shenzhen) Co., Ltd.	Trading company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Avary Holding Investment (Shenzhen) Co., Ltd.	Investment company	100	100	100	

Name of Investor	Name of subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited (Hongkong)	Trading company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Avary Singapore Private Limited (Singapore)	Holding company	71.95	71.95	71.95	
Avary Holding (Shenzhen) Co., Limited	Zhuhai Hengqin Avary Investment Limited Partnership	Investment company	0.611	0.611	0.611	(a)
Avary Holding (Shenzhen) Co., Limited	Avary Property Management Service (Shenzhen) Co., Ltd.	Property management company	100	100	100	
Avary Holding Investment (Shenzhen) Co., Ltd.	Zhuhai Hengqin Avary Investment Limited Partnership	Investment company	99.389	99.389	99.389	
Garuda International Limited (Hongkong)	Garuda Technology Co., Ltd.	Trading company	100	100	100	
Garuda International Limited (Hongkong)	Avary Japan Co., Ltd. (Japan)	Trading company	-	-	100	(d)
Garuda International Limited (Hongkong)	Avary Singapore Private Limited (Singapore)	Holding company	28.05	28.05	28.05	
Garuda International Limited (Hongkong)	Peng Shen Technology (Thailand) Co., Ltd. (Thailand)	Manufacturing company	0.001	0.001	0.001	
Avary Singapore Private Limited (Singapore)	Peng Shen Technology (Thailand) Co., Ltd. (Thailand)	Manufacturing company	89.999	89.999	89.999	
Avary Singapore Private Limited (Singapore)	Avary Technology (India) Private Limited (India)	Manufacturing company	100	100	100	
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Huaian ChengXin Park Management Co., Ltd.	Property management company	53	53	-	(e)

Name of Investor	Name of subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Yaoding Environmental Energy Technology (Shenzhen) Limited	Yaoding Environmental Energy Technology (Huai'an) Limited	Environmental protection and energy conservation service company	-	-	-	(h)
Yaoding Environmental Energy Technology (Shenzhen) Limited	Yaoding Environmental Energy Technology (Qinhuangdao) Limited	Environmental protection and energy conservation service company	-	-	-	(i)
Boardtek Electronics Corporation	Boardtek Investment Co., Ltd.	Investment company	-	-	100	(b)
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Manufacturing company	100	100	100	
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited (Formerly named: Henley International Limited (Hongkong))	Trading company	100	100	100	
Zhen Ding Technology Singapore Private Limited (Singapore)	Zhen Ding Technology India Private Limited (India)	Manufacturing company	37.50	37.50	37.50	
Zhen Ding Technology Singapore Private Limited (Singapore)	Zhen Ding Developer India Private Limited (India)	Property management company	99.997	99.997	99.997	
FAT Holding Limited (Cayman)	Zhen Ding Technology India Private Limited (India)	Manufacturing company	62.50	62.50	62.50	
FAT Holding Limited (Cayman)	Zhen Ding Developer India Private Limited (India)	Property management company	0.003	0.003	0.003	

- (a) In the first quarter of 2024, Avary Holding (Shenzhen) Co., Limited did not participate in the cash capital increase of Zhuhai Hengqin Avary Investment Limited Partnership, thus, the shareholding ratio became 0.611%.
- (b) To consolidate resources and improve management efficiency, the Board of Directors of Boardtek Electronics Corporation and Boardtek Investment Co., Ltd. resolved on July 16, 2024 to merge by consolidation, with Boardtek Electronics as the surviving company and Boardtek Investment as the dissolved company. The baseline date of consolidation was August 15, 2024 and the date of approval was October 15, 2024.
- (c) On August 31, 2024, due to the reorganization of the Group, Qing Ding Precision Electronics (Huainan) Co., Ltd. merged with Yu Ding Precision Electronics (Huainan) Co., Ltd., and the transaction was accounted for using book value method.
- (d) The Group adjusted its investment framework in 2024, Avary Japan Co., Ltd. completed the settlement in the third quarter.
- (e) On September 14, 2024, Huainan Jia Wei Industrial Development Co., Ltd. and Qing Ding Precision Electronics (Huainan) Co., Ltd. jointly established Huainan Cheng Xin Park Management Co., Ltd., which has been included in the consolidated financial statements on the day of investment. It is mainly engaged in the property management business.
- (f) Monterey Park Finance Limited established Yaoding Environmental Energy Technology (Shenzhen) Limited in Shenzhen in September 2024. It is still undergoing industrial and commercial review procedures, and no actual investment has been made.
- (g) Monterey Park Finance Limited established Leading Interconnect Semiconductor Technology Limited in the Cayman Islands in November 2024. It is still undergoing industrial and commercial review procedures, and no actual investment has been made.
- (h) Yaoding Environmental Energy Technology (Shenzhen) Limited established Yaoding Environmental Energy Technology (Huainan) Limited in Huainan in December 2024. It is still undergoing industrial and commercial review procedures, and no actual investment has been made.
- (i) Yaoding Environmental Energy Technology (Shenzhen) Limited established Yaoding Environmental Energy Technology (Qinhuangdao) Limited in Qinhuangdao in December 2024. It is still undergoing industrial and commercial review procedures, and no actual investment has been made.
- (j) On March 7, 2025, the Group invested in BRAI Technology Co., Ltd. in Taiwan, which has been included in the consolidated financial statements. It is mainly engaged in the processing and manufacture of electronic products.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group:  
As of March 31, 2025, December 31, 2024 and March 31, 2024, the non-controlling interests of the Group amounted to \$44,332,180, \$43,205,372 and \$40,492,236, respectively. The information on non-controlling interests and their subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interests		Description
		March 31, 2025	Amount	
Avary Holding (Shenzhen) Co., Limited	China		<u>\$ 42,189,895</u>	27.72%

Name of subsidiary	Principal place of business	Non-controlling interests		Description
		December 31, 2024	Amount	
Avary Holding (Shenzhen) Co., Limited	China		<u>\$ 40,866,468</u>	27.72%

Name of subsidiary	Principal place of business	Non-controlling interests		Description
		March 31, 2024	Amount	
Avary Holding (Shenzhen) Co., Limited	China		<u>\$ 37,615,341</u>	27.72%

Summary of the financial information of subsidiary:

Consolidated balance sheets of Avary Holding (Shenzhen) Co., Limited

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 105,281,890	\$ 108,060,468	\$ 87,123,835
Non-current assets	100,389,431	95,542,616	94,172,232
Current liabilities	( 48,207,032 )(	( 50,996,384 )(	( 41,823,322 )
Non-current liabilities	( 5,235,049 )(	( 5,152,637 )(	( 3,749,372 )
Total net assets	<u>\$ 152,229,240</u>	<u>\$ 147,454,063</u>	<u>\$ 135,723,373</u>

Consolidated statements of comprehensive income of Avary Holding (Shenzhen) Co., Limited

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Revenue	\$ 36,998,982	\$ 29,546,679
Profit before income tax	2,620,359	2,430,488
Income tax expense	( 383,204 )	( 216,339 )
Profit	2,237,155	2,214,149
Other comprehensive income (loss), net of tax	330,139	( 445,605 )
Total comprehensive income	\$ 2,567,294	\$ 1,768,544
Total comprehensive income, attributable to non-controlling interests	\$ 1,308,635	\$ 3,550,222

Consolidated statements of cash flows of Avary Holding (Shenzhen) Co., Limited

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Net cash from operating activities	\$ 13,646,153	\$ 11,146,648
Net cash used in investing activities	( 6,067,275 )	( 755,268 )
Net cash from (used in) financing activities	1,278,640	( 2,561,293 )
Effect of exchange rate changes on cash and cash equivalents	( 1,413,586 )	( 3,016,110 )
Net increase in cash and cash equivalents	7,443,932	4,813,977
Cash and cash equivalents at beginning of period	61,087,517	46,558,590
Cash and cash equivalents at end of period	\$ 68,531,449	\$ 51,372,567

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's functional currency is USD; however, the consolidated financial statements are presented in NTD because of regulatory requirements.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

**B. Translation of foreign operations**

The operating results and financial position of all the Group's entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

When presenting the Group's functional currency-denominated financial statements in NT dollar, the average exchange rates were US\$1=NT\$32.89 and US\$1=NT\$31.45 for the periods January 1 to March 31, 2025 and 2024, respectively. The closing rates were US\$1=NT\$33.205, US\$1=NT\$32.785, and US\$1=NT\$32.00 as of March 31, 2025; December 31, 2024 and March 31, 2024, respectively.

**(5) Classification of current and non-current items**

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets expected to be realized, or intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purpose;
- (c) Assets that are expected to be realized within 12 months after the reporting period; or
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities at least twelve months after the reporting period.

Assets not meeting the above criteria are classified by the Group as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be paid off within twelve months after the reporting period; or
- (d) Liabilities which the company has no right to defer settlement for at least 12 months after the reporting date.

Liabilities not meeting the above criteria are classified by the Group as non-current liabilities.

**(6) Cash equivalents**

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

**(7) Financial assets at fair value through profit or loss**

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

Financial assets measured at amortised cost or fair value through other comprehensive income are designated as the financial assets at fair value through profit or loss at initial recognition by the Group if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using settlement date accounting.
- C. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently measured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.
- D. The Group recognises the dividend income in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. The Group may make irrevocable election at initial recognition to recognise the changes in fair value in other comprehensive income for the investments in equity instruments that are not held for trading; or the investments in debt instruments that meet both of the following conditions:
  - (a) The financial assets held within a business model whose objective is both collecting contractual cash flows and selling financial assets.
  - (b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
  - (a) The changes in fair value of equity instruments are recognised in other comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income shall be recorded to retained earnings and not be reclassified to profit or loss upon the derecognition. Dividends are recognised in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.
  - (b) Except for the impairment losses, interest income and foreign exchange gains or losses which are recognised in profit or loss, the changes in fair value of debt instruments are recognised in other comprehensive income before derecognition. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet both of the following conditions:
  - (a) The financial assets held within a business model whose objective is in order to collect contractual cash flows, and
  - (b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not meet the condition of cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets containing a significant financing component, lease receivables, loan commitments and financial guarantee contracts, at each balance sheet date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs). If such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information (including forecasts). On the other hand, the Group recognises the impairment provision for lifetime ECLs for accounts receivable or contract assets not containing a significant financing component.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method - associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive

income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealized gains or losses on transactions between the Group and its associates are eliminated to the extent of its interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

**(16) Property, plant and equipment**

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5~54 years
Machinery and equipment	2~16 years
Leasehold improvements	5 years or the lease term whichever is shorter
Other equipment	3~16 years

(17) Leases (lessee)

- A. Leases are recognised as right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. At the commencement date, the right-of-use asset measured at cost shall comprise the amount of the initial measurement of lease liability and any initial direct costs incurred. The right-of-use asset subsequently measured at cost model and shall be depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.
- C. The lease liability is at the present value of the lease payments that are not paid and shall be discounted using the Group's incremental borrowing rate at commencement date. The lease payments include fixed payments less any lease incentives receivable. The lease liability is subsequently measured using an effective interest method on an amortised cost basis and the interest expense is allocated over the lease term. The amount of the remeasurement of the lease liability shall be recognised as an adjustment to the right-of-use asset if there are changes in the lease term or to the lease payments not arising from contract modifications.

(18) Investment properties

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 25 years.

(19) Intangible assets

- A. Patents and technological expertise  
Separately acquired patents and technological expertise are recognised at cost. Patents and technological expertise acquired in a business combination are recognised at fair value at the acquisition date. Patents and technological expertise with a finite useful life are amortised on the straight-line method over their estimated useful life of 5 years.
- B. Computer software  
Computer software is recognised as acquisition cost and is amortised on a straight-line basis using the estimated useful lives of 3-5 years.
- C. Goodwill  
Goodwill arises in a business combination accounted for by applying the acquisition method.

(20) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there are any impairment indications. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated based on the operating segment to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

**(21) Borrowings**

- A. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
- C. Extension option is not closed related to the host debt instruments, unless the rates are also adjusted close to current market rates when extending.

**(22) Accounts and notes payable**

- A. Accounts payable are the liabilities for purchases of raw materials, goods or services.
- B. The short-term accounts and notes payable without bearing interest are measured at initial invoice amount as the effect of discounting is immaterial.

**(23) Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged, cancelled, or expired.

**(24) Financial liabilities and equity instruments**

Convertible corporate bonds issued by the Group are embedded with conversion options (that is, the bondholders have the right to convert the bonds into the Group's ordinary shares by exchanging a fixed amount of cash for a fixed number of ordinary share), call options and put options. In accordance with the terms and conditions of the indenture, the Group classifies the convertible corporate bonds and the embedded derivative instruments on initial recognition as a financial asset, a financial liability or an equity instrument (the 'capital surplus-share options'). Convertible corporate bonds are accounted for as follows:

- A. The exercise price of call options and put options embedded in the convertible corporate bonds is approximately equal to the amortised cost of the host debt instrument on each exercise date; therefore, call options and put options are closely related to the host debt contract.
- B. Call options, put options and host debt of the convertible corporate bonds are initially recognised at fair value. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond outstanding using the effective interest method.
- C. Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognised in the 'capital surplus-share options' at the residual amount of total issue price less amounts of the 'bonds payable' as stated above. Conversion options are not subsequently remeasured.

- D. Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.
- E. When bondholders exercise conversion options, the liability component shall be remeasured on the conversion date. The carrying amount of ordinary shares issued due to the conversion shall be based on the remeasured carrying amount of the abovementioned liability component plus the carrying amount of 'capital surplus-share options'.

**(25) Employee benefits**

- A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for that service, and shall be recognised as expenses when the employees have rendered service.

- B. Pensions

- (a) Defined contribution plans

For defined contribution plans, the contributions shall be recognised as pension expenses when they are due on an accrual basis. Prepaid contributions shall be recognised as an asset to the extent that the prepayment will lead to a cash refund or a reduction in the future payments.

- (b) Defined benefit plans

- i. Net obligation under a defined benefit plan is accrued from the present value of future benefits that employees have earned in return for their services in the current or prior periods. The Group recognised the present value of the defined benefit obligation deducting the fair value of plan assets at the balance sheet date. Net obligation of the defined benefit is calculated annually by independent actuaries using the projected unit credit method and is discounted by using the market yield on government bonds (at the balance sheet date).

- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

- C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation (bonus) is distributed by shares, the Group calculates the number of shares based on the fair value per share (closing price) at the previous day of the Board of Directors' resolution.

**(26) Employee share-based payment**

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the quantity of equity instruments that are expected to vest under the non-market vesting conditions. Ultimately, the amount of compensation cost is recognised based on the number of equity instruments that eventually vest.

B. Employee restricted stocks:

- (a) Employee restricted stocks measured at the fair value of the equity instruments at the grant date, and are recognised as compensation cost over the vesting period.
- (b) Those restricted stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
- (c) Employees have to pay to acquire those restricted stocks. If employees resign during the vesting period, the Group must refund their payments in exchange for the restricted stocks returned by the employees. For new shares issued to employees with restricted rights on or after October 11, 2024, the Group recognises the payment paid by employees on the grant date as liabilities. For new shares issued to employees with restricted rights on or before October 10, 2024, the Group recognises payments to employees who are expected to resign during the vesting period as liabilities on the grant date, and recognises payments for employees who are expected to be eventually vested with the stocks as 'capital surplus – others'.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. Different tax regulations are applicable to the Group according to the countries where the companies are registered:
  - (a) Companies that are registered in Cayman Islands and British Virgin Islands are exempted from income tax in accordance with local regulations.
  - (b) For the companies that are registered in the Republic of China, except for income tax that is estimated in accordance with the tax laws, an additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the General Shareholders' Meeting resolves to retain the earnings. When calculating income tax, except for applying the tax laws to calculate regular tax, the basic tax is calculated under the 'Income Basic Tax Act.' If regular tax is lower than basic tax, the difference between the two shall be added to income tax payable. The aforementioned difference shall not be offset with investment tax credits under other laws and regulations.
  - (c) Income taxes of companies that are registered in Mainland China are calculated in accordance with 'Law of the People's Republic of China on Enterprise Income Tax' and its implementation and related notification letters.
  - (d) Income taxes of companies that are registered in the Government of the Hong Kong Special Administrative Region of the People's Republic of China are calculated based on the revenue earned in Hong Kong and in accordance with 'Hong Kong Inland Revenue Ordinance'.
  - (e) Income taxes of companies that are registered in the Singapore, India and Japan are calculated in accordance with the local regulations for the current year.

- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. The interim period income tax expense is accrued based on the estimated average annual effective income tax rate applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- G. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

**(28) Dividends**

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed to the Company's shareholders and are reclassified to ordinary shares on the effective date of new shares issuance in accordance with the General Shareholders' Meeting resolution.

(29) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells PCBs and related products. Sales are recognised when control of the products has been transferred, i.e., when the products are delivered to the customer. The customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. Sales of PCBs and related products are recognised as the amount of contract price, net of the estimated discounts, credits and price concessions.
- (b) Account receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Financial components

The contract between the Group and the customer, as the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(30) Government grants

Government grants shall not be recognised at fair value until there is reasonable assurance that the entity will comply with the conditions attached to them, and that the grants will be received. The grant is recognised as income over the period necessary to match it with the related costs of the Group, for which it is intended to compensate, on a systematic basis. Government grants related to property, plant and equipment shall be recognised within non-current liabilities that are recognised in profit or loss on the straight-line method over the estimated useful life of related assets.

(31) Operating segments

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision-maker, who is responsible for allocating resources to operating segments and evaluating their performance.

5. **CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY**

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the related information is addressed below:

**Critical accounting estimates and assumptions**

Accounting estimates are based on the situation on the balance sheet date to estimate future events, though there could be differences between the actual events and estimation. Estimates and assumptions on the risk of possible critical adjustments to the carrying amount of assets and liabilities for the next fiscal year are as follows:

**Evaluation of inventories**

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgments and estimates. Because of the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Since an evaluation of inventories is principally based on the demand for products within a specified period in the future. Therefore, there might be material changes to the evaluation.

As of March 31, 2025, the carrying amount of inventories was \$16,780,125.

6. **DETAILS OF SIGNIFICANT ACCOUNTS**

(1) **Cash and cash equivalents**

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and petty cash	\$ 218	\$ 242	\$ 217
Checking accounts and demand deposits	37,626,483	32,853,027	48,776,543
Cash equivalents			
Time deposits	48,252,329	46,648,744	22,070,475
	<u>\$ 85,879,030</u>	<u>\$ 79,502,013</u>	<u>\$ 70,847,235</u>

- A. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's time deposits over three months which are recognised within 'financial assets at amortised cost' are referred to Note 6(3).
- B. The Group has no cash and cash equivalents pledged to others except for restricted demand deposits which are recognised within 'other current assets' and 'other non-current assets'. Refer to Note 8 for details.

(2) **Financial assets at fair value through profit or loss**

Item	March 31, 2025	December 31, 2024	March 31, 2024
Assets - Non-current items			
Private fund	\$ 1,071,084	\$ 1,124,995	\$ 1,114,901
Unlisted partnership share	627,696	546,040	447,808
	<u>1,698,780</u>	<u>1,671,035</u>	<u>1,562,709</u>
Net exchange differences	106,074	82,652	66,296
	<u>\$ 1,804,854</u>	<u>\$ 1,753,687</u>	<u>\$ 1,629,005</u>

- A. The Group recognised net loss of \$96,942 and \$150,169 within ‘financial assets at fair value through profit or loss held for trading’ for the three-month period ended March 31, 2025 and 2024, respectively.
- B. The distribution of income from private equity funds for the three-month period ended March 31, 2025 and 2024 amounted to \$19,681 and \$10,813, respectively.
- C. The Group has no unsettled forward foreign exchange transaction as of March 31, 2025, December 31, 2024 and March 31, 2024.
- D. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at amortised cost

	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Time deposits with maturity of over three months	\$ -	\$ 327,850	\$ 2,147,979
A. Refer to Note 6(26) for interest income arising from financial assets at amortised cost recognized in profit or loss for the three-month period ended March 31, 2025 and 2024.			
B. The Group has no financial assets at amortised cost pledged to others as tariff guarantee, except for time deposits with maturity of over three months which are recognised within ‘other current assets’ and time deposits with maturity of over one year which are recognised within ‘other non-current assets’. Refer to Note 8 for details.			
C. Refer to Note 12(2) for the information on credit risk.			

(4) Accounts and notes receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 494,771	\$ 320,103	\$ 152,229
Accounts receivable	\$ 18,441,631	\$ 26,681,255	\$ 17,537,398
	18,936,402	27,001,358	17,689,627
Less: Allowance for bad debts	( 63,467)	( 81,125)	( 56,134)
	\$ 18,872,935	\$ 26,920,233	\$ 17,633,493
Accounts receivable due from related parties	\$ 3,099,879	\$ 3,272,706	\$ 2,813,416
Less: Allowance for bad debts	( 9,315)	( 9,818)	( 8,440)
	\$ 3,090,564	\$ 3,262,888	\$ 2,804,976

- A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Not past due	\$ 21,973,071	\$ 29,802,551	\$ 20,341,008
Between 1 and 90 days	63,210	471,400	145,763
Between 91 and 180 days	-	113	2,210
Over 181 days	-	-	14,062
	\$ 22,036,281	\$ 30,274,064	\$ 20,503,043

- B. As of March 31, 2025, December 31, 2024 and March 31, 2024, accounts receivable and notes receivable were all from contracts with customers. In addition, as of January 1, 2024, the balance of receivables arising from contracts with customers amounted to \$29,336,594.
- C. The Group does not hold any collateral as security.
- D. Refer to Note 12(2) for the information on credit risk.

(5) Other receivables and prepayments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Other receivables</u>			
Interest income receivable	\$ 207,090	\$ 193,684	\$ 193,214
Business tax refundable	99,640	496,970	95,933
Receivables from sale of equipment	50,809	50,095	65,796
Others	354,844	34,738	62,095
	<u>\$ 712,383</u>	<u>\$ 775,487</u>	<u>\$ 417,038</u>
<u>Prepayments</u>			
Excess business tax paid	\$ 1,983,471	\$ 2,594,151	\$ 1,746,041
Prepaid expenses	1,419,549	1,131,538	1,192,131
	<u>\$ 3,403,020</u>	<u>\$ 3,725,689</u>	<u>\$ 2,938,172</u>

The Group's Mainland China subsidiaries are engaged in export sales. Under local regulations, the subsidiaries are entitled to tax benefits on business tax ('VAT') exemption, deduction and refund on the exports of goods. The subsidiaries calculate VAT refund and deductible amounts based on monthly sales by product types. The subsidiaries' counterparties and performing parties are mainly government organizations, so the possibility of default is remote. The subsidiaries recognise related refunds and deductibles within 'other receivables' and 'prepayments', respectively.

(6) Inventories

	March 31, 2025		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	\$ 4,192,339	( \$ 323,132)	\$ 3,869,207
Work in process	5,661,101	( 379,254)	5,281,847
Finished goods	8,017,840	( 388,769)	7,629,071
	<u>\$ 17,871,280</u>	<u>( \$ 1,091,155)</u>	<u>\$ 16,780,125</u>
	December 31, 2024		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	\$ 4,212,804	( \$ 256,303)	\$ 3,956,501
Work in process	5,532,168	( 345,232)	5,186,936
Finished goods	9,229,856	( 383,708)	8,846,148
	<u>\$ 18,974,828</u>	<u>( \$ 985,243)</u>	<u>\$ 17,989,585</u>
	March 31, 2024		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	\$ 3,918,820	( \$ 211,206)	\$ 3,707,614
Work in process	4,946,894	( 472,192)	4,474,702
Finished goods	8,418,226	( 742,625)	7,675,601
	<u>\$ 17,283,940</u>	<u>( \$ 1,426,023)</u>	<u>\$ 15,857,917</u>

Expenses and losses incurred on inventories for the three-month periods ended March 31, 2025 and 2024 are as follows:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Cost of goods sold	\$ 34,892,773	\$ 27,663,114
Losses on valuation of inventory	115,716	71,516
Income from sale of scraps and wastes	( 811,646 )	( 561,249 )
	<u>\$ 34,196,843</u>	<u>\$ 27,173,381</u>

A fire broke out on the premises of the Company's subsidiary Boardtek Electronics Corporation on January 5, 2025, resulting in inventory damage. Refer to Note 10 for details.

(7) Non-current financial assets at fair value through other comprehensive income

	March 31, 2025	December 31, 2024	March 31, 2024
Equity instruments			
Listed stocks	\$ 512,454	\$ 293,167	\$ 320,159
Unlisted stocks	1,007,992	764,937	634,506
Valuation adjustment	1,030,223	645,572	445,061
Net exchange differences	122,443	65,066	51,451
Total	<u>\$ 2,673,112</u>	<u>\$ 1,768,742</u>	<u>\$ 1,451,177</u>

- A. The Group has elected to classify the stocks that are considered to be strategic investment as financial assets at fair value through other comprehensive income.
- B. The Group sold the shares of listed companies with a fair value of \$22,447 from January 1 to March 31, 2025, and cumulative gain on the disposal of said shares (recorded as undistributed earnings) was \$8,031.
- C. Amounts recognised in income and comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Fair value changes recognized in other comprehensive income (loss)	\$ 392,682	( \$ 391,167 )
Cumulative gain reclassified to retained earnings due to derecognition	\$ 8,031	\$ -
Dividend income recognised in profit or loss	<u>\$ 1,442</u>	<u>\$ -</u>

- D. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Other facilities	Unfinished construction and equipment under acceptance	Total
January 1, 2025						
Cost	\$ 3,540,421	\$ 57,144,378	\$ 83,816,660	\$ 51,570,782	\$ 12,657,973	\$ 208,730,214
Accumulated depreciation and impairment	- ( 15,401,497) ( 48,417,655) ( 34,738,467)	\$ 41,742,881	\$ 35,399,005	\$ 16,832,315	\$ 12,657,973	\$ 110,172,595
<u>2025</u>						
At January 1	\$ 3,540,421	\$ 41,742,881	\$ 35,399,005	\$ 16,832,315	\$ 12,657,973	\$ 110,172,595
Additions (transfers)	- 88,326		1,312,116	1,212,793	2,700,072	5,313,307
Disposal and impairment	- ( 148) ( 256,039) ( 34,714) ( 13,640) ( 304,541)					
Depreciation expense	- ( 797,484) ( 1,776,458) ( 1,905,671)					4,479,613)
Net exchange differences	39,631	502,890	436,126	212,087	204,865	1,395,599
At March 31	<u>\$ 3,580,052</u>	<u>\$ 41,536,465</u>	<u>\$ 35,114,750</u>	<u>\$ 16,316,810</u>	<u>\$ 15,549,270</u>	<u>\$ 112,097,347</u>
March 31, 2025						
Cost	\$ 3,580,052	\$ 57,936,491	\$ 84,811,736	\$ 53,244,795	\$ 15,549,270	\$ 215,122,344
Accumulated depreciation and impairment	- ( 16,400,026) ( 49,696,986) ( 36,927,985)	\$ 41,536,465	\$ 35,114,750	\$ 16,316,810	\$ 15,549,270	\$ 112,097,347

	Land	Buildings and structures	Machinery and equipment	Other facilities	Unfinished construction and equipment under acceptance	Total
January 1, 2024						
Cost	\$ 3,341,390	\$ 44,292,637	\$ 76,310,008	\$ 44,929,170	\$ 17,208,567	\$ 186,081,772
Accumulated depreciation and impairment	- ( 12,026,255) ( 41,307,098) ( 27,034,922)				- ( 80,368,275)	
	<u>\$ 3,341,390</u>	<u>\$ 32,266,382</u>	<u>\$ 35,002,910</u>	<u>\$ 17,894,248</u>	<u>\$ 17,208,567</u>	<u>\$ 105,713,497</u>
<u>2024</u>						
At January 1	\$ 3,341,390	\$ 32,266,382	\$ 35,002,910	\$ 17,894,248	\$ 17,208,567	\$ 105,713,497
Additions (transfers)	- 174,684		414,504	360,157	51,408	1,000,753
Disposals	- - ( 67,659) ( 10,102)				- ( 77,761)	
Depreciation expense	- ( 647,830) ( 1,649,669) ( 1,659,139)				- ( 3,956,638)	
Net exchange differences	<u>71,505</u>	<u>1,263,876</u>	<u>1,351,989</u>	<u>697,196</u>	<u>365,558</u>	<u>3,750,124</u>
At March 31	<u>\$ 3,412,895</u>	<u>\$ 33,057,112</u>	<u>\$ 35,052,075</u>	<u>\$ 17,282,360</u>	<u>\$ 17,625,533</u>	<u>\$ 106,429,975</u>
March 31, 2024						
Cost	\$ 3,412,895	\$ 46,146,390	\$ 79,500,632	\$ 47,025,958	\$ 17,625,533	\$ 193,711,408
Accumulated depreciation and impairment	- ( 13,089,278) ( 44,448,557) ( 29,743,598)				- ( 87,281,433)	
	<u>\$ 3,412,895</u>	<u>\$ 33,057,112</u>	<u>\$ 35,052,075</u>	<u>\$ 17,282,360</u>	<u>\$ 17,625,533</u>	<u>\$ 106,429,975</u>

- A. The significant parts of the Group's buildings and structures include main plants and auxiliary improvements, which are depreciated over 20~54 years and 3~10 years, respectively.
- B. The Group assesses recoverable amount of assets at the end of the reporting period based on fair value less selling cost. The fair value is determined using market approach valuation technique taking into consideration the replacement cost which belongs to Level 3.
- C. A fire broke out on the premises of the Company's subsidiary Boardtek Electronics Corporation on January 5, 2025, resulting in damages to property, plant and equipment. Refer to Note 10 for details.

(9) Right-of-use assets/lease liabilities

A. The assets leased by the Group include right-of-use land, buildings, official vehicles and other facilities. The Group's subsidiaries signed right-of-use land contracts with local governments whom the subsidiaries will return the right to when the contract expires. Except for the lease term of right-of-use land of 20 to 70 years, the remaining lease terms are between 2 and 8 years. The lease contracts are negotiated individually and contain various terms and conditions without other restrictions except for certain leased assets which have been pledged to others.

B. The leases of buildings, parking space, etc. of the Group have a lease term of 12 months or less, and the leases for which the underlying asset is of low value are all-in-one printers, etc.

C. The information on the carrying amount of the right-of-use assets and the recognition of depreciation expense are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
	Carrying amount	Carrying amount	Carrying amount
Right-of-Use Land	\$ 9,190,169	\$ 9,138,614	\$ 9,280,497
Buildings	71,403	84,522	27,096
Transportation equipment (official vehicles)	2,658	1,652	2,644
Other facilities	4,101	4,333	2,668
	<u>\$ 9,268,331</u>	<u>\$ 9,229,121</u>	<u>\$ 9,312,905</u>

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
	Depreciation expense	Depreciation expense
Right-of-Use Land	\$ 81,499	\$ 78,254
Buildings	13,373	8,034
Transportation equipment (official vehicles)	595	567
Other facilities	290	512
	<u>\$ 95,757</u>	<u>\$ 87,367</u>

The acquisition of the right-of-use assets for the three-month period ended March 31, 2025 and 2024 amounted to \$13,453 and \$28,534, respectively.

D. The Group recognised as rental expense for either the lease term of less than 12 months or leases for which the underlying asset is of low value. The information on the lease contract affecting profit or loss is as follows:

Items affecting current profit or loss	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Interest expense from lease liabilities	\$ 5,687	\$ 7,481
Rental expenses for short-term lease contracts and low-value assets	\$ 84,198	\$ 131,853

E. The cash flows used in the lease payments of the Group for the three-month periods ended March 31, 2025 and 2024 amounted to \$113,910 and \$160,229, respectively.

