

Nichidenbo Corporation and Subsidiaries

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

§Table of Contents§

	<u>Item</u>	<u>Page Number</u>	<u>Notes To Financial Statements</u>
I.	Cover	1	-
II.	Table of Contents	2	-
III.	Independent Auditors' Review Report	3~4	-
IV.	Consolidated Balance Sheets	5	-
V.	Consolidated Statements of Comprehensive Income	6~7	-
VI.	Consolidated Statements of Changes in Equity	8	-
VII.	Consolidated Statements of Cash Flows	9~10	-
VIII.	Notes to Consolidated Financial Statements		
	1. General Information	11	1
	2. Authorization Date and Procedures for Issuance of Financial Statements	11	2
	3. Application of New, Amended and Revised Standards and Interpretations	11~13	3
	4. Summary of Significant Accounting Policies	13~14	4
	5. Material Accounting Judgements and Key Sources of Estimation Uncertainty	14~15	5
	6. Details of Significant Accounts	15~44	6~32
	7. Related Party Transactions	44~45	33
	8. Pledged Assets	46	34
	9. Significant Contingent Liabilities and Unrecognized Contractual Commitments	46	35
	10. Significant Disaster Losses	-	-
	11. Significant Events After the Reporting Period	-	-
	12. Other	46~47	36
	13. Disclosure in the Notes		
	(1) Significant transactions	47~48	37
	(2) Information on investees	48	37
	(3) Information on investments in mainland China	48	37
	14. Segment Information	48~49	38

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Nichidenbo Corporation

Introduction

Nichidenbo Corporation and its subsidiaries' (hereinafter "the Nichidenbo Group") consolidated balance sheets as of March 31, 2025 and 2024, as well as consolidated statements of comprehensive income for the three months ended March 31, 2025 and 2024, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including summary of significant accounting policies) have been reviewed by our accountants. The preparation of the consolidated financial statements, which fairly present the financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, is the responsibility of management. Our responsibility as auditors is to express a conclusion on the consolidated financial statements based on our review results.

Scope of Review

Except for the matter described in the Basis for Qualified Conclusion paragraph, we conducted our review in accordance with the Standard on Review Engagements of the Republic of China 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Rntity". The procedures performed when reviewing the Consolidated Financial Statements include inquiries (primarily directed at personnel responsible for financial and accounting matters), analytical procedures, and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to express an audit opinion on the consolidated financial statements.

Basis for Qualified Conclusion

As described in Note 4(3) to the consolidated financial statements, the financial statements of certain non-material subsidiaries included in the aforementioned consolidated financial statements for the same period were not reviewed by auditors. As of March 31, 2025 and 2024, their total assets amounted to NT\$1,889,013 thousand and NT\$1,883,634 thousand, respectively, accounting for 17.12% and 19.41% of the total consolidated assets; the total liabilities were NT\$502,592 thousand and NT\$453,883 thousand, respectively, representing 9.97% and 12.07% of the total consolidated liabilities; the total comprehensive income for the three months ended March 31, 2025, and 2024, were NT\$79,856 thousand and NT\$80,604 thousand, respectively, which accounted for 34.67% and 20.99% of the consolidated total comprehensive income. Furthermore, as described in Note 13 to the consolidated financial statements, the carrying amounts of

investments accounted for using the equity method were NT\$491,626 thousand and NT\$482,509 thousand as of March 31, 2025, and 2024, respectively, and the share of comprehensive income from associates recognized for the three months ended March 31, 2025, was NT\$2,979 thousand. In addition, the information related to investee companies described in the disclosures in Note 37 to the consolidated financial statements was recognized and disclosed based on the unreviewed financial statements of the aforementioned non-material subsidiaries and investee companies for the same period.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph regarding the financial statements of certain non-material subsidiaries and investee companies accounted for using the equity method that were not reviewed by independent accountants and which might require adjustments to the consolidated financial statements, we have not identified any matters that lead us to believe that the accompanying consolidated financial statements of Nichidenbo Corporation and its subsidiaries have not been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS No. 34, "Interim Financial Reporting," as endorsed and issued by the FSC. Therefore, we believe that these statements present fairly the consolidated financial position of Nichidenbo Corporation and its subsidiaries as of March 31, 2025, and 2024, as well as their consolidated financial performance and consolidated cash flows for the three month ended March 31, 2025 and 2024.

The engagement partners on the review resulting in this independent auditors' review report are Chih-Ming Shao and Ya-Ling Wong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2025

Notice to Readers

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

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

NICHIDENBO CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

(In Thousands of New Taiwan Dollars)

Code	Assets	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	\$ 939,661	9	\$ 888,588	8	\$ 1,723,950	18
1120	Financial assets at fair value through other comprehensive income – current (Note 8)	1,139,270	10	1,275,790	12	108,365	1
1136	Financial assets at amortized cost – current (Notes 9 and 10)	137,199	1	126,353	1	867,280	9
1150	Notes receivable, net (Notes 11, 20, 32 and 34)	128,802	1	133,333	1	139,476	2
1170	Trade receivables from unrelated parties, net (Notes 11 and 25)	4,714,092	43	4,263,950	39	3,429,959	35
1180	Trade receivables from related parties (Notes 25 and 33)	1,454	-	1,953	-	2,005	-
1200	Other receivables from unrelated parties (Note 11)	51,761	1	47,529	1	38,455	-
1220	Current tax assets	555	-	551	-	1,632	-
130X	Inventories (Note 12)	2,222,428	20	2,459,022	23	1,721,431	18
1470	Other current assets (Note 19)	9,888	-	8,620	-	8,463	-
11XX	Total current assets	<u>9,345,110</u>	<u>85</u>	<u>9,205,689</u>	<u>85</u>	<u>8,041,016</u>	<u>83</u>
	NON-CURRENT ASSETS						
1535	Financial assets at amortized cost – non-current (Notes 9, 10 and 34)	188,056	2	179,684	2	165,818	2
1550	Investments accounted for using the equity method (Note 13)	491,626	4	488,647	4	482,509	5
1600	Property, plant and equipment (Notes 14 and 34)	672,587	6	670,531	6	676,610	7
1755	Right-of-use assets (Note 15)	29,096	-	21,485	-	28,945	-
1760	Investment properties (Notes 16 and 34)	188,940	2	189,147	2	190,011	2
1805	Goodwill (Note 17)	21,805	-	21,805	-	21,805	-
1821	Other intangible assets (Note 18)	27,116	-	27,646	-	30,216	-
1840	Deferred tax assets	58,506	1	67,003	1	59,264	1
1915	Prepayments for business facilities	147	-	-	-	-	-
1920	Refundable deposits	7,455	-	4,028	-	3,901	-
1975	Net defined benefit assets – non-current	6,128	-	6,105	-	3,829	-
15XX	Total non-current assets	<u>1,691,462</u>	<u>15</u>	<u>1,676,081</u>	<u>15</u>	<u>1,662,908</u>	<u>17</u>
1XXX	TOTAL	<u>\$ 11,036,572</u>	<u>100</u>	<u>\$ 10,881,770</u>	<u>100</u>	<u>\$ 9,703,924</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings (Notes 20 and 34)	\$ 2,165,438	20	\$ 2,310,994	21	\$ 1,433,106	15
2120	Financial liabilities at fair value through profit or loss – current (Note 7)	603	-	230	-	1,590	-
2130	Contract liabilities - current (Note 25)	2,112	-	6,020	-	3,490	-
2150	Notes payable (Note 21)	224	-	179	-	227	-
2170	Trade payables to unrelated parties (Note 21)	1,276,343	12	1,287,387	12	995,904	10
2180	Trade payables to related parties (Note 33)	1,218	-	717	-	27	-
2200	Other payables to unrelated parties (Note 22)	1,224,457	11	340,990	3	1,015,602	11
2230	Current tax liabilities	193,271	2	117,620	1	121,957	1
2280	Lease liabilities – current (Note 15)	10,635	-	5,600	-	9,313	-
2399	Other current liabilities (Note 22)	38,628	-	36,452	1	44,108	-
21XX	Total current liabilities	<u>4,912,929</u>	<u>45</u>	<u>4,106,189</u>	<u>38</u>	<u>3,625,324</u>	<u>37</u>
	NON-CURRENT LIABILITIES						
2570	Deferred tax liabilities	83,725	1	79,635	1	85,890	1
2580	Lease liabilities – non-current (Note 15)	20,174	-	17,484	-	21,105	-
2640	Net defined benefit liabilities – non-current	18,001	-	18,541	-	23,142	1
2645	Guarantee deposits received	5,389	-	5,379	-	5,378	-
25XX	Total non-current liabilities	<u>127,289</u>	<u>1</u>	<u>121,039</u>	<u>1</u>	<u>135,515</u>	<u>2</u>
2XXX	Total liabilities	<u>5,040,218</u>	<u>46</u>	<u>4,227,228</u>	<u>39</u>	<u>3,760,839</u>	<u>39</u>
	EQUITY						
3100	Ordinary shares	2,125,972	19	2,125,972	20	2,126,572	22
3200	Capital surplus	1,628,035	15	1,627,745	15	1,625,096	17
	Retained earnings						
3310	Legal reserve	1,008,101	9	1,008,101	9	935,029	10
3320	Special reserve	10,950	-	10,950	-	51,875	-
3350	Unappropriated earnings	1,374,626	13	1,917,162	18	1,253,398	13
3300	Total retained earnings	2,393,677	22	2,936,213	27	2,240,302	23
3400	Other equity	(204,636)	(2)	(84,706)	(1)	(95,301)	(1)
31XX	Total equity attributable to owners of the Company	5,943,048	54	6,605,224	61	5,896,669	61
36XX	NON-CONTROLLING INTERESTS	53,306	-	49,318	-	46,416	-
3XXX	Total equity	<u>5,996,354</u>	<u>54</u>	<u>6,654,542</u>	<u>61</u>	<u>5,943,085</u>	<u>61</u>
	TOTAL	<u>\$ 11,036,572</u>	<u>100</u>	<u>\$ 10,881,770</u>	<u>100</u>	<u>\$ 9,703,924</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 7, 2025)

NICHIDENBO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		January 1 to March 31, 2025		January 1 to March 31, 2024	
		Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 25 and 33)	\$ 3,795,673	100	\$ 2,854,625	100
5000	OPERATING COSTS (Notes 12 and 33)	<u>3,129,594</u>	<u>83</u>	<u>2,359,250</u>	<u>83</u>
5900	GROSS PROFIT	<u>666,079</u>	<u>17</u>	<u>495,375</u>	<u>17</u>
	OPERATING EXPENSES (Note 26)				
6100	Selling and marketing expenses	164,762	4	145,988	5
6200	General and administrative expenses	71,529	2	56,606	2
6450	Expected credit (gain) loss	(<u>526</u>)	-	<u>2,862</u>	-
6000	Total operating expenses	<u>235,765</u>	<u>6</u>	<u>205,456</u>	<u>7</u>
6900	PROFIT FROM OPERATIONS	<u>430,314</u>	<u>11</u>	<u>289,919</u>	<u>10</u>
	NON-OPERATING INCOME AND EXPENSES (Note 26)				
7100	Interest income	4,703	-	10,587	1
7010	Other income	3,941	-	2,750	-
7020	Other gains and losses	29,571	1	52,575	2
7050	Finance costs	(26,033)	-	(22,323)	(1)
7060	Share of profit of associates	<u>2,979</u>	-	<u>-</u>	-
7000	Total non-operating income and expenses	<u>15,161</u>	<u>1</u>	<u>43,589</u>	<u>2</u>
7900	PROFIT BEFORE INCOME TAX	445,475	12	333,508	12
7950	INCOME TAX EXPENSE (Note 27)	<u>91,092</u>	<u>3</u>	<u>68,753</u>	<u>3</u>
8200	NET PROFIT FOR THE PERIOD	<u>354,383</u>	<u>9</u>	<u>264,755</u>	<u>9</u>

(Continued)

NICHIDENBO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		January 1 to March 31, 2025		January 1 to March 31, 2024	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (Notes 24 and 27)				
	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(\$ 136,520)	(3)	\$ 109,207	4
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	244	-	(1,464)	-
8310	Total items that will not be reclassified subsequently to profit or loss	(136,276)	(3)	107,743	4
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	12,257	-	11,584	-
8360	Total items that may be reclassified subsequently to profit or loss	12,257	-	11,584	-
8300	Other comprehensive income for the period, net of income tax	(124,019)	(3)	119,327	4
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 230,364	6	\$ 384,082	13
8600	NET PROFIT ATTRIBUTABLE TO:				
8610	Owner(s) of the Company	\$ 350,388	9	\$ 258,446	9
8620	Non-controlling interests	3,995	-	6,309	-
		\$ 354,383	9	\$ 264,755	9
8700	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
8710	Owner(s) of the Company	\$ 226,376	6	\$ 377,734	13
8720	Non-controlling interests	3,988	-	6,348	-
		\$ 230,364	6	\$ 384,082	13
	EARNINGS PER SHARE (Note 28)				
9710	Basic	\$ 1.67		\$ 1.24	
9810	Diluted	\$ 1.64		\$ 1.22	

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

(With Deloitte & Touche review report dated May 7, 2025)

NICHIDENBO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company										
		Retained Earnings (Notes 24 and 29)					Other Equity (Notes 24 and 29)					
Code		Ordinary Shares (Notes 24 and 29)	Capital Surplus (Notes 24 and 29)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operation	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits	Total	Non-controlling Interests (Note 24)	Total Equity
A1	BALANCE AT JANUARY 1, 2024	\$ 2,126,572	\$ 1,625,096	\$ 935,029	\$ 51,875	\$ 1,537,832	(\$ 41,401)	\$ 36,018	(\$ 36,975)	\$ 6,234,046	\$ 40,068	\$ 6,274,114
B5	Appropriation of 2023 earnings Cash dividends distributed by the Company	-	-	-	-	(723,034)	-	-	-	(723,034)	-	(723,034)
D1	Net profit from January 1 to March 31, 2024	-	-	-	-	258,446	-	-	-	258,446	6,309	264,755
D3	Other comprehensive income from January 1 to March 31, 2024	-	-	-	-	-	11,584	107,704	-	119,288	39	119,327
D5	Total comprehensive income from January 1 to March 31, 2024	-	-	-	-	258,446	11,584	107,704	-	377,734	6,348	384,082
N1	Share-based payments arrangements	-	-	-	-	-	-	-	7,923	7,923	-	7,923
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	180,154	-	(180,154)	-	-	-	-
Z1	BALANCE AT MARCH 31, 2024	\$ 2,126,572	\$ 1,625,096	\$ 935,029	\$ 51,875	\$ 1,253,398	(\$ 29,817)	(\$ 36,432)	(\$ 29,052)	\$ 5,896,669	\$ 46,416	\$ 5,943,085
A1	BALANCE AT JANUARY 1, 2025	\$ 2,125,972	\$ 1,627,745	\$ 1,008,101	\$ 10,950	\$ 1,917,162	(\$ 20,722)	(\$ 50,342)	(\$ 13,642)	\$ 6,605,224	\$ 49,318	\$ 6,654,542
B5	Appropriation of 2024 earnings Cash dividends distributed by the Company	-	-	-	-	(892,908)	-	-	-	(892,908)	-	(892,908)
C17	Other changes in capital surplus	-	214	-	-	-	-	-	-	214	-	214
D1	Net profit from January 1 to March 31, 2025	-	-	-	-	350,388	-	-	-	350,388	3,995	354,383
D3	Other comprehensive income(loss) from January 1 to March 31, 2025	-	-	-	-	-	12,257	(136,269)	-	(124,012)	(7)	(124,019)
D5	Total comprehensive income (loss) from January 1 to March 31, 2025	-	-	-	-	350,388	12,257	(136,269)	-	226,376	3,988	230,364
N1	Share-based payments arrangements	-	76	-	-	(16)	-	-	4,082	4,142	-	4,142
Z1	BALANCE AT MARCH 31, 2025	\$ 2,125,972	\$ 1,628,035	\$ 1,008,101	\$ 10,950	\$ 1,374,626	(\$ 8,465)	(\$ 186,611)	(\$ 9,560)	\$ 5,943,048	\$ 53,306	\$ 5,996,354

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated May 7, 2025)

NICHIDENBO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

Code		January 1 to March 31, 2025	January 1 to March 31, 2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 445,475	\$ 333,508
A20010	Adjustments for:		
A20100	Depreciation expense	5,883	5,778
A20200	Amortization expense	1,171	1,142
A20300	Expected credit (gain) loss	(526)	2,862
A20400	Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	561	3,472
A20900	Finance costs	26,033	22,323
A21200	Interest income	(4,703)	(10,587)
A21900	Share-based payments	4,120	7,923
A22300	Share of profit or loss of associates	(2,979)	-
A22500	Loss on disposal of property, plant and equipment	9	-
A23700	Gain on net realizable value of inventories	(9,594)	(5,270)
A29900	Others	(16)	-
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	-	474
A31130	Notes receivable	7,120	(22,491)
A31150	Trade receivables from unrelated parties	(445,816)	(139,397)
A31160	Trade receivables from related parties	499	(2,005)
A31180	Other receivables from unrelated parties	(3,830)	(6,862)
A31200	Inventories	249,728	220,960
A31240	Other current assets	(1,212)	(3,770)
A31990	Net defined benefit assets	(23)	(12)
A32110	Financial liabilities held for trading	(188)	(798)
A32125	Contract liabilities	(3,962)	(2,857)
A32130	Notes payable	43	(33)
A32150	Trade payables to unrelated parties	(12,981)	13,564
A32160	Trade payables to related parties	501	27
A32180	Other payables to unrelated parties	(4,297)	(8,853)
A32230	Other current liabilities	2,175	1,159
A32240	Net defined benefit liabilities	(540)	(422)

(Continued)

NICHIDENBO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2025 (In Thousands of New Taiwan Dollars)

Code		January 1 to March 31, 2025	January 1 to March 31, 2024
A33000	Cash generated from operating activities	\$ 252,651	\$ 409,835
A33100	Interest received	4,325	11,509
A33300	Interest paid	(31,429)	(24,688)
A33500	Income tax paid	(2,667)	(7,415)
AAAA	Net cash generated from operating activities	<u>222,880</u>	<u>389,241</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
B00040	Purchase of financial assets at amortized cost	(88,744)	(387,172)
B00050	Proceeds from sale of financial assets at amortized cost	69,675	38,112
B01800	Acquisition of investments accounted for using equity method	-	(278,725)
B02700	Payments for of property, plant and equipment	(4,160)	(285)
B03800	(Increase) decrease in refundable deposits	(3,372)	1,335
B04500	Payments for intangible assets	(638)	(502)
B07100	Increase in prepayments for business facilities	(147)	-
BBBB	Net cash used in investing activities	<u>(27,386)</u>	<u>(627,237)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
C00100	Proceeds from short-term borrowings	1,951,310	1,711,639
C00200	Repayments of short-term borrowings	(2,096,866)	(1,833,154)
C00500	Proceeds from short-term bills payable	-	14,981
C00600	Repayments of short-term bills payable	-	(14,981)
C03100	Increase (decrease)in guarantee deposits received	10	(144)
C04020	Repayment of the principal portion of lease liabilities	(2,586)	(2,126)
C09900	Dividends from claims extinguished by prescription	214	-
CCCC	Net cash used in financing activities	<u>(147,918)</u>	<u>(123,785)</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>3,497</u>	<u>3,769</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE CURRENT PERIOD	51,073	(358,012)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>888,588</u>	<u>2,081,962</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 939,661</u>	<u>\$ 1,723,950</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated May 7, 2025)

NICHIDENBO CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE MONTHS ENDED MARCH 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. General Information

Nichidenbo Corporation (hereinafter referred to as the Company) was established on January 4, 1993, in New Taipei City, mainly engaged in the import and export of electronic components.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since December 31, 2007.

The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

2. Authorization Date and Procedures for Issuance of Financial Statements

The consolidated financial statements were submitted to the Board of Directors on May 7, 2025.

3. Application of New, Amended and Revised Standards and Interpretations

- (1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Standing Interpretations Committee (SIC) interpretations (hereinafter collectively referred to as the "IFRS Accounting Standards") endorsed and promulgated by the Financial Supervisory Commission (hereinafter referred to as the FSC).

The initial application of the IFRS Accounting Standards endorsed and promulgated by the FSC did not result in significant changes to the Group's accounting policies, nor did it have a material impact on the Group's consolidated financial position or consolidated financial performance.

- (2) IFRS Accounting Standards endorsed by the FSC applicable for the year 2026.

New, amended and revised standards and interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments" regarding the application guidance for the classification of financial assets	January 1, 2026 (Note)

Note: These amendments shall be applied for annual reporting periods beginning on or after January 1, 2026. An entity may also choose to apply them early for annual reporting periods beginning on or after January 1, 2025.

- (3) IFRS Accounting Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New, amended and revised standards and interpretations	Effective date announced by IASB (Note)
"Annual Improvements to IFRS Accounting Standards – Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments Amendments" regarding the application guidance for derecognition of financial liabilities.	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - 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

Note: Unless specified otherwise, the above new, amended and revised standards or interpretations are effective for annual reporting periods beginning after each respective date.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements," with the main changes including:

- i. The statement of profit or loss shall classify income and expense items into operating, investing, financing, income tax, and discontinued operations categories.
- ii. The statement of profit or loss shall present subtotals and totals for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
- iii. Providing guidance to enhance aggregation and segmentation requirements: the Group must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other matters, and classify and aggregate them based on common characteristics, so that each line item reported in the primary financial statements has at least one similar characteristic while items with dissimilar characteristics should be separately presented in the primary financial statements or disclosed in the notes. The Group will only label such items as "Others" when no more informative labels can be identified.
- iv. Increased disclosures of management-defined performance measures: When the Group uses a management-defined performance measure in public communications outside the financial statements, or when it communicates with users of financial statements regarding management's view of a particular aspect of the Group's overall financial performance, it shall disclose information about

such measures in a single note to the financial statements. This disclosure shall include a description of the measure, how it is calculated, a reconciliation to the most directly comparable subtotal or total specified by IFRS Accounting Standards, and the income tax and non-controlling interest effects of the reconciling items.

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

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The consolidated financial statements do not include all the disclosure information required by the IFRS Accounting Standards for the complete annual financial report.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair value, and net defined benefit liabilities (assets), which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

(3) Basis of consolidation

- i. The basis for the consolidated financial statements

The basis and principles for preparing the consolidated financial statements are the same as those in the consolidated financial statements for the year 2024.

- ii. The subsidiaries in the consolidated financial statements

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

Investing company	Subsidiary	Nature of business	Percentage of ownership			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
Nichidenbo Corporation	Vic-Dawn Enterprise Co., Ltd. (Vic-Dawn)	Sales and marketing of electronic components	95.31	95.31	95.31	
	Nichidenbo (Mauritius) Ltd. (NDB (Mauritius))	Investment activities	100.00	100.00	100.00	

	Lipers Enterprise Co., Ltd. (Lipers)	Sales and marketing of electronic components	99.34	99.34	99.34
	Scope Technology Co., Ltd. (Scope)	Sales and marketing of electronic components	100.00	100.00	100.00
	Advance Electronic Supply Inc. (AES)	Sales and marketing of electronic components	100.00	100.00	100.00
	Tonsam Corporation (Tonsam)	Sales and marketing of electronic components	100.00	100.00	100.00
	Lipers (Hong Kong) Enterprise Co., Ltd. (Lipers (HK))	Sales and marketing of electronic components	100.00	100.00	100.00
	Koho (Taiwan) Co., Ltd. (Koho)	Sales and marketing of electronic components	85.00	85.00	85.00
Nichidenbo (Mauritius) Ltd.	Nichidenbo (Shenzhen) Trading Co., Ltd. (NDB (Shenzhen))	Sales and marketing of electronic components	100.00	100.00	100.00
	Nichidenbo Suzhou Trading Co., Ltd. (NDB (Suzhou))	Sales and marketing of electronic components	100.00	100.00	100.00
Lipers (Hong Kong) Enterprise Co., Ltd.	Lipers Electronic (SZ) Co., Ltd. (Lipers Electronics (SZ))	Sales and marketing of electronic components	100.00	100.00	100.00

Note: Scope is a material subsidiary whose financial statements have been reviewed by independent accountants. The remaining subsidiaries are non-material subsidiaries. Except for Lipers and AES whose financial statements have been reviewed by independent accountants, the financial statements of the other subsidiaries have not been reviewed by independent accountants.