(10) Investment properties

	Buildings and structures	
	2025	2024
At January 1		
Cost	\$ 3,682,806	\$ 4,445,951
Accumulated depreciation and impairment	( 393,606 )	( 194,604 )
	<u>\$ 3,289,200</u>	<u>\$ 4,251,347</u>
At January 1		
Depreciation expense	\$ 3,289,200	\$ 4,251,347
Net exchange differences	( 36,455 )	( 45,864 )
	<u>46,530</u>	<u>170,765</u>
At March 31	<u>\$ 3,299,275</u>	<u>\$ 4,376,248</u>
At March 31		
Cost	\$ 3,735,286	\$ 4,625,429
Accumulated depreciation and impairment	( 436,011 )	( 249,181 )
	<u>\$ 3,299,275</u>	<u>\$ 4,376,248</u>
A. Rental income from investment property and direct operating expenses arising from investment property are shown below:		
	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Rental income from investment property	<u>\$ 42,541</u>	<u>\$ 23,820</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 36,455</u>	<u>\$ 45,864</u>

B. The fair value of the investment property held by the Group as of March 31, 2025 and 2024 was \$8,169,576 and \$8,972,964, respectively, which was revalued by independent appraisers. The valuation is based on income approach which is categorized within Level 3 in the fair value hierarchy.

(11) Intangible assets

	2025			
	Patents and technological expertise	Software	Goodwill	Total
At January 1				
Cost	\$ 474,390	\$ 2,747,509	\$ 1,425,868	\$ 4,647,767
Accumulative amortisation	( 380,279)	( 2,170,809)	-	( 2,551,088)
	<u>\$ 94,111</u>	<u>\$ 576,700</u>	<u>\$ 1,425,868</u>	<u>\$ 2,096,679</u>
At January 1	\$ 94,111	\$ 576,700	\$ 1,425,868	\$ 2,096,679
Additions (transfers)	-	19,837	-	19,837
Amortisation expense	( 21,012)	( 106,503)	-	( 127,515)
Net exchange differences	1,003	6,604	18,266	25,873
At March 31	<u>\$ 74,102</u>	<u>\$ 496,638</u>	<u>\$ 1,444,134</u>	<u>\$ 2,014,874</u>
At March 31				
Cost	\$ 480,467	\$ 2,800,731	\$ 1,444,134	\$ 4,725,332
Accumulative amortisation	( 406,365)	( 2,304,093)	-	( 2,710,458)
	<u>\$ 74,102</u>	<u>\$ 496,638</u>	<u>\$ 1,444,134</u>	<u>\$ 2,014,874</u>
	2024			
	Patents and technological expertise	Software	Goodwill	Total
At January 1				
Cost	\$ 444,293	\$ 2,436,486	\$ 1,335,405	\$ 4,216,184
Accumulative amortisation	( 275,739)	( 1,627,239)	-	( 1,902,978)
	<u>\$ 168,554</u>	<u>\$ 809,247</u>	<u>\$ 1,335,405</u>	<u>\$ 2,313,206</u>
At January 1	\$ 168,554	\$ 809,247	\$ 1,335,405	\$ 2,313,206
Additions (transfers)	-	52,322	-	52,322
Amortisation expense	( 20,971)	( 120,135)	-	( 141,106)
Net exchange differences	6,740	29,489	56,322	92,551
At March 31	<u>\$ 154,323</u>	<u>\$ 770,923</u>	<u>\$ 1,391,727</u>	<u>\$ 2,316,973</u>
At March 31				
Cost	\$ 463,031	\$ 2,573,948	\$ 1,391,727	\$ 4,428,706
Accumulative amortisation	( 308,708)	( 1,803,025)	-	( 2,111,733)
	<u>\$ 154,323</u>	<u>\$ 770,923</u>	<u>\$ 1,391,727</u>	<u>\$ 2,316,973</u>

- A. The Group acquired 100% of the shares of BoardTek Electronics Corporation on November 4, 2020 and Hong Heng Sheng Electronical Technology (Huain) Co., Ltd. in 2008, and recognised goodwill and patents and technological expertise under the acquisition method.
- B. Goodwill is allocated to the cash-generating units identified by operating segments. The recoverable amount has been determined based on value-in-use calculations with operating income rate, growth rate and discount rate. Management determined budgeted operating income rate based on its expectations of market development, the growth rates based on the expectations of industry, and the discount rates based on the weighted average capital cost.

(12) Other non-current assets

	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments for business facilities	\$ 1,902,725	\$ 1,359,725	\$ 1,297,015
Refundable deposits	200,907	190,359	175,835
Net defined benefit assets	103,416	103,412	84,058
Others	400,147	393,442	382,234
	<u>\$ 2,607,195</u>	<u>\$ 2,046,938</u>	<u>\$ 1,939,142</u>

Information about the other non-current assets that were pledged to others as tariff guarantee and reserve accounts for long-term is described in Note 8.

(13) Short-term borrowings

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Credit loans	<u>\$ 23,074,507</u>	1.90%~8.27%	No
Type of borrowings	December 31, 2024	Interest rate range	Collateral
Credit loans	<u>\$ 21,706,441</u>	1.93%~8.50%	No
Type of borrowings	March 31, 2024	Interest rate range	Collateral
Credit loans	<u>\$ 21,562,985</u>	1.68%~8.49%	No

(14) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Payable on machinery and equipment	\$ 7,280,356	\$ 7,339,279	\$ 5,677,129
Dividends payable	4,591,932	-	3,101,587
Wages and bonuses payable	4,487,858	4,964,198	4,722,072
Payable on mold and jig	923,079	1,173,184	1,086,037
Repairs and maintenance fees payable	858,752	1,222,087	782,276
Tax payable	521,997	579,733	418,813
Power expenses payable	374,419	398,816	360,017
Interest payable	287,041	166,699	337,069
Processing expenses payable	285,028	351,457	236,708
Others	<u>2,544,634</u>	<u>2,945,848</u>	<u>1,996,399</u>
	<u>\$ 22,155,096</u>	<u>\$ 19,141,301</u>	<u>\$ 18,718,107</u>

(15) Bonds payable

	March 31, 2025	December 31, 2024	March 31, 2024
4th overseas unsecured convertible bonds:			
Bonds payable	\$ 14,426,194	\$ 14,243,722	\$ 15,132,160
Less: Discount on bonds payable	( 2,512,130)	( 2,642,118)	( 3,323,401)
	<u>11,914,064</u>	<u>11,601,604</u>	<u>11,808,759</u>
Bonds payable subtotal	<u>11,914,064</u>	<u>11,601,604</u>	<u>11,808,759</u>
Less: Current portion of bonds payable (within 'long-term liabilities, current portion')	-	-	-
Bonds payable	<u>\$ 11,914,064</u>	<u>\$ 11,601,604</u>	<u>\$ 11,808,759</u>

A. Conditions for issuance of 4th overseas unsecured convertible bonds are as follows:

- (a) The competent authority has approved the Company's fourth issuance of overseas unsecured corporate bonds on January 15, 2024. The total issue amount of the bonds is USD 400,000 thousand, at a coupon rate of 0% and maturity of 5 years from January 24, 2024 to January 24, 2029.
- (b) The conversion price of the bonds is adjusted based on the pricing model in the terms of the bonds. As of June 14, 2024, the conversion price of the bonds was adjusted to NTD 106.60 (exchange rate of NTD 31.499 (in dollars) to USD 1 (in dollar)) based on the terms of the 4th overseas unsecured convertible bonds.
- (c) The bondholders have the right to require the Company to repurchase all or any portion of bonds at the price of the bonds' principal amount with an annual rate of 3.375% (calculated semi-annually) as interest compensation (110.56% of the principal amount of the corporate bonds) on the day when three years have elapsed since issuance of the bonds.
- (d) Except for bonds redeemed before maturity, repurchased and retired, or converted by the bondholders, the Company will fully redeem the bonds at the maturity date with an annual rate of 3.375% (calculated semi-annually) based on the principal amount. The redemption amount is about 118.22% of the principal amount of the corporate bonds, and the bonds will be redeemed in full.
- (e) According to the terms of the bonds, all bonds repurchased (including bonds repurchased from the secondary market), redeemed before or at maturity, or converted by the bondholders are retired and not to be re-issued.
- (f) According to the terms of the bonds, the rights and obligations of newly issued shares after conversion are the same as other issued ordinary shares. As of March 31, 2025, the Company's fourth issuance of overseas unsecured convertible corporate bonds with the amount of USD 32,500 thousand was converted at the conversion price then into ordinary shares of \$96,033 (i.e., 9,603,348 shares) at a par value of \$10 and resulted in 'capital surplusadditional paid-in capital arising from bond conversion' of \$949,309.
- (g) The effective rate of the corporate bonds is 5.17%.

B. Regarding the issuance of the 4th overseas unsecured corporate bonds in 2024 by the Company, the equity conversion options were separated from the liability component in accordance with IAS 32 and were recognised as 'capital surplus-stock options' of \$1,015,416.

**(16) Long-term borrowings**

Type of borrowings	Borrowing period and repayment term	March 31, 2025
Syndicated loans	Borrowing period is from July 3, 2023 to July 3, 2026; principal is repayable semiannually from January 3, 2026 in two installments; 50% of principal has to be repaid for each installment.	\$ 8,301,250
Credit loans	Borrowing period is from March 24, 2022 to March 24, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	4,707,782
	Borrowing period is from August 18, 2022 to July 29, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	2,081,615
	Borrowing period is from August 27, 2024 to August 27, 2027, interest will be paid quarterly and principal will be repaid every six months. In the first year after the first withdrawal, the principal of \$500,000 will be repaid every six months; in the second year after the withdrawal, the principal of \$30 million will be repaid every six months; in the third year after the withdrawal, the principal of \$119.5 million will be repaid every six months and settled on maturity.	1,383,997
	Borrowing period is from March 30, 2023 to December 7, 2026; principal and interest are repayable on the last month of every quarter.	624,578
	Borrowing period is from September 14, 2023 to December 4, 2026; principal is repayable quarterly after six months (the first installment) since the first drawdown in eleven installments; 5% of principal has to be repaid for the first and second installments, and 10% of principal has to be repaid for the remaining installments.	305,153
	Borrowing period is from November 9, 2023 to November 30, 2026, the principal will be repaid in equal installments of 8% at the end of each quarter and interest will be paid monthly.	74,973
	Borrowing period is from December 18, 2023 to August 24, 2028; interest is repayable monthly and the principal will not be repaid in the first four years; 5% of principal is repayable semiannually after half years since the drawdown in fifth installments, respectively, and the remaining is repayable on the due date.	1,387,743
	Borrowing period is from July 16, 2024 to July 16, 2027, the principal is repayable semiannually with the first installment of 4.5% of principal due six months after the first withdrawal, the second to fifth installments being 8.4% of principal, and the remainder being settled upon maturity.	281,709
	Borrowing period is from August 22, 2024 to August 20, 2027, the principal will be repaid every six months starting from the second year. The first year after the first transfer is a grace period and no principal will be repaid. Starting from the expiration of the grace period, principal will be repaid every six months. The first (1.5 years after the first transfer)/second/third transfer will be repaid at 1%/2%/3% of the total transfer amount, respectively, and the remaining balance will be repaid in one lump sum upon maturity.	846,568
	Borrowing period is from September 25, 2024 to September 24, 2034, and starting from the first withdrawal, the principal will be repaid in installments every six months, for a total of twenty installments, each at 5%.	15,644

Type of borrowings	Borrowing period and repayment term	March 31, 2025
	Borrowing period is from May 9, 2022 to May 9, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	1,628,274
	Borrowing period is from June 29, 2022 to June 28, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	\$ 1,467,248
	Borrowing period is from July 24, 2024 to January 24, 2028, interest will be paid monthly and the loan will be repaid in one lump sum upon maturity.	830,125
Subtotal		23,936,659
Less: Syndicated loan arrangement fees		( 15,565)
Less: Current portion of long-term borrowings (within 'Long-term liabilities, current portion')		( 5,210,150)
Interest rate		\$ 18,710,944 3.10%~6.09%
Type of borrowings	Borrowing period and repayment term	December 31, 2024
Syndicated loans	Borrowing period is from July 3, 2023 to July 3, 2026; principal is repayable semiannually from January 3, 2026 in two installments; 50% of principal has to be repaid for each installment.	\$ 8,196,250
Credit loans	Borrowing period is from March 24, 2022 to March 24, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	4,641,638
	Borrowing period is from January 18, 2023 to January 18, 2025; principal is repayable semiannually after six months since the first drawdown in four installments; the 5% of principal has to be repaid for each of the first 3 installments, and the remaining is repayable on the due date.	387,670
	Borrowing period is from August 18, 2022 to July 29, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	2,052,369
	Borrowing period is from August 27, 2024 to August 27, 2027, interest will be paid quarterly and principal will be repaid every six months. In the first year after the first withdrawal, the principal of \$500,000 will be repaid every six months; in the second year after the withdrawal, the principal of \$30 million will be repaid every six months; in the third year after the withdrawal, the principal of \$119.5 million will be repaid every six months and settled on maturity.	1,364,552
	Borrowing period is from March 30, 2023 to December 7, 2026; principal and interest are payable on the last month of every quarter.	732,171
	Borrowing period is from September 14, 2023 to December 4, 2026; principal is repayable quarterly after six months (the first installment) since the first drawdown in eleven installments; 5% of principal has to be repaid for the first and second installments, and 10% of principal has to be repaid for the remaining installments.	346,473
	Borrowing period is from November 9, 2023 to November 30, 2026, the principal will be repaid in equal installments of 8% at the end of each quarter and interest will be paid monthly	77,919

Type of borrowings	Borrowing period and repayment term	December 31, 2024
	Borrowing period is from December 18, 2023 to August 24, 2028; interest is repayable monthly and the principal will not be repaid in the first four years; 5% of principal is repayable semiannually after half years since the drawdown in fifth installments, respectively, and the remaining is repayable on the due date.	1,368,246
	Borrowing period is from July 16, 2024 to July 16, 2027, the principal is repayable semiannually with the first installment of 4.5% of principal due six months after the first withdrawal, the second to fifth installments being 8.4% of principal, and the remainder being settled upon maturity.	\$ 290,839
	Borrowing period is from August 22, 2024 to August 20, 2027, the principal will be repaid every six months starting from the second year. The first year after the first transfer is a grace period and no principal will be repaid. Starting from the expiration of the grace period, principal will be repaid every six months. The first (1.5 years after the first transfer)/second/third transfer will be repaid at 1%/2%/3% of the total transfer amount, respectively, and the remaining balance will be repaid in one lump sum upon maturity.	470,960
	Borrowing period is from September 25, 2024 to September 24, 2034, and starting from the first withdrawal, the principal will be repaid in installments every six months, for a total of twenty installments, each at 5%.	16,237
	Borrowing period is from May 9, 2022 to May 9, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	1,571,458
	Borrowing period is from June 29, 2022 to June 28, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	1,425,217
Subtotal		819,625
Less: Syndicated loan arrangement fees		23,761,624
Less: Current portion of long-term borrowings (within 'Long-term liabilities, current portion')	( 18,442)	( 1,333,125)
Interest rate	\$ 22,410,057	3.10%~7.04%

Type of borrowings	Borrowing period and repayment term	March 31, 2024
Syndicated loans	Borrowing period is from July 3, 2023 to July 3, 2026; principal is repayable semiannually from January 3, 2026 in two installments; 50% of principal has to be repaid for each installment.	\$ 8,000,000
Credit loans	<p>Borrowing period is from March 24, 2022 to March 24, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.</p> <p>Borrowing period is from January 18, 2023 to January 18, 2025; principal is repayable semiannually after six months since the first drawdown in four installments; 5% of principal has to be repaid for each of the first 3 installments, and the remaining is repayable on the due date.</p> <p>Borrowing period is from August 18, 2022 to July 29, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.</p> <p>Borrowing period is from March 30, 2023 to March 30, 2026; the principal and interest are repayable on the last month of every quarter.</p> <p>Borrowing period is from September 14, 2023 to September 14, 2026; principal is repayable quarterly after six months (the first installment) since the first drawdown in eleven installments; 5% of principal has to be repaid for the first and second installments, and 10% of principal has to be repaid for the remaining installments.</p> <p>Borrowing period is from November 9, 2023 to November 9, 2026; principal and interest are payable at 8% in equal proportions at the end of each quarter.</p> <p>Borrowing period is from December 18, 2023 to August 24, 2028; interest is repayable monthly and the principal will not be repaid in the first four years; 5% of principal is repayable semiannually after half years since the drawdown in fifth installments, respectively, and the remaining is repayable on the due date.</p> <p>Borrowing period is from May 9, 2022 to May 9, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.</p> <p>Borrowing period is from June 29, 2022 to June 28, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.</p> <p>Borrowing period is from January 25, 2021 to July 25, 2024; interest is repayable monthly and the principal has to be repaid at once.</p>	4,590,140 405,920 2,029,598 625,519 441,928 115,175 1,033,215 1,445,104 1,312,022 800,000 20,798,621 ( 27,000) ( 1,698,775) \$ 19,072,846 3.10%~7.49%
Subtotal		
Less: Syndicated loan arrangement fees		( 27,000)
Less: Current portion of long-term borrowings (within 'Long-term liabilities, current portion')		( 1,698,775)
Interest rate		3.10%~7.49%

During the terms of the syndicated loans, in accordance with the syndicated loan agreement, the Company is required to calculate and maintain certain level of current ratio, liability ratio, times-interest-earned ratio and net tangible asset balance based on the audited annual and semi-annual consolidated financial statements.