(4) Other significant accounting policies

Except for the following explanations, refer to the summary of significant accounting policies in the 2024 consolidated financial statements.

i. Defined benefit retirement benefits

The pension cost for the interim period is calculated based on the pension cost rate determined by actuarial assessment as of the end of the previous year, from the beginning of the year to the end of the current period, and is adjusted for significant market fluctuations, major plan amendments, settlements, or other significant one-time events occurring during the period.

ii. Tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. The income tax for the interim period is assessed on an annual basis, calculated based on the tax rate applicable to the expected total earnings for the year, with reference to the interim profit before tax.

5. Material Accounting Judgments and Key Sources of Estimation Uncertainty

In applying the Group's accounting policies, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Management continually reviews estimates and underlying assumptions.

Key Sources of Estimation Uncertainty

(1) Estimated impairment of financial assets

The estimated impairment of notes and trade receivables is based on the Group's assumptions regarding the probability of default and the loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions, as well as forward-looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, refer to Note 11. If future actual cash flows are less than expected by the Group, a material impairment loss may arise.

(2) Valuation of inventories

The net realizable value of inventories represents the estimated selling price in the ordinary course of business less estimated costs to sell. These estimates are based on current market conditions and historical selling experience of similar products. Changes in market conditions may materially affect these estimates.

6. Cash and Cash Equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand and petty cash	\$ 754	\$ 916	\$ 818
Bank checks and current deposits	385,791	284,718	429,171
Cash equivalents			
Bank time deposits	409,011	372,835	1,087,461
Commercial paper	<u>144,105</u>	<u>230,119</u>	<u>206,500</u>
	<u>\$ 939,661</u>	<u>\$ 888,588</u>	<u>\$ 1,723,950</u>

The range of interest rates for bank time deposits and commercial paper at the end of the balance sheet date is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Time deposits	1.170%~4.370%	1.225%~4.530%	1.120%~5.450%
Commercial paper	1.070%~4.380%	1.030%~4.600%	0.870%~0.920%

7. Financial Instruments at Fair Value Through Profit or Loss

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial liabilities - current</u>			
Financial liabilities held for trading			
Forward exchange contracts	<u>\$ 603</u>	<u>\$ 230</u>	<u>\$ 1,590</u>

The following foreign exchange forward contracts that have not yet matured and for which hedge accounting is not applicable as of the balance sheet date are as follows:

	<u>Currency</u>	<u>Maturity period</u>	<u>Contract amount (thousand)</u>
<u>March 31, 2025</u>			
Sale of forward exchange contracts	USD to NTD	2025.04.14	USD 1,000/NTD 32,837
Sale of forward exchange contracts	USD to NTD	2025.04.14	USD 1,000/NTD 32,820
<u>December 31, 2024</u>			
Sale of forward exchange contracts	USD to NTD	2025.01.23	USD 1,000/NTD 32,579
<u>March 31, 2024</u>			
Sale of forward exchange contracts	USD to NTD	2024.04.15	USD 1,000/NTD 31,402
Sale of forward exchange contracts	USD to NTD	2024.04.15	USD 1,000/NTD 31,401
Sale of forward exchange contracts	USD to NTD	2024.04.22	USD 1,000/NTD 31,818
Sale of forward exchange contracts	USD to NTD	2024.04.22	USD 1,000/NTD 31,696

The Group engages in foreign exchange forward transactions primarily to hedge against the risks arising from fluctuations in exchange rates affecting foreign currency assets and liabilities.

8. Financial Assets at Fair Value Through Other Comprehensive Income

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Current</u>			
Investments in equity instruments	<u>\$ 1,139,270</u>	<u>\$ 1,275,790</u>	<u>\$ 108,365</u>
<u>Investments in equity instruments</u>			
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Current</u>			
Domestic investments			
Listed (OTC) stocks	\$ 1,196,187	\$ 1,196,187	\$ 8,001
Valuation adjustments	(121,487)	13,813	1,200
	<u>1,074,700</u>	<u>1,210,000</u>	<u>9,201</u>

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Foreign investments			
Listed (OTC) stocks	\$ 133,933	\$ 133,933	\$ 133,933
Valuation adjustments	(69,363)	(68,143)	(34,769)
	<u>64,570</u>	<u>65,790</u>	<u>99,164</u>
	<u>\$ 1,139,270</u>	<u>\$ 1,275,790</u>	<u>\$ 108,365</u>
<u>Non-current</u>			
Domestic investments			
Unlisted (OTC) stocks	\$ 10,000	\$ 10,000	\$ 10,000
Valuation adjustments	(10,000)	(10,000)	(10,000)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

On March 13, 2024, the Group's board of directors resolved to sign a share purchase agreement with an unrelated party to acquire 12,834,314 ordinary shares of Concord Advanced Technology Co., Ltd. (hereinafter referred to as Concord Advanced) at a cash price of NT\$22 per share, with a total price of NT\$282,355 thousand. Following this acquisition, the Group's shareholding in Concord Advanced increased to 20.56%, which gives it significant influence. Therefore, the investment was reclassified from financial assets at fair value through other comprehensive income - non-current to investments accounted for using the equity method, and a gain on disposal of equity instruments at fair value through other comprehensive income of NT\$180,154 thousand (recorded as retained earnings).

During 2024, the Group gradually acquired 0.88% of ordinary shares of WT Microelectronics Co., Ltd., with total consideration NT\$1,196,187 thousand, recorded as current financial assets at fair value through other comprehensive income.

The Group disposed of all ordinary shares of Honey Hope Honesty Enterprise Co., Ltd. in August 2024, with total proceeds of NT\$11,885 thousand, and recognized a gain on disposal of equity instruments measured at fair value through other comprehensive income amounting to NT\$3,884 thousand (recorded in retained earnings).

The Group holds the domestic listed shares, the domestic unlisted shares, and the foreign listed shares for medium- to long-term strategic purposes, expecting to make a profit from long-term investments. The Group's management believes that including the short-term fair value fluctuations of such investments in profit or loss is inconsistent with the aforementioned long-term investment plan, and therefore chooses to designate these investments as measured at fair value through other comprehensive income.

9. Financial Assets Measured at Amortized Cost

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 137,000	\$ 125,912	\$ 867,280
Custody accounts	<u>199</u>	<u>441</u>	<u>-</u>
	<u>\$ 137,199</u>	<u>\$ 126,353</u>	<u>\$ 867,280</u>
<u>Non-current</u>			
Pledged time deposits	\$ 187,906	\$ 179,534	\$ 165,668
Restricted cash	<u>150</u>	<u>150</u>	<u>150</u>
	<u>\$ 188,056</u>	<u>\$ 179,684</u>	<u>\$ 165,818</u>

- (1) Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.
- (2) Refer to Note 34 for information relating to pledged financial assets measured at amortized cost.

10. Credit Risk Management for Investments in Debt Instruments

The Group's debt instrument investments are financial assets measured at amortized cost:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Measured at amortized cost</u> <u>(current and non-current)</u>			
Gross carrying amount	\$ 325,255	\$ 306,037	\$ 1,033,098
Loss allowance	-	-	-
Amortized cost	<u>\$ 325,255</u>	<u>\$ 306,037</u>	<u>\$ 1,033,098</u>

The credit risk of financial instruments such as cash in banks is measured and monitored by the finance department. The Group selects the transaction counterparties and the performing parties which are all banks with good credit.

11. Notes Receivable, Trade receivables, and Other Receivables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Notes receivable</u>			
Measured at amortized cost			
Gross carrying amount	\$ 129,449	\$ 134,003	\$ 140,176
Less: Loss allowance	(<u>647</u>)	(<u>670</u>)	(<u>700</u>)
	<u>\$ 128,802</u>	<u>\$ 133,333</u>	<u>\$ 139,476</u>
Arising from operations	\$ 128,796	\$ 133,274	\$ 139,433
Not arising from operations	<u>6</u>	<u>59</u>	<u>43</u>
	<u>\$ 128,802</u>	<u>\$ 133,333</u>	<u>\$ 139,476</u>
<u>Trade receivables</u>			
Measured at amortized cost			
Gross carrying amount	\$ 4,742,209	\$ 4,292,445	\$ 3,453,658
Less: Loss allowance	(<u>28,117</u>)	(<u>28,495</u>)	(<u>23,699</u>)
	<u>\$ 4,714,092</u>	<u>\$ 4,263,950</u>	<u>\$ 3,429,959</u>
<u>Other receivables</u>			
VAT refundable	\$ 49,172	\$ 45,486	\$ 33,429
Others	<u>2,589</u>	<u>2,043</u>	<u>5,026</u>
	<u>\$ 51,761</u>	<u>\$ 47,529</u>	<u>\$ 38,455</u>

Notes receivable

Notes receivable as of March 31, 2025, December 31, 2024, and March 31, 2024 were all not overdue.

Refer to Note 32 for the amount of discounted notes receivable and related terms of the Group.

Trade receivables

The Group's average credit period for merchandise sales is approximately 90 to 150 days. To mitigate credit risk, the Group's management has assigned a dedicated team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure appropriate actions are taken for the collection of overdue receivables. The Group reviews the recoverable amount of receivables individually at the balance sheet date to ensure appropriate impairment losses have been provided for uncollectible receivables. Accordingly, the management believes the Group's credit risk was significantly reduced.

The Group recognizes loss allowances for trade receivables based on lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, and profitability. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision matrix does not further differentiate between customer groups, but only sets expected credit loss rates based on the number of days trade receivables are not past due and past due.

If there is evidence that a counterparty is facing serious financial difficulties and the Group cannot reasonably expect to recover the amount, the Group directly writes off the related trade receivables but continues collection activities. Amounts recovered from collection activities are recognized in profit or loss.

The Group's loss allowances for trade receivables measured using the provision matrix are as follows:

March 31, 2025

	Not past due	1-30 days past due	31- 60 days past due	61-90 days past due	Over 90 days past due	Total
Expected credit loss rate	0.50%~4.05%	0.50%~34.67%	0.50%~52.02%	36.88%~75.30%	100.00%	
Gross carrying amount	\$ 4,710,330	\$ 26,428	\$ 3,890	\$ 172	\$ 1,389	\$ 4,742,209
Loss allowance (lifetime ECLs)	(24,573)	(976)	(1,114)	(65)	(1,389)	(28,117)
Amortized cost	<u>\$ 4,685,757</u>	<u>\$ 25,452</u>	<u>\$ 2,776</u>	<u>\$ 107</u>	<u>\$ -</u>	<u>\$ 4,714,092</u>

December 31, 2024

	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	Over 90 days past due	Total
Expected credit loss rate	0.50%~4.14%	0.50%~39.08%	0.50%~50.72%	33.39%~66.28%	100.00%	
Gross carrying amount	\$ 4,255,745	\$ 29,749	\$ 3,340	\$ 1,567	\$ 2,044	\$ 4,292,445
Loss allowance (lifetime ECLs)	(22,439)	(2,633)	(778)	(601)	(2,044)	(28,495)
Amortized cost	<u>\$ 4,233,306</u>	<u>\$ 27,116</u>	<u>\$ 2,562</u>	<u>\$ 966</u>	<u>\$ -</u>	<u>\$ 4,263,950</u>

March 31, 2024

	Not past due	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
Expected credit loss rate	0.50%~4.14%	0.50%~40.13%	0.50%~55.13%	31.77%~75.15%	100.00%	
Gross carrying amount	\$ 3,430,819	\$ 14,439	\$ 4,175	\$ 1,402	\$ 2,823	\$ 3,453,658
Loss allowance (lifetime ECLs)	(18,189)	(1,123)	(1,036)	(528)	(2,823)	(23,699)
Amortized cost	<u>\$ 3,412,630</u>	<u>\$ 13,316</u>	<u>\$ 3,139</u>	<u>\$ 874</u>	<u>\$ -</u>	<u>\$ 3,429,959</u>

The movements of the loss allowance of notes receivable and trade receivables are as follows:

	For the three months ended March 31	
	2025	2024
Opening balance	\$ 29,165	\$ 21,446
Add: Impairment losses provided	-	2,862
Less: Impairment losses reversed	(526)	-
Less: Collection reclassification	(7)	-
Foreign exchange differences	132	91
Closing balance	<u>\$ 28,764</u>	<u>\$ 24,399</u>

12. Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Goods	<u>\$ 2,222,428</u>	<u>\$ 2,459,022</u>	<u>\$ 1,721,431</u>

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

	For the three months ended March 31	
	2025	2024
Cost of inventories sold	\$ 3,139,078	\$ 2,364,515
Inventory write-down reversal	(9,594)	(5,270)
Inventory count loss	110	5
	<u>\$ 3,129,594</u>	<u>\$ 2,359,250</u>

13. Investments Accounted for Using the Equity Method

Investments in associates

	March 31, 2025	December 31, 2024	March 31, 2024
Individually insignificant associates			
Concord Advanced	<u>\$ 491,626</u>	<u>\$ 488,647</u>	<u>\$ 482,509</u>

Aggregate information of individually immaterial associates

	For the three months ended March 31	
	2025	2024
Group's share of:		
Net profit for the year	\$ 2,979	\$ -
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 2,979</u>	<u>\$ -</u>

On March 13, 2024, the Group's Board of Directors resolved to sign a share purchase agreement with an unrelated party to acquire a total of 12,834,314 shares of Concord Advanced at a cash price of NT\$22 per share, with a total price of NT\$282,355 thousand. Following this acquisition, the Group's holdings in Concord Advanced increased to 20.56%, giving it significant influence. Therefore, it was reclassified from non-current financial assets at fair value through other comprehensive income to investments accounted for using the equity method.

The aforementioned investments are accounted for using the equity method, and the Group's share of profit or loss is calculated based on the unaudited financial statements. However,

the Group's management believes that the unaudited financial statements of the aforementioned investee companies do not result in a material impact.

14. Property, Plant and Equipment

	Land	Buildings	Other equipment	Total
<u>Cost</u>				
Balance at January 1, 2025	\$ 477,370	\$ 274,269	\$ 23,556	\$ 775,195
Additions	-	-	4,160	4,160
Disposals/derecognition	-	-	(140)	(140)
Net exchange differences	-	1,558	124	1,682
Balance at March 31, 2025	<u>\$ 477,370</u>	<u>\$ 275,827</u>	<u>\$ 27,700</u>	<u>\$ 780,897</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2025	\$ -	\$ 91,871	\$ 12,793	\$ 104,664
Depreciation expense	-	1,785	1,113	2,898
Disposals/derecognition	-	-	(131)	(131)
Net exchange differences	-	813	66	879
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 94,469</u>	<u>\$ 13,841</u>	<u>\$ 108,310</u>
Carrying amount at December 31, 2024 and January 1, 2025	<u>\$ 477,370</u>	<u>\$ 182,398</u>	<u>\$ 10,763</u>	<u>\$ 670,531</u>
Carrying amount at March 31, 2025	<u>\$ 477,370</u>	<u>\$ 181,358</u>	<u>\$ 13,859</u>	<u>\$ 672,587</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 477,370	\$ 271,794	\$ 28,059	\$ 777,223
Additions	-	-	285	285
Disposals/derecognition	-	-	(249)	(249)
Net exchange differences	-	1,328	107	1,435
Balance at March 31, 2024	<u>\$ 477,370</u>	<u>\$ 273,122</u>	<u>\$ 28,202</u>	<u>\$ 778,694</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2024	\$ -	\$ 83,597	\$ 15,173	\$ 98,770
Depreciation expense	-	1,758	1,117	2,875
Disposals/derecognition	-	-	(249)	(249)
Net exchange differences	-	631	57	688
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 85,986</u>	<u>\$ 16,098</u>	<u>\$ 102,084</u>
Carrying amount at March 31, 2024	<u>\$ 477,370</u>	<u>\$ 187,136</u>	<u>\$ 12,104</u>	<u>\$ 676,610</u>

Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Buildings	20-55 years
Other equipment	3-7 years

The amounts of property, plant and equipment pledged as collateral for supplier payment guarantees are provided in Note 34.

15. Lease Arrangements

(1) Right-of-use assets

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Carrying amounts of right-of-use assets			
Building	<u>\$ 29,096</u>	<u>\$ 21,485</u>	<u>\$ 28,945</u>

	For the three months ended March 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 9,769</u>	<u>\$ -</u>
Depreciation expense of the right-of-use asset		
Building	<u>\$ 2,667</u>	<u>\$ 2,588</u>

Except for the aforementioned additions and recognized depreciation expense, the Group's right-of-use assets did not experience significant subleasing or impairment situations during the periods from January 1 to March 31, 2025 and 2024.

(2) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of lease liabilities			
Current	<u>\$ 10,635</u>	<u>\$ 5,600</u>	<u>\$ 9,313</u>
Non-current	<u>\$ 20,174</u>	<u>\$ 17,484</u>	<u>\$ 21,105</u>

Range of discount rates for lease liabilities is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Building	1.20%~6.20%	1.20%~3.55%	1.20%~3.55%

(3) Important leasing activities and terms

The Group has signed a lease for a building to be used as a warehouse and office from June 1, 2025, to May 31, 2035, with a lease term of 10 years. Upon expiration of the lease term, these lease agreements do not contain renewal or purchase option clauses, and stipulate that the Group may not sublease, assign, or otherwise give the leased property or any part thereof to others for use, nor change its purpose or use it in violation of laws and regulations.

(4) Other lease information

The Group refers to the agreement for leasing investment properties under operating leases in Note 16.

	For the three months ended March 31	
	2025	2024
Expenses relating to short-term leases	<u>\$ 1,488</u>	<u>\$ 1,379</u>
Expenses relating to low-value asset leases	<u>\$ 61</u>	<u>\$ 60</u>
Total cash outflow of leases	<u>\$ 4,461</u>	<u>\$ 3,812</u>

All lease commitments that commence after the balance sheet date are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Lease commitment	<u>\$ 175,423</u>	<u>\$ -</u>	<u>\$ -</u>

16. Investment Properties

	For the three months ended March 31	
	2025	2024
<u>Cost</u>		
Opening balance	\$ 225,306	\$ 224,687
Net exchange differences	<u>389</u>	<u>332</u>
Closing balance	<u>\$ 225,695</u>	<u>\$ 225,019</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	\$ 36,159	\$ 34,465
Depreciation expense	318	315
Net exchange differences	<u>278</u>	<u>228</u>
Closing balance	<u>\$ 36,755</u>	<u>\$ 35,008</u>
Opening net amount	<u>\$ 189,147</u>	<u>\$ 190,222</u>
Closing net amount	<u>\$ 188,940</u>	<u>\$ 190,011</u>

The investment properties are leased out for 1 to 5 years. The lessees do not have preferential purchase options for the investment properties at the end of the lease terms.

The total amount of lease payments to be received from operating leases is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Less than a year	\$ 7,008	\$ 7,489	\$ 3,636
1-5 years	<u>14,847</u>	<u>16,238</u>	<u>253</u>
	<u>\$ 21,855</u>	<u>\$ 23,727</u>	<u>\$ 3,889</u>

The investment properties are depreciated using the straight-line method over the estimated useful lives of 20 to 55 years.

The fair value of investment properties in the Republic of China as of December 31, 2024, and December 31, 2023, was NT\$256,641 thousand and NT\$266,921 thousand, respectively. The fair value of the investment properties in China as of December 31, 2024, and December 31, 2023, was NT\$5,799 thousand and NT\$5,872 thousand, respectively. The management of the Group assessed that there were no significant changes in fair value as of March 31, 2025, and March 31, 2024, compared to December 31, 2024, and December 31, 2023.

All investment properties of the Group are owned equity. For investment properties pledged as collateral for supplier payment guarantees, refer to Note 34.

17. Goodwill

	For the three months ended March 31	
	2025	2024
Opening and Closing balance	<u>\$ 21,805</u>	<u>\$ 21,805</u>

The carrying amount of goodwill was allocated to the cash-generating units as follows:

KOHO	March 31, 2025 <u>\$ 21,805</u>	December 31, 2024 <u>\$ 21,805</u>	March 31, 2024 <u>\$ 21,805</u>
18. <u>Other Intangible Assets</u>			
	Computer software	Supplier contracts	Total
<u>Cost</u>			
Balance at January 1, 2025	\$ 2,760	\$ 37,000	\$ 39,760
Additions	638	-	638
Derecognition	(301)	-	(301)
Net exchange differences	<u>5</u>	<u>-</u>	<u>5</u>
Balance at March 31, 2025	<u>\$ 3,102</u>	<u>\$ 37,000</u>	<u>\$ 40,102</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2025	\$ 1,322	\$ 10,792	\$ 12,114
Amortization expenses	246	925	1,171
Derecognition	(301)	-	(301)
Net exchange differences	<u>2</u>	<u>-</u>	<u>2</u>
Balance at March 31, 2025	<u>\$ 1,269</u>	<u>\$ 11,717</u>	<u>\$ 12,986</u>
Carrying amount at December 31, 2024 and January 1, 2025	<u>\$ 1,438</u>	<u>\$ 26,208</u>	<u>\$ 27,646</u>
Carrying amount at March 31, 2025	<u>\$ 1,833</u>	<u>\$ 25,283</u>	<u>\$ 27,116</u>
<u>Cost</u>			
Balance at January 1, 2024	\$ 2,546	\$ 37,000	\$ 39,546
Additions	502	-	502
Derecognition	(451)	-	(451)
Net exchange differences	<u>4</u>	<u>-</u>	<u>4</u>
Balance at March 31, 2024	<u>\$ 2,601</u>	<u>\$ 37,000</u>	<u>\$ 39,601</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2024	\$ 1,601	\$ 7,092	\$ 8,693
Amortization expenses	217	925	1,142
Derecognition	(451)	-	(451)
Net exchange differences	<u>1</u>	<u>-</u>	<u>1</u>
Balance at March 31, 2024	<u>\$ 1,368</u>	<u>\$ 8,017</u>	<u>\$ 9,385</u>
Carrying amount at March 31, 2024	<u>\$ 1,233</u>	<u>\$ 28,983</u>	<u>\$ 30,216</u>

Amortization expense is calculated on a straight-line basis over the estimated useful lives as follows:

Computer software	1-5 years
Supplier contracts	10 years

19. Other Assets

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Current</u>			
Prepayments	\$ 7,264	\$ 6,148	\$ 5,357
Others	<u>2,624</u>	<u>2,472</u>	<u>3,106</u>
	<u>\$ 9,888</u>	<u>\$ 8,620</u>	<u>\$ 8,463</u>
<u>Non-current</u>			
Overdue receivables (Note)	\$ 70,406	\$ 70,399	\$ 79,395
Less: Loss allowance	(<u>70,406</u>)	(<u>70,399</u>)	(<u>79,395</u>)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The Group reclassified individually assessed impaired receivables and their allowances to overdue receivables.

20. Borrowings

(1) Short-term borrowings

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Secured loans</u>			
Bank credit loans	\$ 2,165,438	\$ 2,310,994	\$ 1,418,031
Secured bank loans	<u>-</u>	<u>-</u>	<u>15,075</u>
	<u>\$ 2,165,438</u>	<u>\$ 2,310,994</u>	<u>\$ 1,433,106</u>

The range of interest rates for the bank's short-term borrowings at the end of the balance sheet date is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Bank credit loans	0.910032%~ 5.440000%	0.698000%~ 5.820000%	0.563425%~ 6.353000%
Secured bank loans	-	-	1.930000%

NDB(Suzhou) pledged commercial acceptance bills receivable for mortgage loans from China Merchants Bank for borrowing, refer to Notes 32 and 34.

21. Notes Payable and Trade payables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Notes payable</u>			
Not arising from operations	<u>\$ 224</u>	<u>\$ 179</u>	<u>\$ 227</u>
<u>Trade payables</u>			
Arising from operations	<u>\$ 1,276,343</u>	<u>\$ 1,287,387</u>	<u>\$ 995,904</u>

22. Other Liabilities

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Current</u>			
Other payable			
Cash dividends payable	\$ 892,908	\$ -	\$ 723,034
Salaries and bonuses payable	239,182	239,786	207,221
Marketing and sales expenses payable	31,183	30,545	25,079
Annual leave payable	12,014	11,999	12,351
Interest payable	6,055	11,451	5,491
Business tax payable	373	2,953	643
Others	<u>42,742</u>	<u>44,256</u>	<u>41,783</u>
	<u>\$ 1,224,457</u>	<u>\$ 340,990</u>	<u>\$ 1,015,602</u>
Other liabilities			
Refund liabilities	\$ 36,089	\$ 33,824	\$ 41,846
Others	<u>2,539</u>	<u>2,628</u>	<u>2,262</u>
	<u>\$ 38,628</u>	<u>\$ 36,452</u>	<u>\$ 44,108</u>

23. Retirement Benefit Plans

The defined benefit plan pension expenses recognized for the three months ended March 31, 2025 and 2024 were calculated using pension cost rates actuarially determined as of December 31, 2024 and 2023, amounting to NT\$216 thousand and NT\$265 thousand, respectively.