(17) Pensions

A. Defined benefit plans

- (a) The Group's subsidiaries in Taiwan, Zhen Ding Technology Co., Ltd. and BoardTek Electronics Corporation, have defined benefit pension plans in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. For employees for retirement, under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Taiwan subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent Supervisory Committee of Labor Retirement Reserve Fund (the 'Fund'). Before the end of each year, the Taiwan subsidiaries assess the balance in the aforementioned Fund. If the balance in the Fund is insufficient to pay the retirement benefits of employees who are eligible for retirement in the following year by the aforementioned method, the Taiwan subsidiaries are required to fund the deficit in one appropriation before the end of next March.
- (b) The pension costs recognised by the Group in accordance with the above pension plan were \$0 for the three-month period ended March 31, 2025 and 2024, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group amount to \$15 for the year ended December 31, 2026.

B. Defined contribution plan

- (a) Effective July 1, 2005, the Taiwan subsidiaries of the Group have established a defined contribution pension plan (the 'New Plan') under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Taiwan subsidiaries of the Group contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The contribution plan accrued dividends from an employee's individual account is paid monthly or in lump sum upon retirement of an employee. The pension expenses recognised by the Group in accordance with the above pension plan were \$18,170 and \$20,927 for the three-month period ended March 31, 2025 and 2024, respectively.
- (b) The Mainland China subsidiaries of the Group have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on certain percentage of employees' monthly salaries and wages with the contribution percentage of 10%~20%, and pension is contributed to the employees' individual pension accounts. Pension of each employee is managed by the government. Other than the monthly contributions, the Group has no further obligations. The pension expenses recognised in accordance with local regulations were \$616,341 and \$411,498 for the three-month period ended March 31, 2025 and 2024, respectively.

(18) Share-based payment

A. The share-based payment arrangements of the Group's subsidiary, Avary Holding (Shenzhen) Co., Limited, are as follows:

Type of arrangements	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees	2017.02.27	185,080 thousand shares	7 years	(a)(d)
Restricted stocks to employees	2021.06.15	10,045 thousand shares	6 years	(b)(d)(e)
Restricted stocks to employees	2024.09.13	9,470 thousand shares	4 years	(c)(d)(f)

- (a) A restricted stock has not vested until an employee remains the employ in the Avary Holding (Shenzhen) Co., Limited for 2 years starting from the purchase date. Shares will be vested in accordance with the number of the grantees' shares at 20% every year. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the lower of the investment amount or the carrying amount of net assets. However, appropriated dividend is not required to be returned.
- (b) A restricted stock has not vested until an employee remains the employ in the Avary Holding (Shenzhen) Co., Limited for 1 year starting from the purchase date. Shares will be vested in accordance with the number of the grantees' shares at 20% every year. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the vested price and retired.
- (c) 30%, 30%, and 40% of employee subscription right are subscribed in three installments when an employee remains in the employ of Avary Holding (Shenzhen) Co., Limited for 1 year starting from the subscription date. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the vested price and retired.
- (d) Until the achievement of the vesting conditions, the right and obligation: cannot sell, pledge, transfer, give to others, create a right in rem over it or any other disposal.
- (e) The vested conditions of the issuance of restricted shares for employees were the annual operating revenue reached a predetermined target and employees' individual performance reached a standard level. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the vested price and retired.
- (f) The vested conditions of the issuance of restricted shares for employees were the annual weighted average return on equity and operating revenue reached a predetermined target and employees' individual performance reached a standard level. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the vested price and retired.

B. Employee restricted stocks

The numbers of employee restricted stocks for the first time are as follows (in thousand shares):

	2025	2024
Outstanding at January 1	-	35,437
Vested during the current period	-	( 35,437 )
Outstanding at March 31	-	-

The numbers of employee restricted stocks for the second time are as follows (in thousand shares):

	2025	2024
Outstanding at January 1	5,122	5,181
Returned during the current period	( 30 )	-
Outstanding at March 31	<u>5,092</u>	<u>5,181</u>

The numbers of employee restricted stocks for the third time are as follows (in thousand shares):

	2025	2024
Outstanding at January 1	9,430	-
Returned during the current period	( 40 )	-
Outstanding at March 31	<u>9,390</u>	<u>-</u>

C. The fair value of the Group's share-based payment transactions granted on the grant date in 2017 to 2024 is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangements	Grant date	Stock price (in RMB dollars)	Exercise price (in RMB dollars)	Expected volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in RMB dollars)
Restricted stocks to employees	2017.02.27	5.32	4.60	-	-	-	-	0.72
Restricted stocks to employees	2021.06.15	29.08	16.44	-	-	-	-	12.64
Restricted stocks to employees	2024.09.13	33.75	17.70	-	-	-	-	16.05

D. Expenses incurred on the share-based payment are as follows:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Expenses incurred on employees restricted stocks	<u>\$ 80,425</u>	<u>\$ 2,567</u>

(19) Share capital

- As of March 31, 2025, the Company's authorised capital was \$16,000,000, and the issued capital was \$9,566,525, consisting of 956,652 thousand ordinary shares with a par value of \$10 (in New Taiwan dollars) per share.
- In 2024 the Company's 4th issuance of overseas unsecured convertible bonds with the amount of USD 32,500 thousand was converted into 9,603 thousand ordinary shares with a par value of \$10 (in New Taiwan dollars) per share, and the paid-in capital increased by \$96,033.
- As of March 31, 2025, the number of ordinary shares of the Company held by the Group's subsidiary, Boardtek Electronics Corporation, was 2,093 thousand shares, and the acquisition cost amounted to \$257,489 within the 'treasury shares'. The treasury shares shall not be pledged to others, and the shareholders' rights shall not be enjoyed before transfer under Securities and Exchange Act.

(20) Capital surplus

	2025							
	Additional paid-in capital arising from ordinary share	Additional paid-in capital arising from bonds conversion	Share options	Expired share options	Changes in ownership interests in subsidiaries	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Treasury share transactions	Total
At January 1	\$ 10,754,926	\$ 14,573,864	\$ 932,913	\$ 1,056,179	\$ 11,318,696	\$ 1,864,331	\$ 39,303	\$ 40,540,212
Employee restricted stocks	-	-	-	-	57,986	-	-	57,986
At March 31	<u>\$ 10,754,926</u>	<u>\$ 14,573,864</u>	<u>\$ 932,913</u>	<u>\$ 1,056,179</u>	<u>\$ 11,376,682</u>	<u>\$ 1,864,331</u>	<u>\$ 39,303</u>	<u>\$ 40,598,198</u>
	2024							
	Additional paid-in capital arising from ordinary share	Additional paid-in capital arising from bonds conversion	Share options	Expired share options	Changes in ownership interests in subsidiaries	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Treasury share transactions	Total
At January 1	\$ 10,754,926	\$ 13,624,555	\$ -	\$ 1,056,179	\$ 11,223,476	\$ 1,864,331	\$ 32,447	\$ 38,555,914
Employee restricted stocks	-	-	-	-	1,844	-	-	1,844
Issuance of overseas convertible bonds	-	-	1,015,416	-	-	-	-	1,015,416
At March 31	<u>\$ 10,754,926</u>	<u>\$ 13,624,555</u>	<u>\$ 1,015,416</u>	<u>\$ 1,056,179</u>	<u>\$ 11,225,320</u>	<u>\$ 1,864,331</u>	<u>\$ 32,447</u>	<u>\$ 39,573,174</u>

- A. The Company's capital surplus arising from paid-in capital in excess of par value on issuance of ordinary share is used to offset accumulated losses incurred in previous years or distribute dividends to shareholders in accordance with the General Shareholders' Meeting resolution.
- B. Refer to Note 6(15) for details on capital surplus-share options.

(21) Retained earnings

- A. In accordance with the Company's Articles of Incorporation, the Board of Directors shall set aside out of the current year's earnings sequentially as follows:
  - (a) A reserve for payment of tax for the relevant financial year;
  - (b) An amount to offset losses incurred in previous years;
  - (c) Ten percent (10%) as a legal reserve, and
  - (d) A special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board of Directors in accordance with the Articles of Incorporation.

Dividends shall not be lower than 10% of the distributable amount, and the Board of Directors can determine to distribute in cash, in shares or to distribute in both ways. However, cash dividends shall not be lower than 50% of total dividends.

In addition, cash dividends shall be distributed upon the approval of a majority of the directors present at a meeting attended by at least two-thirds or more of the total number of the directors. Share dividends can be distributed after obtaining approval from the shareholders in each accounting year. Stock dividends shall be distributed following resolution and approval at the General Shareholders' Meeting in each fiscal year.

- B. The appropriations of the Company's 2024 earnings have been proposed by the Board of Directors on March 11, 2025 and the appropriations of 2023 earnings have been approved by the General Shareholders' Meeting on May 30, 2024. Details are summarised as follows:

	For the year ended December 31, 2024		For the year ended December 31, 2023	
	Amount	Dividends per share (in New Taiwan dollars)	Amount	Dividends per share (in New Taiwan dollars)
Legal reserve	\$ 921,105		\$ 618,935	
Special reserve	( 4,930,813)		2,237,783	
Cash dividends	4,591,932	4.80	3,101,587	3.275
Total	<u>\$ 582,224</u>		<u>\$ 5,958,305</u>	

Information on the appropriation of the Company's earnings as proposed at the board meeting and resolved at the shareholders' meeting is posted in the 'Market Observation Post System' on the website of the Taiwan Stock Exchange.

**(22) Other equity interest**

	Unrealised gains from financial assets measured at fair value through other comprehensive income	Financial statement translation differences of foreign operations	Total
At January 1, 2025	\$ 395,366	( \$ 584,774)	\$ 189,408
Valuation adjustment	224,188	-	224,188
Currency translation differences:			
- Group	-	1,505,917	1,505,917
At March 31, 2025	\$ 619,554	\$ 921,143	\$ 1,540,697
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
At January 1, 2024	\$ 489,233	( \$ 5,609,453)	\$ 5,120,220
Valuation adjustment	( 231,675)	-	( 231,675)
Currency translation differences:			
- Group	-	3,800,446	3,800,446
At March 31, 2024	\$ 257,558	( \$ 1,809,007)	\$ 1,551,449

**(23) Operating revenue**

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Revenue from contracts with customers	\$ 40,081,873	\$ 32,510,315
The Group derives revenue from the transfer of goods and services at a point in time. The Group's geographical revenue based on the countries where customers are located:		
	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Revenue from contracts with customers		
U.S.A.	\$ 30,842,514	\$ 23,351,855
China	5,102,845	5,032,467
Taiwan	2,094,685	1,905,594
Others	2,041,829	2,220,399
	\$ 40,081,873	\$ 32,510,315

**(24) Expenses by nature**

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Employee benefit expenses	\$ 6,550,796	\$ 5,574,447
Depreciation expense	4,611,825	4,089,869
Amortisation expense	127,515	141,106
	\$ 11,290,136	\$ 9,805,422

(25) Employee benefit expenses

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Wages and salaries	\$ 5,050,252	\$ 4,323,137
Employees' compensation	4,855	5,398
Labor and health insurance fees	336,982	286,528
Pension expenses	634,511	432,425
Other personnel expenses	524,196	526,959
	<hr/> \$ 6,550,796	<hr/> \$ 5,574,447

- A. In accordance with the Company's Articles of Incorporation, the Company shall distribute employee's remuneration between zero point five percent (0.5%) and twenty percent (20%) and distribute directors' remuneration no higher than zero point five percent (0.5%) of the distributed earnings covering accumulated losses.
- B. The Company has estimated the relevant remuneration in accordance with the aforementioned. For the three-month period ended March 31, 2025 and 2024, employees' compensation were accrued in the amount of \$4,855 and \$5,398, respectively; while directors' remunerations were accrued in the amount of \$4,855 and \$5,398, respectively.
- C. Employees' compensation and directors' remuneration as resolved by the Board of Directors for the year ended December 31, 2024 were equal to the amount recognised in the financial statements for the year ended December 31, 2024.
- D. Information on employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors and shareholders is posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(26) Interest income

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Interest income from bank deposits	\$ 700,667	\$ 724,383
Interest income from financial assets at amortised cost	270	39,700
	<hr/> \$ 700,937	<hr/> \$ 764,083

(27) Other income

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Government grants revenue	\$ 171,895	\$ 115,212
Other	113,519	50,467
	<hr/> \$ 285,414	<hr/> \$ 165,679

(28) Other gains and losses

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Net currency exchange gains	\$ 103,398	\$ 567,099
Net losses on financial assets and liabilities measured at fair value through profit or loss	( 96,942 )	( 150,169 )
Gain on disposal of property, plant and equipment	15,999	6,082
Others	( 14,028 )	( 12,543 )
	<hr/> \$ 8,427	<hr/> \$ 410,469

(29) Finance costs

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Interest expenses		
Bank borrowings	\$ 413,497	\$ 456,600
Amortisation of convertible bond discounts	162,273	113,038
Amortisation of syndicated loan arrangement fees	3,083	2,948
Interest expense from lease liabilities	5,687	7,481
	<u>584,540</u>	<u>580,067</u>

(30) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Current tax:		
Tax payable arising from the current period	\$ 368,744	\$ 308,201
Adjustments in respect of prior years	<u>71,091</u>	<u>2,210</u>
Total current tax	<u>439,835</u>	<u>310,411</u>
Deferred tax:		
Origination and reversal of temporary differences	91,744	( 134,074)
Change in loss carryforwards	( 100,116)	( 114,710)
Total deferred tax	( 8,372)	( 248,784)
Income tax expense	<u>\$ 431,463</u>	<u>\$ 61,627</u>

(b) Income tax related to other comprehensive income:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Measured at fair value through other comprehensive income from changes in fair values	<u>\$ 67,136</u>	<u>( \$ 70,625)</u>

- B. The income tax returns of the Group's subsidiaries, Zhen Ding Technology Co., Ltd., Garuda Technology Co., Ltd., Hong Kong Leading Interconnect International Limited Taiwan Branch, and Boardtek Electronics Corporation have been assessed and approved through 2023, 2022, 2022, and 2022 by the Tax Authority.
- C. The Group is subject to the exceptions to the requirements regarding deferred tax assets and liabilities related to recognised and pillar two income taxes and the disclosure of relevant information.
- D. The Group's exposures to Pillar Two income tax arising from that legislation are described below:

The Group falls within the scope of the OECD Pillar Two framework. Pillar Two income tax has been effectuated on January 1, 2025 in areas where subsidiaries are registered, including Singapore, Hong Kong and Thailand.