24. Equity

(1) Share capital

Ordinary shares

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Authorized shares (in thousands)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Authorized capital	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Issued and fully paid shares (in thousands)	<u>212,597</u>	<u>212,597</u>	<u>212,657</u>
Issued capital	<u>\$ 2,125,972</u>	<u>\$ 2,125,972</u>	<u>\$ 2,126,572</u>

Each issued common share has a par value of NT\$10, with one voting right and dividend rights.

Within the authorized share capital, 10,000 thousand shares were reserved for the issuance upon the conversion of corporate bonds with warrants, preferred stocks with warrants, and stock warrants.

In order to enhance working capital, strengthen the financial structure, and support other capital requirements for the Company's long-term operating development, while also considering the cost of capital and the introduction of strategic investors, the Company resolved at the Shareholders' Meeting on June 15, 2022, to increase cash capital by issuing 30,000 thousand common shares through private placement. On

October 6, 2022, the Board of Directors resolved to approve the private placement of ordinary shares to WT Microelectronics Co., Ltd., with the record date for the capital increase set for October 7, 2022, and issued at a premium of NT\$44.02 per share. This private placement cash capital increase raised a total cash amount of NT\$1,320,600 thousand, and the registration has been completed on October 25, 2022.

The rights and obligations of these new privately placed shares are identical to those of the Company's previously issued ordinary shares. However, in accordance with Article 43-8 of the Securities and Exchange Act, these privately placed shares are not freely transferable within three years from their delivery date, except under specific circumstances stipulated by law. The Board of Directors is authorized to apply to the competent authority for supplemental public offering and listing for trading in accordance with relevant laws and regulations after three years from the delivery of the privately placed common shares.

At its meeting on March 23, 2022, the Board of Directors resolved to issue the first tranche of 2022 restricted stock for employees, totaling 4,000 thousand shares. Due to some employees leaving before meeting the vesting conditions of restricted employee stock, a total of 60 thousand shares were reclaimed, and the amendment of corporate registration for this reclamation was completed on December 4, 2024.

(2) Capital surplus

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>The portion that may be</u> <u>used to offset deficits,</u> <u>distributed as cash</u> <u>dividends, or transferred</u> <u>to share capital (Note)</u>			
Share issuance premium	\$ 1,359,025	\$ 1,353,609	\$ 1,301,615
Convertible bond premium	111,200	111,200	111,200
Treasury share transactions	19,455	19,455	19,455
Difference between consideration and carrying amount of subsidiaries acquired or disposed	15,334	15,334	15,334
Consolidated premium	289	289	289
Others	<u>3,814</u>	<u>3,814</u>	<u>3,814</u>
	<u>1,509,117</u>	<u>1,503,701</u>	<u>1,451,707</u>
<u>Available only for</u> <u>offsetting losses</u>			
Changes in ownership interests in subsidiaries	42,656	42,656	42,656
Others	<u>2,074</u>	<u>1,860</u>	<u>1,665</u>
	<u>44,730</u>	<u>44,516</u>	<u>44,321</u>
<u>Not available for any</u> <u>purpose</u>			
Restricted employee stock	<u>74,188</u>	<u>79,528</u>	<u>129,068</u>
	<u>\$ 1,628,035</u>	<u>\$ 1,627,745</u>	<u>\$ 1,625,096</u>

Note: This category of capital surplus may be used to offset losses, and when the Company has no losses, may be used for cash distribution or capitalization, provided that capitalization is limited to a certain percentage of paid-in capital each year.

(3) Retained earnings and dividend policy

The Company, at its shareholders' meeting on June 25, 2024, passed a resolution to amend its Articles of Incorporation. The amended articles stipulate that if there are earnings in the Company's annual final accounts, they shall first be used to pay taxes and offset prior years' losses. Following that, 10% shall be set aside as a legal reserve, unless the legal reserve has already reached the total amount of the Company's paid-in capital. Then, after appropriating or reversing a special reserve as required for the Company's operational needs and in accordance with legal regulations, the remaining balance. (hereinafter referred to as "distributable earnings for the current year") shall be combined with the beginning balance of unappropriated earnings, and the Board of Directors shall draft an earning appropriation proposal for distribution resolution at the Shareholders' Meeting, with dividends paid out at no less than 50% of the distributable earnings for the current year.

According to the earnings distribution policy in the Company's Articles of Incorporation prior to the amendment, if there were earnings in the Company's annual final accounts, they were to be used first to pay taxes and offset prior years' losses, followed by setting aside 10% as a legal reserve, unless the legal reserve had already reached the Company's paid-in capital. Then, after appropriating or reversing a special reserve as required for the Company's operational needs and in accordance with legal regulations, the total amount of annual dividends distributed could not be less than 50% of the distributable earnings for the current year, based on a distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for resolution. For the Company's distribution policy on employee and director remuneration as stipulated in the Articles of Incorporation, please refer to the Employee and Director Remuneration in Note 26(7).

According to Article 240 of the Company Act, the Company's Articles of Incorporation stipulate that the Board of Directors is authorized to make a resolution with the attendance of more than two-thirds of the directors and a majority of the attending directors, to distribute dividends and bonuses or all or part of the legal reserve and capital surplus as provided in Article 241 of the Company Act, in the form of cash, and report to the Shareholders' Meeting.

The Company will consider the environment and its growth stage in response to future capital needs and long-term financial planning. The distribution of earnings, in addition to being handled in accordance with Article 21 of the Articles of Incorporation, stipulates that the cash dividends portion of the shareholder dividends distributed in a given year shall not be less than 30% of the total amount of shareholders' dividends.

The legal reserve shall be appropriated until its balance reaches the total paid-in share capital of the Company. The legal reserve may be used to offset deficits. When the Company has no deficit, the portion of the legal reserve exceeding 25% of the paid-in share capital may be distributed in cash in addition to being transferred to capital.

The Company held a Board of Directors meeting on March 13, 2025, and a General Shareholders' Meeting on June 25, 2024, at which the earnings distribution plans for the years 2024 and 2023 were respectively proposed and resolved as follows:

	2024	2023
Legal reserve	\$ 113,451	\$ 73,072
Reversal of special reserve	\$ -	\$ 40,925
Appropriation of special reserve	\$ 60,114	\$ -
Cash dividends	\$ 892,908	\$ 723,034
Cash dividends per share (NT\$)	\$ 4.20	\$ 3.40

The above cash dividends for the 2024 fiscal year have been resolved for distribution by the Company's Board of Directors on March 13, 2025. The remaining items of the 2024 earnings distribution are subject to resolution at the annual general shareholders' meeting to be held on June 11, 2025.

(4) Special reserve

	For the three months ended March 31	
	2025	2024
Opening and closing balance	\$ 10,950	\$ 51,875

The special reserve appropriated for exchange differences on translating the financial statements of foreign operations (including subsidiaries) is reversed proportionately upon disposal of the foreign operation. When the Company loses significant influence, the entire amount is reversed. At the time of earnings distribution, an additional special reserve must be appropriated for the difference between the net debit balance of other equity items on the reporting date and the special reserve appropriated upon the first-time adoption of IFRS. Subsequently, if the net debit balance of other equity items is reversed, the amount of the reversal may be distributed from the special reserve.

(5) Other equity items

- i. Exchange differences on the translation of the financial statements of foreign operations

	For the three months ended March 31	
	2025	2024
Opening balance	(\$ 20,722)	(\$ 41,401)
Current generation		
Exchange differences on translation of foreign operations	12,257	11,584
Other comprehensive income	12,257	11,584
Closing balance	(\$ 8,465)	(\$ 29,817)

- ii. Unrealized gain (loss) on financial assets at fair value through other comprehensive income.

	For the three months ended March 31	
	2025	2024
Opening balance	(\$ 50,342)	\$ 36,018
Current generation		
Unrealized gain (loss)		
Equity Instruments	(136,511)	109,159
Related income tax	242	(1,455)
Other comprehensive income	(136,269)	107,704
Cumulative gains (losses) on disposal of equity instruments transferred to retained earnings	-	(180,154)
Closing balance	(\$ 186,611)	(\$ 36,432)

(6) Non-controlling interests

	For the three months ended March 31	
	2025	2024
Opening balance	\$ 49,318	\$ 40,068
Net profit for the period	3,995	6,309
Other comprehensive income		
Unrealized gains (losses) on financial assets at FVOCI	(9)	48
Related income tax	2	(9)
Closing balance	\$ 53,306	\$ 46,416

25. Revenue

	For the three months ended March 31	
	2025	2024
Revenue from contracts with customers		
Sales revenue	\$ 3,795,673	\$ 2,854,625

(1) Contract information

Sales revenue

Electronic components are sold to manufacturers of information, video, and electronic communication products. The Group's revenue amount is estimated at the most likely amount, considering discounts estimated based on customers' past purchasing patterns. Other goods are sold at contractually agreed prices.

(2) Contract balance

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Trade receivables from unrelated parties, net (Note 11)	\$ 4,714,092	\$ 4,263,950	\$ 3,429,959	\$ 3,289,314
Trade receivables from related parties (Note 33)	\$ 1,454	\$ 1,953	\$ 2,005	\$ -
Contract liabilities - current				

Advance sales receipts	\$ 2,112	\$ 6,020	\$ 3,490	\$ 6,311
------------------------	----------	----------	----------	----------

(3) Disaggregation of revenues from contracts with customers

Refer to Note 38 for the details of the disaggregation of revenue.

26. Net Profit for The Period

(1) Interest income

	For the three months ended March 31	
	2025	2024
Cash in banks	\$ 3,904	\$ 9,726
Others	799	861
	<u>\$ 4,703</u>	<u>\$ 10,587</u>

(b) Other income

	For the three months ended March 31	
	2025	2024
Rent income		
Investment properties	\$ 2,202	\$ 2,091
Depreciation of investment properties	(318)	(315)
	1,884	1,776
Others	2,057	974
	<u>\$ 3,941</u>	<u>\$ 2,750</u>

(3) Other gains and losses

	For the three months ended March 31	
	2025	2024
Gains and losses on financial assets and financial liabilities		
Financial assets mandatorily measured at FVPL	\$ -	(\$ 1,084)
Financial liabilities held for trading	(561)	(2,388)
Net foreign exchange gains	30,196	56,183
Losses on disposal of property, plant and equipment	(9)	-
Others	(55)	(136)
	<u>\$ 29,571</u>	<u>\$ 52,575</u>

(4) Finance costs

	For the three months ended March 31	
	2025	2024
Bank loan interest	\$ 25,701	\$ 22,071
Interest on lease liabilities	326	247
Deposit interest calculation	6	5
	<u>\$ 26,033</u>	<u>\$ 22,323</u>

(5) Depreciation and amortization

	For the three months ended March 31	
	2025	2024
Property, plant and equipment	\$ 2,898	\$ 2,875
Right-of-use assets	2,667	2,588
Investment properties	318	315
Other intangible assets	<u>1,171</u>	<u>1,142</u>
	<u>\$ 7,054</u>	<u>\$ 6,920</u>
Depreciation expense		
summarized by function		
Operating expenses	\$ 5,565	\$ 5,463
Non-operating income and expenses	<u>318</u>	<u>315</u>
	<u>\$ 5,883</u>	<u>\$ 5,778</u>
Amortization expenses		
summarized by function		
Operating expenses	<u>\$ 1,171</u>	<u>\$ 1,142</u>

(6) Employee benefits expense

	For the three months ended March 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	\$ 4,158	\$ 3,858
Defined benefit plans (Note 23)	<u>216</u>	<u>265</u>
	4,374	4,123
Share-based payments (Note 29)		
Equity settlement	4,120	7,923
Other employee benefits	<u>143,956</u>	<u>119,611</u>
	<u>\$ 152,450</u>	<u>\$ 131,657</u>
Summarized by function		
Operating expenses	<u>\$ 152,450</u>	<u>\$ 131,657</u>

(7) Employee compensation and director remuneration

If the Company has a profit for the year, it shall appropriate no less than 5% as employee compensation and no more than 3% as employee remuneration. However, if the Company has an accumulated deficit, an amount to cover the deficit shall be reserved in advance. The recipients of the aforementioned employee compensation, distributed as stock or cash, may include the employees of the Company's affiliated companies who meet certain conditions. According to the amendments to the Securities and Exchange Act in August 2024, the Company expects to amend its Articles of Incorporation through a resolution at the 2025 General Shareholders' Meeting, stipulating that if the Company makes a profit for the year, it shall appropriate no less than 5% as employee compensation (of which no less than 15% shall be distributed to non-managerial employees) and no more than 3% as employee remuneration. However, if the Company has accumulated deficits, an amount to cover the deficit shall be reserved in advance. The employee compensation and non-

managerial employee compensation may be in the form of shares or cash, and the recipients may include employees of affiliated companies who meet certain conditions. However, the remuneration of directors may only be distributed in cash. For the periods from January 1 to March 31 of 2025 and 2024, the employee compensation (including that for non-managerial employees) and director remuneration were estimated based on past experience and current operating conditions as follows:

	For the three months ended March 31	
	2025	2024
Compensation of employees	<u>\$ 28,782</u>	<u>\$ 21,189</u>
Remuneration of directors	<u>\$ 6,168</u>	<u>\$ 4,540</u>

If there is a change in the amount after the annual consolidated financial statements are authorized for issue, the changes will be treated as a change in accounting estimate and adjusted in the following year.

The employee compensation and remuneration of directors for the years 2024 and 2023 were resolved by the Board of Directors on March 13, 2025, and 2024, respectively.

	2024	2023
	Cash	Cash
Compensation of employees	<u>\$ 78,266</u>	<u>\$ 60,583</u>
Remuneration of directors	<u>\$ 16,771</u>	<u>\$ 12,982</u>

The distribution amounts from the aforementioned resolution do not differ significantly from the amounts recognized as expenses by the Company for the years 2024 and 2023.

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

27. Income Taxes

(1) Major components of tax expense recognized in profit or loss

	For the three months ended March 31	
	2025	2024
Current income tax		
Arising in the current period	\$ 78,226	\$ 43,559
Adjustments for prior year	<u>35</u>	<u>-</u>
	78,261	43,559
Deferred income tax		
Arising in the current period	<u>12,831</u>	<u>25,194</u>
Income tax expense recognized in profit or loss	<u>\$ 91,092</u>	<u>\$ 68,753</u>

(2) Income tax recognized in other comprehensive income

	For the three months ended March 31	
	2025	2024
<u>Deferred income tax</u>		
Arising in the current period		
- Unrealized gains (losses)		
on financial assets at		
FVOCI	(\$ 244)	\$ 1,464
Income tax (benefit) expense		
recognized in other		
comprehensive income	(\$ 244)	\$ 1,464

(3) Income tax examination

The Company and Scope have had their business income tax filings for years prior to the 2022 fiscal year approved by the tax authorities. The income tax of Lipers, AES, VIC-DAWN, TONSAM, and KOHO for business operations has been assessed by the tax authorities up to the year 2023.

28. Earnings Per Share

	Unit: NT\$ Per Share	
	For the three months ended March 31	
	2025	2024
Basic earnings per share	\$ 1.67	\$ 1.24
Diluted earnings per share	\$ 1.64	\$ 1.22

The earnings and weighted average number of ordinary shares used to calculate earnings per share are as follows:

Net profit for the period

	For the three months ended March 31	
	2025	2024
Earnings used to calculate basic and diluted earnings per share.	\$ 350,388	\$ 258,446

Number of Shares

	Unit: In thousands	
	For the three months ended March 31	
	2025	2024
Weighted-average number of outstanding ordinary shares used in the computation of basic EPS	210,278	208,657
Effect of dilutive potential ordinary shares		
Compensation of employees	1,297	1,172
Employee restricted stock	1,449	1,990
Weighted-average number of outstanding ordinary shares used in the computation of diluted EPS	213,024	211,819

If the Group has the option to distribute employee compensation in the form of shares or cash, it is assumed for the calculation of diluted earnings per share that the employee compensation will be issued in shares, and the weighted average number of shares outstanding will include the potential ordinary shares that has a dilutive effect in order to compute diluted earnings per share. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. Share-Based Payment Arrangements

(1) Employee share option plan of the Company

The Company resolved at the Board of Directors meeting on March 23, 2022 to issue the first restricted employee stock to employees in 2022, with a total issuance amount of NT\$40,000 thousand, with a par value of NT\$10 per share, totaling 4,000 thousand shares, at a price of 50% of the closing price on the issuing date. The aforementioned resolution became effective after being filed with the Financial Supervisory Commission on July 12, 2022, and was approved by the Board of Directors on July 14, 2022. The base date for the capital increase of restricted employee shares was July 22, 2022, with an issuance price of NT\$21.93 per share and a fair value of NT\$21.92 per share on the grant date. After employees receive the restricted employee stock, 40% vests after two years of service from the grant date; 30% vests after three years of service from the grant date; and 30% vests after four years of service from the grant date. From the grant date to the reporting date, 60 thousand shares of restricted employee stock lapsed due to employee resignations or failure to meet vesting conditions during the vesting period; 96 thousand shares of restricted employee stock were resolved by the Board of Directors on March 13, 2025 for early vesting due to employees' special contributions. As of March 31, 2025, there were 2,244 thousand shares of unvested restricted employee stock.

The summary of the changes in the accounting items related to the aforementioned restricted employee stock is as follows:

	Ordinary shares	Additional paid-in capital - restricted employees Stock	Additional paid-in capital - share premium	Retained earnings	Other equity- unearned employee benefits
Restricted employee stock grant date - July 14, 2022	\$ 40,000	\$ 125,911	\$ -	\$ -	(\$ 82,937)
Recognition of share- based payments	-	-	-	-	15,551
Balance at December 31, 2022	40,000	125,911	-	-	(67,386)
Recognition of share- based payments	-	-	-	-	31,989
Adjustment for turnover rate changes	-	3,157	-	-	(1,578)
Recognition of dividends received under unvested conditions.	-	-	-	794	-
Balance at December 31, 2023	40,000	129,068	-	794	(36,975)
Recognition of share- based payments	-	-	-	-	24,260
Vested restricted employee stock	-	(51,994)	51,994	-	-
Adjustment for turnover rate changes	-	4,438	-	-	(2,218)
Employee restricted stock recapture	(600)	(1,984)	-	525	1,291
Recognition of dividends received under unvested conditions.	-	-	-	(410)	-
Balance at December 31, 2024	39,400	79,528	51,994	909	(13,642)
Recognition of share- based payments	-	-	-	-	4,120
Vested restricted employee stock	-	(5,416)	5,416	-	-
Adjustment for turnover rate changes	-	76	-	-	(38)
Recognition of dividends received under unvested conditions.	-	-	-	(16)	-
Balance at March 31, 2025	<u>\$ 39,400</u>	<u>\$ 74,188</u>	<u>\$ 57,410</u>	<u>\$ 893</u>	<u>(\$ 9,560)</u>

Restrictions on employee rights to new shares before vesting conditions are met:

- The restricted shares that the employees will subscribe to shall be held in trust custody, and before the vesting conditions are fulfilled, they shall not be sold, pledged, transferred, gifted to others, encumbered, or disposed of such shares in any other manner, except for inheritance.
- The voting rights of the shareholders meeting shall be exercised by trust custodians in accordance with relevant laws and regulations.

- iii. Restricted employee shares that have not yet met vesting conditions are still entitled to receive stock and cash dividends, identical to the Company's issued common shares, but they are not entitled to rights to subscribe for new shares in a cash capital increase.

(2) On May 4, 2023, the Company's Board of Directors resolved to issue the 2023 First Restricted Employee Stock to employees, with a total issuance amount of NT\$40,000 thousand, par value of NT\$10 per share, totaling 4,000 thousand shares, at a price of 50% of the closing price of ordinary shares on the issuance date. The aforementioned resolution became effective after registration with the Financial Supervisory Commission on October 11, 2023. The actual issuance date will be determined by the Board of Directors and approved by the Chairperson on April 23, 2025. The record date for this restricted employee stock capital increase is August 15, 2025, with an issue price of NT\$ 30.55 per share.

30. Cash Flows Information

Changes in liabilities from financing activities

January 1 to March 31, 2025

	January 1, 2025	Cash flows	Non-cash changes		March 31, 2025
			Leases changes	Exchange rate changes	
Lease liabilities (current and non-current)	\$ 23,084	(\$ 2,586)	\$ 9,769	\$ 542	\$ 30,809

January 1 to March 31, 2024

	January 1, 2024	Cash flows	Non-cash changes		March 31, 2024
			Exchange rate changes		
Short-term borrowings	\$ 1,554,378	(\$ 121,515)	\$ 243		\$ 1,433,106
Guarantee deposits received	5,521	(144)	1		5,378
Lease liabilities (current and non-current)	31,887	(2,126)	657		30,418
	\$ 1,591,786	(\$ 123,785)	\$ 901		\$ 1,468,902

31. Capital Risk Management

The Group manages its capital to ensure that each entity will be able to continue as a going concern while maximizing shareholder returns by optimizing the balance between debt and equity to support operating capital requirements, bank loan repayments, and dividend payments for the next 12 months.

The capital structure of the Group consists of net debt and equity attributable to the owners of the Company.

The Group is not subject to any externally imposed capital requirements.

32. Financial Instruments

(1) Fair value of financial instruments not measured at fair value

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

(2) Fair value of financial instruments measured at fair value on a recurring basis

i. Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u> <u>through other</u> <u>comprehensive income</u>				
Equity instrument investments				
Listed (OTC) stocks - domestic	\$ 1,074,700	\$ -	\$ -	\$ 1,074,700
Listed (OTC) stocks - foreign	<u>64,570</u>	<u>-</u>	<u>-</u>	<u>64,570</u>
	<u>\$ 1,139,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,139,270</u>
<u>Financial liabilities at fair</u> <u>value through profit or loss</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 603</u>	<u>\$ -</u>	<u>\$ 603</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u> <u>through other</u> <u>comprehensive income</u>				
Equity instrument investments				
Listed (OTC) stocks - domestic	\$ 1,210,000	\$ -	\$ -	\$ 1,210,000
Listed (OTC) stocks - foreign	<u>65,790</u>	<u>-</u>	<u>-</u>	<u>65,790</u>
	<u>\$ 1,275,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,275,790</u>
<u>Financial liabilities at fair</u> <u>value through profit or loss</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 230</u>

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u> <u>through other</u> <u>comprehensive income</u>				
Equity instrument investments				
Listed (OTC) stocks - domestic	\$ 9,201	\$ -	\$ -	\$ 9,201
Listed (OTC) stocks - foreign	<u>99,164</u>	<u>-</u>	<u>-</u>	<u>99,164</u>
	<u>\$ 108,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,365</u>
<u>Financial liabilities held for</u> <u>trading</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 1,590</u>	<u>\$ -</u>	<u>\$ 1,590</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the period from January 1 to March 31, 2025 and 2024.

ii. Reconciliation of Level 3 fair value measurements of financial instruments

January 1 to March 31, 2024

Financial assets	Financial assets at FVOCI - equity instruments
Opening balance	\$ 96,979
Recognized in other comprehensive income (unrealized gain (loss) on financial assets measured at FVOCI)	103,175
Reclassification	(200,154)
Closing balance	<u>\$ -</u>

iii. Valuation techniques and inputs applied for Level 2 fair value measurement

Categories of financial instruments	Valuation techniques and inputs
Derivatives - foreign exchange forward contracts	Measured using the forward exchange rates and a yield curve derived from the quoted interest rates matching the contract maturity.

iv. Valuation techniques and inputs applied for Level 3 fair value measurement

Categories of financial instruments	Valuation techniques and inputs
Domestic unlisted shares	Asset approach valuation based on the aggregate value of individual assets and individual liabilities to reflect the overall value of the investment target. Significant unobservable inputs include discounts for market liquidity considerations.