According to Pillar Two GloBE rules, the Group is required to pay top-up tax which is the difference between the effective tax rate of a jurisdiction with GloBE income and minimum rate (15%). Due to the applicability of Pillar Two rules and the complexity of income calculation under the GloBE rules, the specific adjustments set out in Pillar Two rules for Singapore, Hong Kong and Thailand, will result in different ETRs compared to the average ETR calculated using IAS 12. The Group has engaged tax experts to assist in matters related to the Pillar Two legislation. From January 1 to March 31, 2025, the Group has recognised current income tax expenses relating to Pillar Two income tax, and this did not exert a significant impact on the consolidated financial statements for the current period.

(31) Earnings per share

	Three-month period ended March 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
<b>Basic earnings per share</b>			
Profit attributable to ordinary shareholders of the parent	\$ 632,451	954,559	\$ 0.66
<b>Diluted earnings per share</b>			
Profit attributable to ordinary shareholders of the parent	\$ 632,451	954,559	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,335	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	\$ 632,451	956,894	\$ 0.66
Three-month period ended March 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
<b>Basic earnings per share</b>			
Profit attributable to ordinary shareholders of the parent	\$ 977,360	944,956	\$ 1.03
<b>Diluted earnings per share</b>			
Profit attributable to ordinary shareholders of the parent	\$ 977,360	944,956	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds-overseas	113,038	114,939	
Employees' compensation	-	1,130	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	\$ 1,090,398	1,061,025	\$ 1.03

A. As employees' compensation might be distributed in the form of shares, the diluted EPS is calculated based on the assumption that all distribution will be in the form of shares in the calculation of the weighted-average number of ordinary shares outstanding during the reporting period, taking into account the dilutive effects of stock bonus on potential ordinary shares.

B. The convertible bonds exhibited anti-dilutive effect for the three-month period ended March 31, 2025 and are therefore not included.

(32) Additional information of cash flows

A. Investing activities with partial cash payment:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Acquisition of property, plant and equipment (including advance payments for equipment)	\$ 5,490,132	\$ 1,633,037
Add: Opening balance of payable on machinery and equipment (within 'other payables')	7,339,279	7,443,454
Less: Ending balance of payable on machinery and equipment (within 'other payables')	( 7,280,356)	( 5,677,129 )
Net exchange differences	87,874	249,086
Cash paid during the period	<u>\$ 5,636,929</u>	<u>\$ 3,648,448</u>

B. Financing activities without cash flow effects:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Declared cash dividends	<u>\$ 4,591,932</u>	<u>\$ 3,101,587</u>

C. Changes in liabilities from financing activities

	2025					
	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 21,706,441	\$ 1,119,504	\$ 11,601,604	\$ 23,743,182	\$ 8,326,390	\$ 66,497,121
Change in cash flow from financing activities	1,274,306	( 29,712)	-	149,200	( 682,712)	412,682
Change in right-of-use assets	-	13,453	-	-	-	13,453
Amortisation on interest expenses	-	5,687	162,273	3,083	-	171,043
Effect of exchange rate fluctuation	93,760	( 5,109)	150,187	324,029	104,786	667,653
At March 31	<u>\$ 23,074,507</u>	<u>\$ 1,103,823</u>	<u>\$ 11,914,064</u>	<u>\$ 23,921,094</u>	<u>\$ 7,748,464</u>	<u>\$ 67,761,952</u>
	2024					
	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 33,853,082	\$ 1,213,656	\$ -	\$ 19,276,604	\$ 10,807,276	\$ 65,150,618
Change in cash flow from financing activities	( 12,934,385)	( 28,376)	12,468,383	685,866	( 791,908)	600,420
Share options arising from convertible bonds	-	-	( 1,015,416)	-	-	1,015,416
Change in right-of-use assets	-	28,534	-	-	-	28,534
Amortisation on interest expenses	-	7,481	113,038	2,948	-	123,467
Effect of exchange rate fluctuation	644,288	11,143	242,754	806,203	435,032	2,139,420
At March 31	<u>\$ 21,562,985</u>	<u>\$ 1,232,438</u>	<u>\$ 11,808,759</u>	<u>\$ 20,771,621</u>	<u>\$ 10,450,400</u>	<u>\$ 65,826,203</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Hon Hai Precision Industry Co., Ltd. and its subsidiaries	The entity has significant influence over the Group
CyberTAN Technology Inc. and its subsidiaries	Other related party
Ennoco Corporation and its subsidiaries	Other related party
Foxconn Interconnect Technology Limited and its subsidiaries	Other related party
General Interface Solution Holding Limited and its subsidiaries	Other related party
Zhen Ding Education Foundation	Other related party
Saha Pathana Inter-Holding PCL	Other related party
Guangdong Zhanyang Intelligent Equipment Co., Limited	Associate

### (2) Significant related parties transactions and balances

#### A. Sales

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Sale of goods:		
- Entity with significant influence over the Group	\$ 2,357,956	\$ 1,335,490
- Other related parties	216,575	1,091,261
	<u>\$ 2,574,531</u>	<u>\$ 2,426,751</u>

Unless there are similar transactions, the prices and terms were determined in accordance with mutual agreements. Otherwise, the sales prices and credit terms to related parties were similar to third parties. The normal credit term is around 1 to 4 months.

#### B. Purchases

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Purchase of goods:		
- Entity with significant influence over the Group	\$ 142,569	\$ 40,386
- Other related parties	756,622	1,111,811
- Associate	188	1,127
Total	<u>\$ 899,379</u>	<u>\$ 1,153,324</u>

Unless the prices and terms were determined in accordance with mutual agreements due to no similar transactions, the purchase prices and payment terms to related parties were similar to third parties. The normal payment term is around 1 to 4 months for general suppliers and related parties.

#### C. Operating expenses - donation

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Zhen Ding Education Foundation	\$ -	\$ 11,010

**D. Accounts receivable**

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable - related parties:			
- Entity with significant influence over the Group	\$ 2,870,257	\$ 2,594,391	\$ 1,684,712
- Other related parties	229,622	678,315	1,128,704
	<u>3,099,879</u>	<u>3,272,706</u>	<u>2,813,416</u>
Less: Allowance for bad debts	(9,315)	(9,818)	(8,440)
Total	<u>\$ 3,090,564</u>	<u>\$ 3,262,888</u>	<u>\$ 2,804,976</u>

**E. Notes and accounts payable**

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable - related parties:			
- Entity with significant influence over the Group	\$ 26,482	\$ 27,181	\$ 14,773
- Other related parties	778,712	1,033,964	801,009
- Associate	272	472	867
	<u>\$ 805,466</u>	<u>\$ 1,061,617</u>	<u>\$ 816,649</u>

**(3) Key management compensation**

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Short-term employee benefits	<u>\$ 44,959</u>	<u>\$ 25,460</u>

**8. PLEDGED ASSETS**

The Group's assets pledged as collateral are as follows:

Pledged assets	Carrying amount			Collateral purpose
	March 31, 2025	December 31, 2024	March 31, 2024	
Other current assets				
- Time deposits with maturity of over three months	\$ 4,924	\$ 4,879	\$ 4,886	Tariff guarantee
Other non-current assets				
- Demand deposits	281,212	277,655	268,009	Reserve accounts for long-term loans
- Time deposits with maturity of over one year	29,542	29,274	29,315	Tariff guarantee
	<u>\$ 315,678</u>	<u>\$ 311,808</u>	<u>\$ 302,210</u>	

**9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS**

**(1) Contingencies**

None.

**(2) Commitments**

A. Capital expenditure contracted for at the balance sheet date but not yet paid is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment	<u>\$ 31,165,649</u>	<u>\$ 31,915,272</u>	<u>\$ 40,235,933</u>

B. The amount of unused letters of credit for the acquisition of property, plant and equipment is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unused letters of credit	\$ 2,194,421	\$ 936,188	\$ 1,605,776

**10. SIGNIFICANT DISASTER LOSS**

On January 5, 2025, a fire broke out in the subsidiary, Boardtek Electronics Corporation, which resulted in the destruction of some of its inventory, property, plant and equipment. Currently, the Company is actively processing the insurance claim valuation. Based on the initial assessment, the Group will not incur significant losses after considering the claim amount.

**11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE**

None.

**12. OTHERS**

(1) Capital management

The Group's objective for capital management is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares when convertible bonds are converted, or issue new shares for consideration to achieve optimal structure.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2025	December 31, 2024	March 31, 2024
<b>Financial assets</b>			
Financial assets at amortised cost	\$ 108,870,590	\$ 111,100,279	\$ 94,152,931
Financial assets at fair value through profit or loss	1,804,854	1,753,687	1,629,005
Financial assets at fair value through other comprehensive income	2,673,112	1,768,742	1,451,177
	<u>\$ 113,348,556</u>	<u>\$ 114,622,708</u>	<u>\$ 97,233,113</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost	\$ 107,550,740	\$ 106,235,405	\$ 97,823,325
Lease liabilities	1,103,823	1,119,504	1,232,438
	<u>\$ 108,654,563</u>	<u>\$ 107,354,909</u>	<u>\$ 99,055,763</u>

Note: Financial assets at amortised cost include cash and cash equivalents, accounts receivable (including to related parties), other receivables, other current assets, and other non-current assets-demand deposits and time deposits with maturity of over one year; financial liabilities at amortised cost include short-term borrowings, accounts payable (including related parties), other payables, current portion of long-term liabilities, bonds payable, long-term borrowings and guarantee deposits received.

B. Risk management policies

(a) Risk categories

The Group employs a comprehensive risk management and control system to clearly identify, measure, and control various kinds of financial risks it faces, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, and liquidity risk.

(b) Management objectives

- i. Except for market risk, which is controlled by outside factors, the remainder of the foregoing types of risks can be eliminated via internal control or operational procedures. Therefore, the goal in managing each of these risks is to reduce them to zero.
- ii. As for market risk, the goal is to optimise its overall position through strict analysis, suggestion, execution and audit processes, and proper consideration of trends in the external economic/financial environment, internal operating conditions and the actual effects of market fluctuations.
- iii. The Group's overall Risk Management Policies focus on the unpredictable items of financial markets and seek to reduce the potential adverse effects on the Group's financial position and financial performance.
- iv. The Group uses derivative financial instruments. Please refer to Note 6 for details.

(c) Management system

- i. Risk management is carried out by a central treasury department (the Group treasury) under policies approved by the Board of Directors. The Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.
- ii. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from (1) the timing of recognition for accounts receivable, accounts payable, borrowings, and payables on machinery and equipment denominated in non-functional currencies is different, (2) recognised assets and liabilities and (3) net investments in foreign operations. Since the transacting currencies are different from functional currencies, foreign exchange risks arise.
- ii. Management has set up a policy to require all subsidiaries within the Group to manage their foreign exchange risk against their functional currency. However, the overall foreign exchange risk is managed by the Group treasury for hedging.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: USD; other certain subsidiaries' functional currency: RMB or NTD) so it is impacted by the exchange rate fluctuations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2025			Three-month period ended March 31, 2025					
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (In thousands of NTD)	Sensitivity analysis					
				Degree of variation	Effect on comprehensive income				
(Foreign currency: functional currency)									
<u>Financial assets</u>									
<u>Monetary items</u>									
USD: NTD	207,928	33.205	\$ 6,904,249	1%	\$ 69,042				
USD: RMB	2,321,740	7.1782	77,093,377	1%	770,934				
<u>Net effect in consolidated entities with foreign currencies</u>									
USD: NTD	4,092,894	33.205	\$ 135,904,545	1%	\$ 1,359,045				
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD: NTD	55,194	33.205	\$ 1,832,717	1%	\$ 18,327				
USD: RMB	646,828	7.1782	21,477,936	1%	214,779				
JPY: RMB	4,311,063	0.0484	964,303	1%	9,643				
For the year ended December 31, 2024									
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (In thousands of NTD)	Sensitivity analysis					
				Degree of variation	Effect on comprehensive income				
(Foreign currency: functional currency)									
<u>Financial assets</u>									
<u>Monetary items</u>									
USD: NTD	243,322	32.785	\$ 7,977,312	1%	\$ 79,773				
USD: RMB	2,475,223	7.1884	81,150,186	1%	811,502				
<u>Net effect in consolidated entities with foreign currencies</u>									
USD: NTD	4,051,593	32.785	\$ 132,831,477	1%	\$ 1,328,315				
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD: NTD	91,796	32.785	\$ 3,009,532	1%	\$ 30,095				
USD: RMB	872,768	7.1884	28,613,685	1%	286,137				
JPY: RMB	3,314,952	0.0462	698,992	1%	6,990				
For the year ended December 31, 2024									
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (In thousands of NTD)	Sensitivity analysis					
				Degree of variation	Effect on comprehensive income				
(Foreign currency: functional currency)									
<u>Financial assets</u>									
<u>Monetary items</u>									
USD: NTD	207,301	32.00	\$ 6,633,632	1%	\$ 66,336				
USD: RMB	1,835,546	7.0950	58,737,472	1%	587,375				
<u>Net effect in consolidated entities with foreign currencies</u>									
USD: NTD	3,974,892	32.00	\$ 127,196,544	1%	\$ 1,271,965				
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD: NTD	58,565	32.000	\$ 1,874,080	1%	\$ 18,741				
USD: RMB	543,024	7.0950	17,376,760	1%	173,768				
JPY: RMB	6,051,576	0.0472	1,365,669	1%	13,657				

v. Please refer to Note 6(28) for the total exchange gain (loss) including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three-month period ended March 31, 2025 and 2024.

Interest rate risk for cash flow and fair value

The Group's interest rate risk mainly arises from borrowings. Borrowings at floating rates expose the Group to interest rate risk of cash flow, which is partially offset by cash and cash equivalents held at floating rates.

Based on the simulations performed, the impact on after-tax profit of a quarter-point shift would be a maximum increase or decrease of \$29,382 and \$26,476 for the three-month periods ended March 31, 2025 and 2024, respectively. The simulation is based on a quarterly basis to ensure that the maximum potential loss is within the limit given by the management.

The financial assets at amortised cost held by the Group are fixed-rate products, and their changes of fair value arise from changes in market interest rate. However, the Group would hold the financial assets to the maturity because of the return at the effective rates for the duration, thus, there are no gains or losses on disposal or valuation arising from change in fair value.

Price risk

The Group's investments in equity securities comprise domestic listed stocks which are classified as investments in financial assets at fair value through other comprehensive income. The price of equity securities would be affected by the uncertainty of the future value of underlying investment. However, the Group expects the price fluctuations do not have significant impact on the price of equity securities.

**(b) Credit risk**

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments.

According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial instruments and other financial instruments, and is managed and monitored by the Group treasury. The clients and counterparties are government organisations, banks with high credit quality and financial institutions with investment grade; thus, there is no significant default risk and critical credit risk.

ii. The Group assess whether there has been significant increase in credit risk on that financial instrument since initial recognition:

(i) If the contract payments were an underlying more than 30 days past due based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- (ii) If the credit rating grade of an underlying investment degrades two grades, there has been a significant increase in credit risk on that instrument since initial recognition.
- iii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Delinquency or default in interest or principal payments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- iv. The default occurs when the contract payment are more than 90 days past due.
- v. The credit quality information of financial assets that are neither overdue nor impaired is as follows:

Cash and cash equivalents

The Group transacts with a variety of financial institutions with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

Financial assets at amortised cost

The Group's investments in debt instruments classified as financial assets at amortised cost are low credit risk, and the carrying amount is measured as the expected credit loss for the 12 months following the balance sheet date.

Accounts receivable (including related parties)

- (i) The Group applies the following approaches to assess the expected credit losses (the 'ECLs') of accounts receivable:
  - 1 Assess the ECLs on an individual basis if a significant default has occurred to the certain customers.
  - 2 Classify the other customers' accounts receivable based on the Group's credit rating standards and estimate the ECLs using the loss rate methodology or provision matrix.
  - 3 Adjust the loss rates derived from historical and recent information by taking into account the business cycle indicators of the National Development Council and forecasts of the Basel Committee on Banking Supervision.
  - 4 As of March 31, 2025, December 31, 2024 and March 31, 2024, the individual provision for impairment of accounts receivable using loss rate methodology or provision matrix is as follows:

	Individual	Group 1	Group 2	Group 3	Group 4	Total
<u>March 31, 2025</u>						
Expected loss rate		0.03%	0.07%	0.1%~1%	1%~5%	
Total carrying amount	\$ -	\$ 2,300,261	\$ 16,834,474	\$ 1,732,414	\$ 1,169,132	\$ 22,036,281
Loss allowance	\$ -	( \$ 690)	( \$ 11,784)	( \$ 17,324)	( \$ 42,984)	( \$ 72,782)
	Individual	Group 1	Group 2	Group 3	Group 4	Total
<u>December 31, 2024</u>						
Expected loss rate		0.03%	0.07%	0.1%~1%	1%~5%	
Total carrying amount	\$ -	\$ 20,643,544	\$ 6,326,228	\$ 1,679,272	\$ 1,625,020	\$ 30,274,064
Loss allowance	\$ -	( \$ 6,193)	( \$ 4,428)	( \$ 16,793)	( \$ 63,529)	( \$ 90,943)
	Individual	Group 1	Group 2	Group 3	Group 4	Total
<u>March 31, 2024</u>						
Expected loss rate		0.03%	0.07%	0.1%~1%	1%~5%	
Total carrying amount	\$ -	\$ 12,363,921	\$ 5,948,186	\$ 568,386	\$ 1,622,550	\$ 20,503,043
Loss allowance	\$ -	( \$ 3,709)	( \$ 4,164)	( \$ 5,684)	( \$ 51,017)	( \$ 64,574)

Group 1: Standard Poor's, Fitch Ratings or Moody's ratings in A category, or A category rated based on the Group's Credit Quality Control Policy for those that have no external credit ratings.

Group 2: Standard Poor's or Fitch Ratings in BBB category, Moody's ratings in Baa category, or in B or C category rated based on the Group's Credit Quality Control Policy for those that have no external credit ratings.

Group 3: Standard Poor's or Fitch Ratings in BB+ category or below, or Moody's ratings in Ba1 category or below.

Group 4: Having no external agency rating. Ratings other than A, B, or C based on the Group's Credit Quality Control Policy.

(ii) Movements on allowance for accounts receivable adopting the modified approach (including due from related parties) as follows:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Opening balance	\$ 90,943	\$ 107,716
Reversal of Impairment		
Losses on Assets	( 19,064)	( 46,381)
Net exchange differences	903	3,239
Ending balance	\$ 72,782	\$ 64,574

#### Other receivables

The Group's subsidiaries incorporated in Mainland China are engaged in export sales. Under local regulations, the subsidiaries are entitled to tax benefits on VAT exemption, deduction and refund on the exports of goods. The subsidiaries calculate VAT refund and deductible amounts based on monthly sales by product types. The subsidiaries' counterparties and performing parties are mainly government organisations, so the possibility of default is remote. The Group's other receivables recognised expected credit loss of \$79 and \$17 for the three-month period ended March 31, 2025 and 2024.

#### Financial assets at fair value through profit or loss

The bond securities issuer has high credit quality and the Group controls its credit risk through transaction limits control and critical assessment of credit rating levels, so it expects that the probability of default is remote.

(c) Liquidity risk

i. Cash flow forecasting is performed by each Group entity and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and applicable external regulatory or legal requirements, such as foreign currency restrictions.

ii. The Group has the following undrawn borrowing facilities:

	March 31, 2025	December 31, 2024	March 31, 2024
Expiring within one year	\$ 105,621,774	\$ 108,909,309	\$ 85,284,857
Expiring over one year	11,161,360	10,753,996	17,796,265
	<u>\$ 116,783,134</u>	<u>\$ 119,663,305</u>	<u>\$ 103,081,122</u>

iii. The following table analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date, for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the following table are the contractual undiscounted cash flows. The remaining period of corporate bonds payable is expressed as the period between the balance sheet date and the redeemable date by holders. Except those listed in the following table, all of the Group's derivative and non-derivative financial liabilities will attain maturity within one year:

Non-derivative financial liabilities:

March 31, 2025	Less than one year	Over one year	Total
Bonds payable (Note 1)	\$ -	\$ 14,426,194	\$ 14,426,194
Long-term borrowings (Note 2)	6,150,547	22,356,057	28,506,604
Guarantee deposits received	3,303,430	4,445,034	7,748,464
Lease liabilities	252,391	1,167,095	1,419,486
	<u>\$ 9,706,368</u>	<u>\$ 42,394,380</u>	<u>\$ 52,100,748</u>

Non-derivative financial liabilities:

December 31, 2024	Less than one year	Over one year	Total
Bonds payable (Note 1)	\$ -	\$ 14,243,722	\$ 14,243,722
Long-term borrowings (Note 2)	2,408,969	26,671,289	29,080,258
Guarantee deposits received	3,513,419	4,812,971	8,326,390
Lease liabilities	252,273	1,184,825	1,437,098
	<u>\$ 6,174,661</u>	<u>\$ 46,912,807</u>	<u>\$ 53,087,468</u>

Non-derivative financial liabilities:

March 31, 2024	Less than one year	Over one year	Total
Bonds payable (Note 1)	\$ -	\$ 15,132,160	\$ 15,132,160
Long-term borrowings (Note 2)	2,735,683	23,708,285	26,443,968
Guarantee deposits received	4,649,554	5,800,846	10,450,400
Lease liabilities	236,408	1,338,950	1,575,358
	<u>\$ 7,621,645</u>	<u>\$ 45,980,241</u>	<u>\$ 53,601,886</u>

Note: 1. Please refer to Note 6(15).

2. Including imputed interest payable.

iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date will be significantly earlier, nor expect the actual cash flow amount would be significantly different.

(d) Cash flow risk of changes from interest rate

For the Group's borrowings at floating rates, the effective interest rate changes according to market interest rates. However, the working capital of the Group is sufficient to hedge the cash flow risk due to changes in interest rate. Furthermore, the Group's borrowings as fixed rates and lease payable have no cash flow risk due to changes in market interest rate.

(3) Information on fair value

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g., as prices) or indirectly (e.g., derived from prices). The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data.

B. Please refer to Note 6(10) for information on the fair value of investment property measured at cost.

C. Financial instruments not measured at fair value

(a) Except those listed in the following table, the carrying amounts of the Group's financial instruments not measured at fair value approximate to their fair values, including cash and cash equivalents, financial assets at amortised cost-time deposits with maturity of over three months, financial assets at amortised cost-guaranteed income financial products, accounts receivable (including related parties), other receivables, other current assets, other non-current assets-time deposits with maturity of over one year, short-term borrowings, accounts payable (including related parties), other payables, lease liabilities, and long-term borrowings is a reasonable approximation of fair value:

March 31, 2025				
	Fair value			
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 11,914,064	\$ -	\$ 13,326,645	\$ -
Guarantee deposits received	7,748,464	-	7,684,300	-
Total	<u>\$ 19,662,528</u>	<u>\$ -</u>	<u>\$ 21,010,945</u>	<u>\$ -</u>
December 31, 2024				
	Fair value			
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 11,601,604	\$ -	\$ 13,099,580	\$ -
Guarantee deposits received	8,326,390	-	8,257,440	-
Total	<u>\$ 19,927,994</u>	<u>\$ -</u>	<u>\$ 21,357,020</u>	<u>\$ -</u>
March 31, 2024				
	Fair value			
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 11,808,759	\$ -	\$ 13,767,765	\$ -
Guarantee deposits received	10,450,400	-	10,363,862	-
Total	<u>\$ 22,259,159</u>	<u>\$ -</u>	<u>\$ 24,131,627</u>	<u>\$ -</u>

(b) The methods and assumptions of fair value measurement are as follows:

- Bonds payable: Regarding the convertible bonds issued by the Group, the fair value is estimated based on the expected cash flows using the present value and market rate.
- Guarantee deposits received: The fair value is estimated using the present value of the expected cash flows. The discount rate refers to the fixed interest rate of postal savings for a one-year time deposit.

D. Financial and non-financial instruments measured at fair value

(a) The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ -	\$ 342,680	\$ 1,462,174	\$ 1,804,854
Financial assets at fair value through other comprehensive income	<u>\$ 1,245,742</u>	<u>\$ -</u>	<u>\$ 1,427,370</u>	<u>\$ 2,673,112</u>

	Level 1	Level 2	Level 3	Total
December 31, 2024				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ _____ -	\$ 263,250	\$ 1,490,437	\$ 1,753,687
Financial assets at fair value through other comprehensive income	\$ 730,499	\$ _____ -	\$ 1,038,243	\$ 1,768,742
March 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ _____ -	\$ 296,321	\$ 1,332,684	\$ 1,629,005
Financial assets at fair value through other comprehensive income	\$ 653,135	\$ _____ -	\$ 798,042	\$ 1,451,177

(b) The methods and assumptions that the Group used to measure the fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (i.e., Level 1).
- ii. Except for the financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models.
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. The Level-3 movement for the three-month periods ended March 31, 2025 and 2024, is as follows:

	Three-month period ended March 31, 2025		Three-month period ended March 31, 2024	
	Financial assets at fair value through other comprehensive income- equity securities	Financial assets at fair value through profit or loss- debt securities	Financial assets at fair value through other comprehensive income- equity securities	Financial assets at fair value through profit or loss- debt securities
Opening balance	\$ 1,490,437	\$ 1,038,243	\$ 1,382,390	\$ 789,442
Acquisition of financial assets	144,368	277,549	43,387	-
Income distribution (	19,681)	- (	10,813)	-
Unrealised (losses) gains on valuation (	172,173)	96,584 (	62,307) (	89,216)
Others	-	- (	65,008)	67,933
Net exchange differences	19,223	14,994	45,035	29,883
Ending balance	<u>\$ 1,462,174</u>	<u>\$ 1,427,370</u>	<u>\$ 1,332,684</u>	<u>\$ 798,042</u>

(a) External appraiser is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in accordance with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

(b) The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value on March 31, 2025	Valuation technique	Significant unobservable input	Range [Weighted average]	Relationship of inputs to fair value
Equity securities:					
Unlisted shares	\$ 26,249	Market comparable companies	Enterprise value to EBIT multiple	2.54~12.59 [4.48]	The higher the EBIT, the higher the fair value
			Price to net value multiple	0.81~1.96 [1.60]	The higher the net value of stocks, the higher the fair value
Unlisted shares	193,612	Market comparable companies	Enterprise value to EBIT multiple	6.23~16.59 [13.77]	The higher the EBIT, the higher the fair value
Unlisted shares	48,880	Market comparable companies	Price-to-Sales ratio	2.13~10.65 [4.28]	The higher the sale price, the higher the fair value
Unlisted shares	356,212	Market comparable companies	Price-to-Sales ratio	2.18~10.96 [6.10]	The higher the sale price, the higher the fair value
Unlisted shares	29,822	Market comparable companies	Price to net value multiple	17.32~44.77 [36.09]	The higher the net value of stocks, the higher the fair value
			Price-to-Sales ratio	0.89~4.07 [2.28]	The higher the sale price, the higher the fair value
Unlisted shares	114,267	Market comparable companies	Enterprise value to EBIT multiple	13.42~44.31 [20.38]	The higher the EBIT, the higher the fair value
Unlisted shares	38,262	Market comparable companies	Enterprise value to EBIT multiple	9.39~23.30 [15.45]	The higher the EBIT, the higher the fair value
Unlisted shares	104,055	Market comparable companies	Enterprise value to EBIT multiple	15.45~50.26 [26.62]	The higher the EBIT, the higher the fair value
Unlisted shares	99,688	Market comparable companies	Price-to-Sales ratio	3.42~13.49 [7.68]	The higher the sale price, the higher the fair value
			Stock Price Volatility	40.96%	The higher the stock price volatility, the higher the fair value
Unlisted shares	138,774	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted shares	<u>277,549</u>	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 1,427,370</u>				
Debt Securities:					
Private fund	\$ 973,668	Net asset value	Not applicable	Not applicable	Not applicable
Private fund	164,508	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	<u>323,998</u>	Net asset value	Not applicable	Not applicable	Not applicable
	<u>\$ 1,462,174</u>				

		Fair value on December 31, 2024	Valuation technique	Significant unobservable input	Range [Weighted average]	Relationship of inputs to fair value
Equity securities:						
Unlisted shares	\$ 26,206	Market comparable companies	Enterprise value to EBIT multiple Price to net value multiple	2.54~12.59 [4.48] 0.81~1.96 [1.60]	The higher the EBIT, the higher the fair value The higher the net value of stocks, the higher the fair value	
Unlisted shares	161,674	Market comparable companies	Enterprise value to EBIT multiple	6.23~16.59 [13.77]	The higher the EBIT, the higher the fair value	
Unlisted shares	33,325	Market comparable companies	Price-to-Sales ratio	2.13~10.65 [4.28]	The higher the sale price, the higher the fair value	
Unlisted shares	334,624	Market comparable companies	Price-to-Sales ratio	2.18~10.96 [6.10]	The higher the sale price, the higher the fair value	
Unlisted shares	39,202	Market comparable companies	Price to net value multiple Price-to-Sales ratio	17.32~44.77 [36.09] 0.89~4.07 [2.28]	The higher the net value of stocks, the higher the fair value The higher the sale price, the higher the fair value	
Unlisted shares	45,836	Market comparable companies	Enterprise value to EBIT multiple	13.42~44.31 [20.38]	The higher the EBIT, the higher the fair value	
Unlisted shares	28,959	Market comparable companies	Enterprise value to EBIT multiple	9.39~23.30 [15.45]	The higher the EBIT, the higher the fair value	
Unlisted shares	109,589	Market comparable companies	Enterprise value to EBIT multiple	15.45~50.26 [26.62]	The higher the EBIT, the higher the fair value	
Unlisted shares	122,003	Market comparable companies	Price-to-Sales ratio Stock Price Volatility	3.42~13.49 [7.68] 40.96%	The higher the sale price, the higher the fair value The higher the stock price volatility, the higher the fair value	
Unlisted shares	<u>136,825</u>	The last transaction price	Not applicable	Not applicable	Not applicable	
		<u>\$ 1,038,243</u>				
Debt Securities:						
Private fund	\$ 1,005,730	Net asset value	Not applicable	Not applicable	Not applicable	
Private fund	172,369	Net asset value	Not applicable	Not applicable	Not applicable	
Unlisted partnership share	<u>312,338</u>	Net asset value	Not applicable	Not applicable	Not applicable	
		<u>\$ 1,490,437</u>				

	<u>Fair value on March 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range [Weighted average]</u>	<u>Relationship of inputs to fair value</u>
<b>Equity securities:</b>					
Unlisted shares	\$ 30,241	Market comparable companies	Enterprise value to EBIT multiple	3.20~13.96 [6.19]	The higher the EBIT, the higher the fair value
			Price to net value multiple	0.96~2.18 [1.36]	The higher the net value of stocks, the higher the fair value
Unlisted shares	146,518	Market comparable companies	Enterprise value to EBIT multiple	6.52~22.63 [13.96]	The higher the EBIT, the higher the fair value
Unlisted shares	23,281	Market comparable companies	Price-to-Sales ratio	2.25~12.15 [4.59]	The higher the sale price, the higher the fair value
Unlisted shares	237,550	Market comparable companies	Price-to-Sales ratio	1.94~7.36 [4.49]	The higher the sale price, the higher the fair value
			Stock Price Volatility	47.94%	The higher volatility of stock price, the higher the fair value
Unlisted shares	26,344	Market comparable companies	Price to net value multiple	1.20~3.15 [2.99]	The higher the net value of stocks, the higher the fair value
			Price-to-Sales ratio	1.66~9.79 [2.01]	The higher the sale price, the higher the fair value
Unlisted shares	74,119	Market comparable companies	Enterprise value to EBIT multiple	21.20~44.74 [28.98]	The higher the EBIT, the higher the fair value
Unlisted shares	59,217	Market comparable companies	Enterprise value to EBIT multiple	7.08~62.59 [30.80]	The higher the EBIT, the higher the fair value
Unlisted shares	119,272	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted shares	81,500	Market comparable companies	Price-to-Sales ratio	4.29~11.87 [6.59]	The higher the sale price, the higher the fair value
			Stock Price Volatility	36.06%	The higher the stock price volatility, the higher the fair value
	<u>\$ 798,042</u>				
<b>Debt Securities:</b>					
Private fund	\$ 968,447	Net asset value	Not applicable	Not applicable	Not applicable
Private fund	188,700	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	<u>175,537</u>	Net asset value	Not applicable	Not applicable	Not applicable
	<u>\$ 1,332,684</u>				

(c) The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, the use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

	Input	Change	Three-month period ended March 31, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Debt instruments	Enterprise value to EBIT	± 1%	\$ 14,622	( \$ 14,622)	\$ -	\$ -
Equity instruments	multiple, etc.	± 1%	\$ -	\$ -	\$ 14,274	( \$ 14,274)
Total			\$ 14,622	( \$ 14,622)	\$ 14,274	( \$ 14,274)
Three-month period ended March 31, 2024						
	Input	Change	Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Financial assets					
Debt instruments	Enterprise value to EBIT	± 1%	\$ 13,327	( \$ 13,327)	\$ -	\$ -
Equity instruments	multiple, etc.	± 1%	\$ -	\$ -	\$ 7,980	( \$ 7,980)
Total			\$ 13,327	( \$ 13,327)	\$ 7,980	( \$ 7,980)

F. For the three-month periods ended March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

G. There was no transfer of fair value to or from Level 3 for the three-month period ended March 31, 2025. For the three-month period ended March 31, 2024, the fair value of equity instruments held by the Group has quoted market price, thus, the Group has transferred the fair value from Level 3 into Level 1.