(3) Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Measured at amortized cost			
Cash and cash equivalents	\$ 939,661	\$ 888,588	\$ 1,723,950
Notes receivable, net	128,802	133,333	139,476
Trade receivables from unrelated parties, net	4,714,092	4,263,950	3,429,959
Trade receivables from related parties	1,454	1,953	2,005
Other receivables from unrelated parties	2,589	2,043	5,026
Refundable deposits	7,455	4,028	3,901
Overdue receivables (included in other non- current assets)	-	-	-
Financial assets at amortized cost (current and non-current)	325,255	306,037	1,033,098
Financial assets at fair value through other comprehensive income			
Equity instrument investments	1,139,270	1,275,790	108,365

(Continued)

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial liabilities</u>			
Financial assets at fair value through profit or loss			
Financial liabilities held for trading	\$ 603	\$ 230	\$ 1,590
Measured at amortized cost			
Short-term borrowings	2,165,438	2,310,994	1,433,106
Notes payable	224	179	227
Trade payables to unrelated parties	1,276,343	1,287,387	995,904
Trade payables to related parties	1,218	717	27
Other payables to unrelated parties	79,980	86,252	72,353
Guarantee deposits received	5,389	5,379	5,378

(4) Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, short-term borrowings, and lease liabilities. The Group's finance department provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and extent of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the shareholders' meeting, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not engage in trading financial instruments, including derivatives, for speculative purposes.

i. Market risk

The Group's operating activities primarily expose it to financial risks arising from changes in foreign exchange rates (see (i) below) and interest rates (see (ii) below). The Group engages in forward foreign exchange contracts to hedge foreign exchange risk arising from sales and purchases.

(i) Foreign currency risk

The Group undertakes transactions denominated in foreign currencies for sales and purchases, which exposes it to exchange rate fluctuations. The Group's exchange rate exposure is managed within policy-approved limits by using forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on

consolidation in the consolidated financial statements) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 36.

Sensitivity analysis

The Group is primarily affected by US dollar exchange rate fluctuations.

The table below details the sensitivity analysis of the Group when the exchange rate of the U.S. dollar increases and decreases by 5%. The sensitivity analysis included only outstanding foreign currency denominated items, and adjusts their translation at the end of the period by a 5% change in foreign currency rates. The positive amounts in the following table represent the amount by which pre-tax net income would increase when the US dollar appreciates by 5%; conversely, when the US dollar depreciates by 5%, the impact on pre-tax net income would be a negative amount of the same magnitude.

	USD Impact	
	For the three months ended March 31	
	2025	2024
Profit or loss	<u>\$ 73,374</u>	<u>\$ 56,149</u>

(ii) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments due to changes in market interest rates. The Group's interest rate risk arises primarily from investments at fixed interest rates and borrowings at floating interest rates.

The carrying amounts of the Group's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date are as follows.

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Fair value interest rate risk			
- Financial assets	\$ 655,483	\$ 722,645	\$ 2,060,735
- Financial liabilities	1,872,685	1,790,271	826,751
Cash flow interest rate risk			
- Financial assets	606,842	470,915	695,345
- Financial liabilities	323,562	543,807	636,773

Sensitivity analysis

The sensitivity analysis below was determined based on the interest rate exposure of non-derivative instruments at the balance sheet date. For floating-rate liabilities, the analysis assumes that the amount of outstanding liabilities at the balance sheet date remains outstanding throughout the reporting period.

If interest rates had been 50 basis points higher and all other variables were held constant, the Group's profit before tax for the periods ended March 31, 2025 and 2024 would have increased by NT\$354 thousand and NT\$73 thousand, respectively.

(iii) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities.

Sensitivity analysis

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

If the price of equity securities increases by 1%, the other comprehensive income after tax for the periods from January 1 to March 31, 2025 and 2024 would increase by NT\$11,393 thousand and NT\$1,084 thousand respectively due to changes in the fair value of financial assets measured at fair value through other comprehensive income.

ii. Credit risk

Credit risk refers to the risk of financial loss to the Group arising from counterparties' defaulting on their contractual obligations. As of the balance sheet date, the Group maximum credit risk exposure that could cause financial loss due to counterparties' failure to perform their obligations primarily arises from the carrying amounts of financial assets recognized in the consolidated balance sheets.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that appropriate actions are taken for the recovery of overdue receivables. In addition, the Group reviews the recoverable amount of receivables individually at each balance sheet date to ensure that appropriate impairment losses have been provided for uncollectible receivables. Accordingly, the management believes the Group's credit risk was significantly reduced.

Receivables are from numerous customers spread across different industries and geographical regions. The Group continuously assesses the financial condition of its customers with receivables.

As of March 31, 2025, and as of December 31, 2024, and March 31, 2024, the trade receivables balances due from Company A were NT\$680,118 thousand, NT\$369,264 thousand, and NT\$117,046 thousand, respectively; those due from Company B were NT\$541,999 thousand, NT\$587,377 thousand, and NT\$361,337 thousand, respectively. The Group transacts with a large number of unrelated customers, and thus, credit risk is not highly concentrated.

iii. Liquidity risk

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

(i) Liquidity and interest rate risk tables for non-derivative financial liabilities

The remaining contractual maturity analysis for non-derivative financial liabilities is prepared based on the earliest date on which the Group could be required to repay, using the undiscounted cash flows of the financial liabilities (including principal and estimated interest). Therefore, bank

borrowings that the Group could be required to repay on demand are included in the earliest period in the table below, without regard to the probability that the bank will exercise this right immediately. The maturity analysis for other non-derivative financial liabilities is prepared according to the agreed repayment dates.

The undiscounted interest amounts for interest cash flows paid at floating rates are derived from the yield curve at the balance sheet date.

The non-interest-bearing financial liabilities of the Group classified as current liabilities have a maturity of within one year, and there are no financial liabilities repayable on demand. Within non-current financial liabilities, guarantee deposits are mainly deposited by lessees as credit guarantees and do not have a specific maturity date.

March 31, 2025

	On demand or < 1 month	1-6 months	7 months to 1 year	1-5 years	5+ years
Lease liabilities	\$ 990	\$ 4,952	\$ 5,509	\$ 20,983	\$ -
Floating rate instruments	74,575	251,825	-	-	-
Fixed rate instruments	189,880	1,677,254	-	-	-
	<u>\$ 265,445</u>	<u>\$ 1,934,031</u>	<u>\$ 5,509</u>	<u>\$ 20,983</u>	<u>\$ -</u>

December 31, 2024

	On demand or < 1 month	1-6 months	7 months to 1 year	1-5 years	5+ years
Lease liabilities	\$ 545	\$ 2,725	\$ 2,824	\$ 18,346	\$ -
Floating rate instruments	144,555	404,672	-	-	-
Fixed rate instruments	226,164	1,567,654	-	-	-
	<u>\$ 371,264</u>	<u>\$ 1,975,051</u>	<u>\$ 2,824</u>	<u>\$ 18,346</u>	<u>\$ -</u>

March 31, 2024

	On demand or < 1 month	1-6 months	7 months to 1 year	1-5 years	5+ years
Lease liabilities	\$ 927	\$ 4,637	\$ 4,393	\$ 22,451	\$ -
Floating rate instruments	3,114	644,142	-	-	-
Fixed rate instruments	272,036	532,375	-	-	-
	<u>\$ 276,077</u>	<u>\$ 1,181,154</u>	<u>\$ 4,393</u>	<u>\$ 22,451</u>	<u>\$ -</u>

The amounts for the floating-rate instruments of the non-derivative financial assets and liabilities above will change as floating interest rates differ from the rates estimated at the balance sheet date.

(ii) Liquidity and interest risk rate tables for derivative financial liabilities

For liquidity analysis of derivative financial instruments, derivative instruments settled on a gross basis are prepared based on the undiscounted gross cash inflows and outflows.

March 31, 2025

	On demand or < 1 month	1-6 months	7 months to 1 year	1-5 years	5+ years
<u>Gross settlement</u>					
Forward exchange contracts					
- Inflows	\$ 65,657	\$ -	\$ -	\$ -	\$ -
- Outflows	(66,260)	-	-	-	-
	<u>(\$ 603)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024

	On demand or < 1 month	1-6 months	7 months to 1 year	1-5 years	5+ years
<u>Gross settlement</u>					
Forward exchange contracts					
- Inflows	\$ 32,579	\$ -	\$ -	\$ -	\$ -
- Outflows	(32,809)	-	-	-	-
	<u>(\$ 230)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

March 31, 2024

	On demand or < 1 month	1-6 months	7 months to 1 year	1-5 years	5+ years
<u>Gross settlement</u>					
Forward exchange contracts					
- Inflows	\$ 126,317	\$ -	\$ -	\$ -	\$ -
- Outflows	(127,907)	-	-	-	-
	<u>(\$ 1,590)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(5) Transfers of financial assets

The Group has entered into commercial bill discounting agreements with banks. The agreements stipulate that if commercial bills receivable are not recovered upon maturity, the bank has the right to demand payment of the outstanding balance from the Group. Therefore, the Group has not transferred the significant risks and rewards relating to these commercial bills. The Group continues to recognize the full carrying amounts of these commercial bills and treats these commercial bills that have been transferred to banks as collateral for borrowings in Note 20.

As of March 31, 2025, and December 31, 2024, there were no transferred commercial bills receivable that had not been derecognized, nor related liabilities. As of March 31, 2024, the carrying amount of the transferred commercial bills receivable that had not been derecognized was NT\$15,075 thousand, and the carrying amount of the related liabilities was NT\$15,075 thousand.

33. Related Party Transactions

Transactions, account balances, revenues, and expenses between the Company and its subsidiaries (which are related parties of the Company) have been eliminated in full upon consolidation and are therefore not disclosed in this note. Except as disclosed in other notes, transactions between the Group and other related parties are as follows:

(1) Name of Related Party and Its Relationship

Name of Related Party	Relationship with the Group
Concord Advanced	Associates (Note)

Note: On March 13, 2024, the Board of Directors of the Group resolved to sign a share purchase agreement with a non-related party to acquire 12,834,314 shares of Concord Advanced at NT\$ 22 per share. Following the acquisition, the Group's

stake in Concord Advanced increased to 20.56%, thereby granting it significant influence. Therefore, profit and loss have been disclosed since April 1, 2024.

(2) Operating revenue

Related party category	For the three months ended March 31	
	2025	2024
Associates	<u>\$ 1,714</u>	<u>\$ -</u>

The transaction prices and terms between the Group and related parties are comparable to those of arm's-length transactions.

(3) Purchases

Related party category	For the three months ended March 31	
	2025	2024
Associates	<u>\$ 1,435</u>	<u>\$ -</u>

The transaction prices and terms between the Group and related parties are comparable to those of arm's-length transactions.

(4) Receivables from related parties

Account item	Related party category	March 31, 2025	December 31, 2024	March 31, 2024
Trade receivables	Associates	<u>\$ 1,454</u>	<u>\$ 1,953</u>	<u>\$ 2,005</u>

Outstanding receivables from related parties are unsecured. No expected credit loss has been provided for receivables from related parties for the periods from January 1 to March 31, 2025, and 2024.

(5) Payables to related parties

Account item	Related party category	March 31, 2025	December 31, 2024	March 31, 2024
Trade payables	Associates	<u>\$ 1,218</u>	<u>\$ 717</u>	<u>\$ 27</u>

Outstanding payables to related parties are unsecured.

(6) Remuneration of key management personnel

	For the three months ended March 31	
	2025	2024
Short-term employee benefits	\$ 37,279	\$ 30,538
Post-employment benefits	375	434
Share-based payments	<u>3,074</u>	<u>6,141</u>
	<u>\$ 40,728</u>	<u>\$ 37,113</u>

The compensation of directors and other key management personnel is determined by the remuneration committee or management based on individual performance and market trends.

34. Pledged Assets

The following assets have been provided to financial institutions and suppliers as collateral for short-term borrowings and payment for purchases, with a carrying amount as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Financial assets at amortized cost - non-current	\$ 188,056	\$ 179,684	\$ 165,818
Property, plant and equipment	72,826	72,882	73,052
Investment properties	15,787	15,797	15,826
Notes receivable	-	-	15,075
	<u>\$ 276,669</u>	<u>\$ 268,363</u>	<u>\$ 269,771</u>

35. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Except for those disclosed in other notes, the Group's significant commitments as of the balance sheet date are as follows:

- (1) The Group has issued letters of credit that remain unused for purchases of inventories amounting to US\$3,487 thousand.
- (2) As of March 31, 2025, the Group issued a guarantee letter from Taishin International Bank as collateral for payment of purchases amounting to NT\$90,000 thousand.