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

(The portions of transaction information with the investees were based on the financial statements of the investees for the same period which were reviewed by independent accountants. All the transactions with subsidiaries disclosed below had been eliminated in the consolidated financial statements. The disclosure information below is for reference only.)

- A. Loans to others: Please refer to Table 1.
- B. Provision of endorsements and guarantees to others: Please refer to Table 2.
- C. Holding of significant marketable securities at the end of the period (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.
- D. Purchase or sale of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 4.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 5.
- F. The business relationship and significant transactions between the parent company and the subsidiaries and between each subsidiary: Please refer to Table 6.

(2) Information on investees

(The portions of transaction information with the investees were based on the financial statements of the investees for the same period which were reviewed by independent accountants. All the transactions with subsidiaries disclosed below had been eliminated in the consolidated financial statements. The disclosure information below is for reference only.)

Names, locations and other information of investee companies (excluding the investees in Mainland China): Please refer to Table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 8.

B. Significant transactions with the investees in Mainland China either directly or indirectly through other companies in the third areas: None.

## 14. SEGMENT INFORMATION

(1) General information

The Group is engaged in the manufacturing of various types of PCB products. The chief operating decision-maker considers the business and operations from the product perspective. Currently, the Group only discloses one reportable segment as all operating segments meet the aggregation criteria (similar gross profit margin and expected growth rate). In allocating resources and assessing performance of the Group, the chief operating decision-maker uses operating segments' revenue and net income, which reflect internal cost and expense allocation. Except for inter-segment charges, which were determined based on the Group's internal policy, accounting policies of operating segments are in agreement with Note 4, 'Summary of significant accounting policies'.

(2) Reportable segment information

Reportable segment information provided to the chief operating decision maker is as follows:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Revenue from external customers	\$ 40,081,873	\$ 32,510,315
Inter-segment revenue	\$ -	\$ -
Segments' revenue	\$ 40,081,873	\$ 32,510,315
Measure of segment profit	\$ 1,365,181	\$ 1,095,528

(3) Reconciliation of reportable segment's revenue and measure of profit and loss

Sales between segments are carried out at fair value. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

The reconciliation from total reportable segment's revenue to the enterprise income and from segment profit from reportable segment to the net income for the current period is as follows:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Reportable segment's revenue	\$ 40,081,873	\$ 32,510,315

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Reportable segment's profit	\$ 1,365,181	\$ 1,095,528
Interest income and finance costs	116,397	184,016
Net currency exchange gains	103,398	567,099
Gain on disposal of property, plant and equipment	15,999	6,082
Net losses on financial assets and liabilities measured at fair value through profit or loss	( 96,942)	( 150,169)
Others	( 478,891)	( 266,506)
<b>Profit</b>	<b><u>\$ 1,025,142</u></b>	<b><u>\$ 1,436,050</u></b>

(The space below is intentionally left blank)

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES  
LOANS TO OTHERS  
THREE-MONTH PERIOD ENDED MARCH 31, 2025

Table 1

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the current period (Note 3)		Actual amount drawn down	Interest rate range	Nature of loan	Amount of transaction	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Notes 1 & 2)	Limit on total lender's loans granted (Notes 1 & 2)	Footnote
					Ending balance (Note 4)								Item	Value			
1	Mayco Industrial Limited	Boardtek Electronics Corporation	Other receivables	Yes	\$ 996,150	\$ 996,150	\$ -	-	Short-term financing	\$ -	Operation requirements	\$ -	No	\$ -	\$ 43,684,262	\$ 43,684,262	
1	Mayco Industrial Limited	Zhen Ding Technology Co., Ltd.	Other receivables	Yes	3,320,500	3,320,500	\$ -	-	Short-term financing	\$ -	Operation requirements	\$ -	No	-	43,684,262	43,684,262	
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology Limited	Other receivables	Yes	996,150	996,150	\$ -	-	Short-term financing	\$ -	Operation requirements	\$ -	No	-	546,053,271	764,474,579	
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Other receivables	Yes	3,984,600	3,984,600	2,585,408	3.45%-6.56%	Short-term financing	\$ -	Operation requirements	\$ -	No	-	546,053,271	764,474,579	
1	Mayco Industrial Limited	Leading Interconnect International Limited	Other receivables	Yes	996,150	996,150	99,615	6.29%	Short-term financing	\$ -	Operation requirements	\$ -	No	-	546,053,271	764,474,579	
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	4,648,700	4,648,700	3,018,235	3.10%-6.25%	Short-term financing	\$ -	Operation requirements	\$ -	No	-	43,684,262	43,684,262	
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Other receivables	Yes	1,992,300	1,992,300	1,458,729	1.8116%-3.10%	Short-term financing	\$ -	Operation requirements	\$ -	No	-	88,478,696	123,870,174	
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology Limited	Other receivables	Yes	996,150	996,150	166,025	4.7947%	Short-term financing	\$ -	Operation requirements	\$ -	No	-	88,478,696	123,870,174	
2	Pacific Fair International Limited	Boardtek Electronics Corporation	Other receivables	Yes	1,660,250	1,660,250	\$ -	-	Short-term financing	\$ -	Operation requirements	\$ -	None	-	7,078,296	7,078,296	
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	1,992,300	1,992,300	1,790,779	3.10%-4.3954%	Short-term financing	\$ -	Operation requirements	\$ -	None	-	7,078,296	7,078,296	
3	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	1,387,743	1,387,743	1,156,453	3.10%	Short-term financing	\$ -	Operation requirements	\$ -	No	-	1,682,547	1,682,547	
4	Garuda International Limited	Avary Technology (India) Private Limited	Other receivables	Yes	2,656,400	2,656,400	\$ -	-	Short-term financing	\$ -	Operation requirements	\$ -	No	-	43,071,812	60,300,537	

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the current period		Actual amount drawn down	Interest rate range	Nature of loan	Amount of transaction	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Notes 1 & 2)	Limit on total lender's loans granted (Notes 1 & 2)	Footnote
					(Note 3)	(Note 4)							Item	Value			
4	Garuda International Limited	Garuda Technology Co., Ltd.	Other receivables	Yes	\$ 1,992,300	\$ 1,992,300	\$ 1,660,250	4.74866%-4.77105%	Short-term financing	\$ -	Operation requirements	\$ -	No	\$ -	\$ 3,445,745	\$ 3,445,745	
5	Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huai'an) Co., Ltd.	Other receivables	Yes	9,251,620	9,251,620	5,451,517	3.10%-3.45%	Short-term financing	-	Operation requirements	-	No	-	60,502,249	60,502,249	
5	Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Other receivables	Yes	4,625,810	4,625,810	-	-	Short-term financing	-	Operation requirements	-	No	-	60,502,249	60,502,249	
5	Avary Holding (Shenzhen) Co., Limited	Kui Sheng Technology (Shenzhen) Limited	Other receivables	Yes	138,774	138,774	92,516	3.10%	Short-term financing	-	Operation requirements	-	No	-	60,502,249	60,502,249	
6	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Hong Heng Sheng Electronical Technology (Huai'an) Co., Ltd.	Other receivables	Yes	2,312,905	2,312,905	1,110,194	3.10%	Short-term financing	-	Operation requirements	-	No	-	164,909,550	230,873,369	
6	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Other receivables	Yes	2,312,905	2,312,905	925,162	3.10%	Short-term financing	-	Operation requirements	-	No	-	164,909,550	230,873,369	

Note 1: The total loans of the Company and subsidiaries granted to others is limited to 50% of the Company's net asset based on the latest audited or reviewed consolidated financial statements, and:

- (1) Total financial limit on loans granted to the companies having business relationship with the Company is 10% of the Company's net assets, financial limit on loans granted to a single party is the higher value of purchasing and selling during current year on the year of financing and 10% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.
- (2) Limit on total loans to parties with short-term financing is 40% of the Company's net asset; but limit on loans to a single party is 40% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.

Note 2: Limit on loans granted by a listed subsidiary to a single listed subsidiary of which the Company directly or indirectly holds 100% of its voting shares, or limit on loans to the Company granted by a listed foreign subsidiary which the Company directly or indirectly holds 100% of its voting share, are not restricted to the limit on loans of 40% of the Company's net assets.

In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", limit on total loans granted by a listed subsidiary to listed subsidiaries of which the Company directly or indirectly holds 100% of its voting shares, or limit on total loans to the Company granted by listed foreign subsidiaries which the Company directly or indirectly holds 100% of its voting share are 700% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.

In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", limit on loans granted by a listed subsidiary to a single listed subsidiary of which the Company directly or indirectly holds 100% of its voting shares, or limit on loans to the Company granted by a listed foreign subsidiary which the Company directly or indirectly holds 100% of its voting share are 500% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.

Note 3: The maximum outstanding balance of loans to others for the year ended the balance sheet date.

Note 4: The credit line to this company was approved by the Board of Directors. In accordance with each subsidiary's "Procedures for Provision of Endorsements and Guarantees", when there are financing needs between the listed foreign subsidiaries which the Company directly or indirectly holds 100% of their voting shares or between a listed foreign subsidiary which the Company directly or indirectly holds 100% of its voting shares and the Company, the financing periods will not be limited in one year but shall not exceed three years.

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**PROVISION OF ENDORSEMENTS/GUARANTEES TO OTHERS**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2025**

Table 2

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

No. (Note 1)	Party being endorsed/guaranteed		Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount for the three-month period ended (Note 5)	Outstanding endorsement/ guarantee amount at March 31, 2025 (Note 6)	Actual amount drawn down (Note 7)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guaran- tor company (Note 4)	Ceiling on total amount of endorsements/ guarantees provided (Note 4)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 8)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 8)	Provision of endorsements/ guarantees to the party in Mainland China (Note 8)
	Endorser/guarantor	Company											
0	Zhen Ding Technology Holding Limited	BoardTek Electronics Corporation	2	\$ 31,996,464	\$ 11,860,000	\$ 11,860,000	\$ 4,605,000	\$ -	11.12%	\$ 106,654,879	Y	N	N

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The endorsed/guaranteed companies are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
- (5) Mutual guarantee of the trade as required by the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: The limit on endorsements/guarantees provided to a single entity: Endorsements/guarantees that the Company makes for a single enterprise shall not exceed 30% of the parent company's net worth.

Note 4: The total amount of endorsements/guarantees: The total amount of endorsements/guarantees provided to others by the Company is limited to 100% of net assets of the parent company.

Note 5: The year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 6: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities. And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 7: The actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 8: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES  
HOLDING OF SIGNIFICANT MARKETABLE SECURITIES AT THE END OF THE PERIOD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)  
MARCH 31, 2025

Table 3

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with securities issuer (Note 2)	General ledger account	Balance as at March 31, 2025				Footnote (Note 4)
				Number of shares	Carrying amount (Note 3)	Ownership (%)	Fair value	
Zhen Ding Technology Co., Ltd.	SynPower Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,733,697	\$ 95,689	5.27%	\$ 95,689	
Avary Holding (Shenzhen) Co., Limited	Jiangsu Aisen Semiconductor Material Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,600,000	487,699	2.95%	487,699	
Avary Holding (Shenzhen) Co., Limited	Jiangxi Jiangnan New Material Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,371,916	443,973	1.63%	443,973	
Avary Holding (Shenzhen) Co., Limited	Kinglong Technology (Suzhou) Limited.	None	Financial assets at fair value through other comprehensive income	6,203,101	277,549	1.13%	277,549	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sixpure Intelligent Technology (Dongguan) Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,461,039	193,612	3.55%	193,612	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sanying Precision Instruments Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,212,009	128,894	3.58%	128,894	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sanying Precision Instruments (Tianjin) Co., Ltd.	None	Financial assets at fair value through other comprehensive income	540,580	48,880	5.18%	48,880	
Avary Holding Investment (Shenzhen) Co., Ltd.	Wuxi iData Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,729,439	356,212	3.46%	356,212	
Avary Holding Investment (Shenzhen) Co., Ltd.	Hubei Omar Electronics Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,370,000	29,822	3.60%	29,822	
Avary Holding Investment (Shenzhen) Co., Ltd.	Shenzhen Hangsheng Electronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,000,000	38,262	3.36%	38,262	
Avary Holding Investment (Shenzhen) Co., Ltd.	Hostar Intelligence Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	900,000	114,267	2.11%	114,267	
Avary Holding Investment (Shenzhen) Co., Ltd.	Guangdong De Ju Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	759,532	104,055	1.03%	104,055	
Avary Holding Investment (Shenzhen) Co., Ltd.	Shenzhen Jaguar Microsystems Co., Ltd.	None	Financial assets at fair value through other comprehensive income	55,322	138,774	0.40%	138,774	
Avary Holding Investment (Shenzhen) Co., Ltd.	DCT (Tianjin) Technology Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,976,190	89,487	4.96%	89,487	
Boardtek Electronics Corporation	Chipboard Technology Corporation	None	Financial assets at fair value through other comprehensive income	1,337,068	26,249	15.60%	26,249	
Zhuhai Hengqin Avary Investment Limited Partnership	Shanghai Gantu Technology Limited	None	Financial assets at fair value through other comprehensive income	372,655	99,688	3.73%	99,688	
					<u>\$ 2,673,112</u>			
Avary Holding (Shenzhen) Co., Limited	Jingning Dingqing Electronic Technology Limited Partnership	None	Financial assets at fair value through profit or loss	-	\$ 342,680	18.91%	\$ 342,680	
Avary Holding Investment (Shenzhen) Co., Ltd.	Beijing Chenyi M&A Fund	None	Financial assets at fair value through profit or loss	-	973,668	2.94%	973,668	
Avary Holding Investment (Shenzhen) Co., Ltd.	Primavera Jingzhi (Beijing) Equity Investment Fund L.P.	None	Financial assets at fair value through profit or loss	-	323,998	20.00%	323,998	
Zhen Ding Technology Co., Ltd.	Zoyi Capital Investment Fund II L.P.	None	Financial assets at fair value through profit or loss	-	164,508	10.59%	164,508	
					<u>\$ 1,804,854</u>			

Note 1: In accordance with IFRS 9, 'Financial Instruments', marketable securities in the table refer to shares, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES  
PURCHASE OR SALE OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE  
THREE-MONTH PERIOD ENDED MARCH 31, 2025

Table 4

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Purchaser/Seller	Counterparty	Relationship with the endorser/guarantor	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	\$ 12,842,555	88	60 days from the shipping date	Note 2	Note 2	\$ 12,926,108	84	
Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	563,944	4	90 days from the shipping date	Note 2	Note 2	558,832	4	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	7,717,808	84	90 days from the shipping date	Note 2	Note 2	7,645,422	82	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	655,162	7	90 days from the shipping date	Note 2	Note 2	643,596	7	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	441,277	5	90 days from the shipping date	Note 2	Note 2	446,681	5	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Qing Ding Precision Electronics (Huai'an) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	102,780	1	90 days from the shipping date	Note 2	Note 2	116,245	1	
Hong Heng Sheng Electronical Technology (Huai'an) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	1,419,870	88	60 days from the shipping date	Note 2	Note 2	1,422,667	87	
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	12,356,048	95	60 days from the invoice date	Note 2	Note 2	12,308,882	95	
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	249,114	2	90 days from the shipping date	Note 2	Note 2	248,003	2	
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	252,659	2	90 days from the shipping date	Note 2	Note 2	285,642	2	
Kui Sheng Technology (Shenzhen) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	277,628	100	90 days from the shipping date	Note 2	Note 2	316,590	100	
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary	Sales	131,453	16	90 days from the shipping date	Note 2	Note 2	132,629	15	
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary	Sales	1,116,132	76	90 days from the shipping date	Note 2	Note 2	1,083,121	74	
Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	1,977,125	5	90 days from the month following the shipping date	Note 2	Note 2	1,978,084	11	
Garuda International Limited	Qing Ding Precision Electronics (Huai'an) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	1,371,357	4	90 days from the month following the shipping date	Note 2	Note 2	1,391,098	8	

Purchaser/Seller	Counterparty	Relationship with the endorser/guarantor	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Garuda International Limited	Boardtek Electronics Corporation	An indirect wholly-owned subsidiary	Sales	\$ 211,408	1	90 days from the month following the shipping date	Note 2	Note 2	\$ 248,092	1	
Garuda International Limited	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	2,064,775	6	90 days from the month following the shipping date	Note 2	Note 2	2,471,360	14	
Garuda Technology Co., Ltd.	General Interface Solution Holding Limited and its subsidiaries	An indirect subsidiary of Hon Hai Precision Industry Co., Ltd., evaluated using the equity method	Sales	215,339	12	90 days from the month following the received date	Note 2	Note 2	228,359	15	
Boardtek Electronics Corporation	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	129,214	13	90 days from the month following the shipping date	Note 2	Note 2	200,909	20	
Avary Technology (India) Private Limited	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	161,460	99	90 days from the month following the shipping date	Note 2	Note 2	194,199	99	
Avary Holding (Shenzhen) Co., Limited	Foxconn Interconnect Technology Limited and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	358,238	3	90 days from invoice date	Note 2	Note 2	( 403,086)	4	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	General Interface Solution Holding Limited and its subsidiaries	An indirect subsidiary of Hon Hai Precision Industry Co., Ltd., evaluated using the equity method	Purchases	125,815	3	30 days from invoice date	Note 2	Note 2	( 105,360)	2	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Foxconn Interconnect Technology Limited and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	272,527	6	90 days from invoice date	Note 2	Note 2	( 270,224)	6	

Note 1: The opposite related party transactions are not disclosed.

Note 2: Unless the transaction terms were determined in accordance with mutual agreements due to no similar transactions, the transaction terms to related parties were similar to third parties.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES  
RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE  
MARCH 31, 2025

Table 5 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Creditor	Counterparty	Relationship with the endorser/guarantor	Receivables from related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	An indirect wholly-owned subsidiary	\$ 12,926,108	1	\$ -	-	\$ 4,336,056	\$ -
Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	558,832	1	-	-	159,240	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	7,645,422	1	-	-	2,527,254	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	643,596	1	-	-	220,648	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	446,681	1	-	-	202,429	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Qing Ding Precision Electronics (Huai'an) Co., Ltd.	An indirect wholly-owned subsidiary	116,245	1	-	-	38,595	-
Hong Heng Sheng Electronical Technology (Huai'an) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	1,422,667	1	-	-	552,782	-
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	12,308,882	1	-	-	4,526,365	-
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	248,003	1	-	-	90,111	-
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	285,642	1	-	-	84,906	-
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary	132,629	1	-	-	34,897	-
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary	1,083,121	1	-	-	395,078	-
Kui Sheng Technology (Shenzhen) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	316,590	1	-	-	99,640	-
Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	1,978,084	1	-	-	575,640	-
Garuda International Limited	Qing Ding Precision Electronics (Huai'an) Co., Ltd.	An indirect wholly-owned subsidiary	1,391,098	1	-	-	578,618	-

Creditor	Counterparty	Relationship with the endorser/guarantor	Receivables from related parties		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			\$	248,092		\$	31,613		
Garuda International Limited	Boardtek Electronics Corporation	An indirect wholly-owned subsidiary		248,092	1	\$	31,613	Subsequent collection	\$ 167,951 -
Garuda International Limited	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.		2,471,360	1		780	Subsequent collection	743,213 -
Garuda Technology Co., Ltd.	General Interface Solution Holding Limited and its subsidiaries	An indirect subsidiary of Hon Hai Precision Industry Co., Ltd., evaluated using the equity method		228,359	0		3,681	Subsequent collection	93,157 -
Boardtek Electronics Corporation	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.		200,909	1		45	Subsequent collection	70,771 -
Avary Technology (India) Private Limited	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.		194,199	1		-	-	70,804 -

As to receivables from loans to related parties exceeding NT\$100 million or 20% of paid-in capital, please refer to Table 1.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES  
THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY AND THE SUBSIDIARIES AND BETWEEN EACH SUBSIDIARY  
THREE-MONTH PERIOD ENDED MARCH 31, 2025

Table 6

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	3	Sales	\$ 12,842,555	Note 6	32
1	Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	3	Accounts receivable	12,926,108	Note 6	5
2	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	3	Sales	7,717,808	Note 6	19
3	Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Garuda International Limited	3	Sales	12,356,048	Note 6	31
3	Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Garuda International Limited	3	Accounts receivable	12,308,882	Note 6	5
4	Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	3	Sales	1,977,125	Note 6	5

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories: (If it is the same transaction between parent company and subsidiary or between subsidiaries, it should only be disclosed once. Example: For transactions between parent company and subsidiary, if disclosure is made by the parent company, then repeated disclosure is not required for the part regarding the subsidiary; for transactions between subsidiaries, if disclosure is made by one of the subsidiaries, then repeated disclosure is not required for the part regarding the other subsidiary):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is calculated based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement items.

Note 4: Whether to list the significant transactions in this statement may be determined by the principle of materiality.

Note 5: The aforementioned amount should be disclosed if it exceeds 5% of the total consolidated assets for balance sheet accounts and if it exceeds 5% of the total consolidated revenue for income statement items. All the transactions had been eliminated in the consolidated financial statements.

Note 6: Unless the transaction terms were determined in accordance with mutual agreements due to no similar transactions, the transaction terms to related parties were similar to third parties.

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**NAMES, LOCATIONS AND OTHER INFORMATION ON INVESTEE COMPANIES (EXCLUDING THE INVESTEE COMPANIES IN MAINLAND CHINA)**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2025**

Table 7

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name of Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of March 31, 2025				Investment income (loss) recognised by the Company for the current period		Footnote
				Balance as of March 31, 2025	Balance as of December 31, 2024	Number of shares	Ownership (%)	Carrying amount	Net profit (loss) of investee for the current period	\$		
The Company	Monterey Park Finance Limited	British Virgin Islands	Holding company	\$ 32,416,381	\$ 32,416,381	976,250,000	100	\$ 132,156,028	\$ 1,358,735	\$ 1,358,126		
The Company	Zhen Ding Technology Co., Ltd.	Taiwan	Trading company	125,488	125,488	12,548,800	100	1,919,300	( 23,455)	( 23,455)		
The Company	Boardtek Electronics Corporation	Taiwan	Manufacturing company	6,712,771	6,712,771	215,918,453	100	3,446,282	( 397,418)	( 414,828)		
The Company	Zhen Ding Technology Singapore Private Limited	Singapore	Holding company	996,150	996,150	30,000,000	100	986,435	9,295	9,295		
Monterey Park Finance Limited	Coppertone Enterprises Limited	British Virgin Islands	Holding company	3,413,003	3,413,003	102,785,806	100	109,211,843	1,552,670	1,552,408		
Monterey Park Finance Limited	Pacific Fair International Limited	Hong Kong	Holding company	9,081,568	9,081,568	2,133,300,000	100	17,695,739	216,812	216,812		
Monterey Park Finance Limited	Leading Interconnect Semiconductor Technology Limited	Cayman Islands	Holding company	2,016,884	-	60,740,359	100	1,997,966	( 966)	( 966)		
Zhen Ding Technology Co., Ltd.	FAT Holdings Limited	Cayman Islands	Holding company	166	166	5,000	100	139,354	68	68		
Leading Interconnect Semiconductor Technology Limited	BRAI Technology Co., Ltd.	Taiwan	Manufacturing company	2,000,000	-	200,000,000	100	1,999,980	( 20)	( 20)		
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited	Hong Kong	Trading company	-	-	1	66	( 134,432)	( 2,027)	( 1,337)		
Coppertone Enterprises Limited	Mayco Industrial Limited	Hong Kong	Holding company	39,683,559	39,683,559	9,321,841,932	100	109,210,654	1,552,670	1,552,670		
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	Hong Kong	Trading company	1,959,095	1,959,095	460,200,000	72	6,234,755	974,394	810,921		
Avary Holding (Shenzhen) Co., Limited	Avary Singapore Private Limited	Singapore	Holding company	2,129,437	2,129,437	64,130,000	52	577,351	( 246,497)	( 128,201)		
Garuda International Limited	Avary Singapore Private Limited	Singapore	Holding company	1,985,683	1,985,683	59,800,714	20	225,083	( 246,497)	( 49,980)		
Garuda International Limited	Garuda Technology Co., Ltd.	Taiwan	Trading company	1,525,000	1,525,000	152,500,000	72	185,162	( 496,272)	( 358,763)		
Garuda International Limited	Peng Shen Technology (Thailand) Co., Ltd.	Thailand	Manufacturing company	10	10	100	-	17	( 83,872)	( 1)		
Avary Singapore Private Limited	Peng Shen Technology (Thailand) Co., Ltd.	Thailand	Manufacturing company	2,212,968	2,212,968	22,499,900	65	1,499,066	( 83,872)	( 54,564)		
Avary Singapore Private Limited	Avary Technology (India) Private Limited	India	Manufacturing company	1,802,646	1,802,646	457,646,510	72	( 753,719)	( 164,936)	( 119,499)		
FAT Holdings Limited	Zhen Ding Technology India Private Limited	India	Manufacturing company	25	25	6,250	63	( 378)	( 17)	( 11)		
Zhen Ding Technology Singapore Private Limited	Zhen Ding Technology India Private Limited	India	Manufacturing company	15	15	3,750	37	( 222)	( 17)	( 6)		
FAT Holdings Limited	Zhen Ding Developer India Private Limited	India	Property management company	25	25	6,250	-	-	8,849	-		
Zhen Ding Technology Singapore Private Limited	Zhen Ding Developer India Private Limited	India	Property management company	827,194	827,194	210,003,750	100	943,992	8,849	8,849		

**ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES**  
**INFORMATION ON THE INVESTMENTS IN MAINLAND CHINA**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2025**

Table 8

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Investees in Mainland China	Main business activities	Paid-in capital	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the current period		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net profit (loss) of investee for the current period	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company in the current period (Note 3)	Carrying amount of investments as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Manufacture and sales of PCB	\$ 10,817,258	2	\$ -	\$ -	\$ -	\$ -	\$ 1,007,928	72	\$ 706,463	\$ 23,865,128	\$ -	
Hong Heng Sheng Electronical Technology (Huai'an) Co., Ltd.	Manufacture and sales of PCB	4,285,755	2	\$ -	\$ -	\$ -	\$ -	\$ ( 91,111)	72	\$ ( 66,823)	\$ 276,798	\$ -	
Avary Holding (Shenzhen) Co., Limited	Manufacture and sales of PCB	10,725,225	2	\$ -	\$ -	\$ -	\$ -	\$ 2,245,488	72	\$ 1,649,982	\$ 109,420,137	\$ - Note 4	
Fu Bo Industry (Shenzhen) Co., Ltd.	Manufacture and sales of PCB	509,163	2	\$ -	\$ -	\$ -	\$ -	\$ 4,944	72	\$ 3,574	\$ 514,873	\$ -	
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Manufacture and sales of PCB	15,734,800	2	\$ -	\$ -	\$ -	\$ -	\$ 213,162	72	\$ 171,811	\$ 26,530,837	\$ -	
Zhuhai Hengqin Avary Investment Limited Partnership	Investments	75,943	2	\$ -	\$ -	\$ -	\$ -	\$ -	72	\$ -	\$ 66,696	\$ -	
Kui Sheng Technology (Shenzhen) Co., Ltd.	Manufacture and sales of PCB	92,516	2	\$ -	\$ -	\$ -	\$ -	\$ 3,535	72	\$ 2,417	\$ 167,818	\$ -	
Huai'an Jia Wei Industrial Development Co., Ltd.	Production and sale of construction materials, furniture and hardware tools	754,875	2	\$ -	\$ -	\$ -	\$ -	\$ 2,701	100	\$ 2,701	\$ 759,628	\$ -	
Huai'an ChengXin Park Management Co., Ltd.	Property management business	948,291	2	\$ -	\$ -	\$ -	\$ -	\$ 115	85	\$ 115	\$ 1,348,995	\$ -	
Avary Holding Investment (Shenzhen) Co., Ltd.	Investments	2,391,804	2	\$ -	\$ -	\$ -	\$ -	\$ ( 117,466)	72	\$ ( 84,911)	\$ 1,883,077	\$ -	
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Development, manufacture and sales of electronic products	3,412,136	2	\$ -	\$ -	\$ -	\$ -	\$ ( 649,093)	66	\$ ( 427,877)	\$ 4,219,086	\$ -	
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Development, manufacture and sales of electronic products	2,312,906	2	\$ -	\$ -	\$ -	\$ -	\$ ( 126,809)	66	\$ ( 84,065)	\$ 2,774,766	\$ -	

Investees in Mainland China	Main business activities	Paid-in capital	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025		Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the current period		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025		Net profit (loss) of investee for the current period	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company in the current period (Note 3)	Carrying amount of investments as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Footnote	
				Remitted to Mainland China	Remitted back to Taiwan	Remitted	to Mainland China	Remitted back to Taiwan	Remitted							
Avary Property Management Service (Shenzhen) Co., Ltd.	Property management business	\$ 23,129	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(\$ 226)	72	(\$ 164)	\$ 22,995	\$ -	- Note 5	
Yaoding Environmental Energy Technology (Shenzhen) Limited	Environmental protection and energy conservation service		2								1		1	1		
Yaoding Environmental Energy Technology (Huainan) Limited	Environmental protection and energy conservation service		2													- Note 5
Yaoding Environmental Energy Technology (Qinhuangdao) Limited	Environmental protection and energy conservation service		2													- Note 5
Guangdong Zhanyang Intelligent Equipment Co., Limited	Research, development, sales, and processing of automated equipment and cargo or technology import/export	44,155	2							- (\$ 20,469)	32	( 9,519)	13,674			

Note 1: The amounts in the table are shown in New Taiwan Dollars. Transactions denominated in foreign currencies are translated into New Taiwan Dollars at the spot exchange rates at the balance sheet date.

Note 2: The methods of investments to Mainland China are as follows:

(1) The Group remits its own funds directly to the investee companies located in Mainland China.

(2) Investee company, Monterey Park Finance Limited (B.V.I.), established by the Company and located outside of Taiwan and Mainland China, remits its own funds directly to the investee companies located in Mainland China.

(3) Others.

Note 3: The columns investment income (loss) recognised by the Company in the current period were based on the audited financial statements of the investees in Mainland China for the same period.

Note 4: The cumulative earnings distributed to the parent company by Avary Holding (Shenzhen) Co., Limited amounted to RMB 7,614,848 thousand as of March 31, 2025.

Note 5: Preparations are ongoing, and no actual investment has been made.