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

The following information is presented in aggregate by foreign currencies other than the functional currency of each entity of the Group. The exchange rates disclosed are those for converting such foreign currencies to the functional currency. The Group's significant financial assets and liabilities denominated in foreign currencies are as follows:

March 31, 2025

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 150,785	33.2050 (USD: NTD)	\$ 5,006,831
USD	8	7.1763 (USD: RMB)	269
USD	273	7.7800 (USD: HKD)	9,052
Foreign currency liabilities			
<u>Monetary items</u>			
USD	103,705	33.2050 (USD: NTD)	3,443,527
USD	3,117	7.1763 (USD: RMB)	102,282
USD	51	7.7800 (USD: HKD)	1,692

December 31, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 134,487	32.7850 (USD: NTD)	\$ 4,409,164
USD	8	7.1884 (USD: RMB)	264
USD	242	7.7653 (USD: HKD)	7,948
Foreign currency liabilities			
<u>Monetary items</u>			
USD	107,619	32.7850 (USD: NTD)	3,528,294
USD	3,124	7.1884 (USD: RMB)	100,551
USD	7	7.7653 (USD: HKD)	246

March 31, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 112,139	32.0000 (USD: NTD)	\$ 3,588,449
USD	105	7.0946 (USD: RMB)	3,284
USD	545	7.8259 (USD: HKD)	17,448
Foreign currency liabilities			
<u>Monetary items</u>			
USD	74,160	32.0000 (USD: NTD)	2,373,118
USD	3,412	7.0946 (USD: RMB)	106,704
USD	124	7.8259 (USD: HKD)	3,982

The Group's net foreign exchange gains (including realized and unrealized) for the periods from January 1 to March 31, 2025 and 2024 were NT\$30,196 thousand and NT\$56,183 thousand, respectively. Due to the variety of functional currencies among the Group's entities, it is not feasible to disclose exchange gains and losses for each significant foreign currency.

37. Disclosure in the Notes

(1) Significant transactions:

- i. Financing provided to others: Table 1
- ii. Endorsements/guarantees provided: Table 2.
- iii. Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities): Table 3
- iv. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% or of the paid-in capital: None.
- v. Receivables from related parties amounting to at least NT\$100 million or 20% or of the paid-in capital: Table 4

- vi. Other: Business relationships and significant transactions between parent and subsidiary and between subsidiaries: Table 5

(2) Information on investees: Table 6.

(3) Information on investments in mainland China

- i. Name of the investee company in Mainland China, its main business activities, paid-in capital, method of investment, cash flow of funds remitted, shareholding ratio, profit/loss for the period and recognized investment profit/loss, carrying amount of the investment at period-end, remitted investment income, and the investment limit in the Mainland China region: Table 7.
- ii. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses.
 - (i) Amount and percentage of purchases and the related closing balance and percentage of payables: Table 5.
 - (ii) Amount and percentage of sales and the related closing balance and percentage of receivables: Table 5.
 - (iii) Amount of property transactions and the resulting profit or losses: None
 - (iv) Closing balance of note endorsements/guarantees or collateral provided and their purposes: None.
 - (v) The highest balance, closing balance, the interest rate ranges and total interest for the current period: Table 1.
 - (vi) Other transactions that significantly affect the current period's profit or loss or financial position, such as the provision or receipt of services: None.

38. Segment Information

In accordance with IFRS 8 "Operating Segments," the Group has aggregated and disclosed the reportable segments based on the primary operating regions of each segment as follows:

- 1. Taiwan
- 2. Others

(1) Segment revenue and results

The Group' revenue and operating results analyzed by reportable segments are as follows:

	Segment revenue		Segment profit/loss	
	For the three months ended March 31		For the three months ended March 31	
	2025	2024	2025	2024
Taiwan region				
Revenue from external customers	\$ 3,622,392	\$ 2,683,474		
Revenue from other segments	<u>540,534</u>	<u>366,403</u>		
	<u>4,162,926</u>	<u>3,049,877</u>	\$ 407,971	\$ 269,233
Other regions				
Revenue from external customers	173,281	171,151		
Revenue from other segments	<u>35,097</u>	<u>23,995</u>		
	<u>208,378</u>	<u>195,146</u>	17,944	14,651
Inter-segment transaction elimination	(<u>575,631</u>)	(<u>390,398</u>)	<u>4,399</u>	<u>6,035</u>
	<u>\$ 3,795,673</u>	<u>\$ 2,854,625</u>	430,314	289,919
Interest income			4,703	10,587
Other income			3,941	2,750
Other gains and losses			29,571	52,575
Finance costs			(26,033)	(22,323)
Share of profit or loss of associates accounted for using the equity method			<u>2,979</u>	<u>-</u>
Profit before tax			<u>\$ 445,475</u>	<u>\$ 333,508</u>

Revenues reported above were from transactions with external customers. Inter-segment sales for the periods from January 1 to March 31, 2025 and 2024 have been eliminated.

Segment profit represents the profit earned by each segment, excluding interest revenue, other income, other gains and losses, finance costs, share of profits and losses of associates accounted for using the equity method, and tax expense. This measurement is provided to the chief operating decision maker for allocating resources to segments and assessing their performance.

(2) Total segment assets and liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Segment assets</u>			
Taiwan region assets	\$ 10,187,580	\$ 10,141,848	\$ 8,843,661
Other regions assets	<u>848,992</u>	<u>739,922</u>	<u>860,263</u>
Total consolidated assets	<u>\$ 11,036,572</u>	<u>\$ 10,881,770</u>	<u>\$ 9,703,924</u>
<u>Segment liabilities</u>			
Taiwan region liabilities	\$ 4,864,801	\$ 4,151,191	\$ 3,594,143
Other regions liabilities	<u>175,417</u>	<u>76,037</u>	<u>166,696</u>
Total consolidated liabilities	<u>\$ 5,040,218</u>	<u>\$ 4,227,228</u>	<u>\$ 3,760,839</u>

Table 1

NICHIDENBO CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest rate (%)	Nature of Financing (Note 5)	Business Transaction Amount	Reasons For Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
													Item	Value		
0	Nichidenbo Corporation	Scope	Other receivables from related parties	Yes	\$ 300,000	\$ 300,000	\$ 245,000	1.85	(2)	\$ -	Operational needs	\$ -	—	\$ -	\$ 1,782,914 (Note 1)	\$ 2,377,219 (Note 1)
0	Nichidenbo Corporation	Lipers	Other receivables from related parties	Yes	300,000	300,000	300,000	1.85	(2)	-	Operational needs	-	—	-	1,782,914 (Note 1)	2,377,219 (Note 1)
0	Nichidenbo Corporation	Koho	Other receivables from related parties	Yes	80,000	-	-	-	(2)	-	Operational needs	-	—	-	1,782,914 (Note 1)	2,377,219 (Note 1)
1	NDB(Shenzhen)	NDB(Suzhou)	Other receivables from related parties	Yes	45,730 (RMB 10,000 thousand)	45,730 (RMB 10,000 thousand)	45,730 (RMB 10,000 thousand)	3.10	(2)	-	Operational needs	-	—	-	294,894 (Notes 2 and 6)	294,894 (Note 2 and 6)
2	Vic-Dawn	Lipers	Other receivables from related parties	Yes	70,000	70,000	40,000	2.00	(2)	-	Operational needs	-	—	-	104,764 (Note 3)	139,686 (Note 3)
3	AES	Lipers	Other receivables from related parties	Yes	80,000	80,000	40,000	2.05~2.07	(2)	-	Operational needs	-	—	-	189,713 (Note 4)	252,951 (Note 4)

Note 1: The total lending limit is capped at 40% of Nichidenbo Corporation’s net worth as stated in its Q1 2025 financial statements. For loans extended for necessary short-term financing purposes, the individual lending limit is 30% of Nichidenbo Corporation’s Q1 2025 net worth. However, for short-term financing extended to foreign subsidiaries in which the Company directly or indirectly holds 100% of the voting shares, the total lending limit is 100% of the lending entity’s net worth based on its 2024 annual financial statements.

Note 2: Capped at 100% of NDB (Shenzhen)’s net worth as reported in its 2024 annual financial statements.

Note 3: The total lending limit is 40% of Vic-Dawn’s net worth based on its 2024 annual financial statements. For loans made for necessary short-term financing purposes, the individual lending limit is 30% of the same.

Note 4: The total lending limit is 40% of AES’s net worth based on its 2024 annual financial statements. For loans made for necessary short-term financing purposes, the individual lending limit is 30% of the same.

Note 5: Nature of Loan is explained as follows:

- (1) Business relationships.
- (2) Short-term financing needs.

Note 6: Calculated based on the exchange rate as of March 31, 2025, at RMB 1 = NT\$4.573.

Note 7: The above transactions have been eliminated.

Table 2

NICHIDENBO CORPORATION AND SUBSIDIARIES

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

NO.	Endorser/Guarantor	Endorsed/Guaranteed		Limit on Endorsement/ Guarantee Given on Behalf of each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement / Guaranteed to Net Equity in Latest Financial Statement (%) (Note 3)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 1)										
0	Nichidenbo Corporation	Koho	2	\$ 8,914,572	\$ 130,000	\$ 130,000	\$ 130,000	\$ -	2.19	\$ 17,829,144	Y	N	N

Note 1: The relationship between the endorser/guarantor and the endorsed/guaranteed party includes the following seven types, which can be indicated by type:

- (1) Companies with business transactions.
- (2) Companies in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) Companies that directly and indirectly hold more than 50% of the Company's voting shares.
- (4) Companies in which the Company holds 90% or more of the voting shares directly and indirectly.
- (5) Companies jointly guaranteed by all shareholders based on their shareholding ratios due to joint investment arrangements.
- (6) Companies providing mutual guarantees under contractual agreements due to construction contract requirements among peers or co-developers.
- (7) Joint guarantors among industry peers providing performance guarantees for pre-sale housing contracts, in accordance with the Consumer Protection Act.

Note 2: The Company’s total limit for external endorsements/guarantees is 300% of its net worth as stated in the Q1 2025 financial statements, and the limit for endorsements/guarantees to any single entity is 150% of the same net worth.

Note 3: Represents the ratio of the ending balance of endorsements/guarantees to the net worth of the endorser company.

Table 3

Nichidenbo Corporation and Subsidiaries

MARKETABLE SECURITIES HELD
MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Holding Company	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	MARCH 31,2025				Note
				Shares/Units	Carrying Amount	Percentage of Ownership(%)	Fair Value	
Nichidenbo Corporation	<u>Shares</u> WT Microelectronics Co., Ltd.	—	Financial assets at fair value through other comprehensive income - current	11,000,000	\$ 1,074,700	0.88	\$ 1,074,700	
Lipers	<u>Shares</u> Nippon Chemi-Con Corporation	—	Financial assets at fair value through other comprehensive income - current	321,800	64,570	1.47	64,570	

Note 1: This table presents the securities that the Company has determined must be disclosed based on the principle of materiality.
Note 2: For information on investments in subsidiaries, refer to Tables 6 and 7.

Table 4

NICHIDENBO CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$ 100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Nichidenbo Corporation	Lipers	Subsidiary	\$ 323,604 (Note 1)	4.01	\$ -	—	\$ 9,211	\$ -
Nichidenbo Corporation	Scope	Subsidiary	272,952 (Note 2)	4.33	-	—	14,279	-

Note 1: Includes trade receivables of NT\$20,538 thousand and other receivables of NT\$303,066 thousand (mainly NT\$300,000 thousand in financing provided to others). Other receivables are excluded from the turnover ratio calculation.

Note 2: Includes trade receivables of NT\$24,053 thousand and other receivables of NT\$248,899 thousand (mainly NT\$245,000 thousand in financing provided to others). Other receivables are excluded from the turnover ratio calculation.

Note 3: The above transactions have been eliminated.

Table 5

NICHIDENBO CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2025

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
0	Nichidenbo Corporation	Lipers	1	Trade receivables from related parties	\$ 20,538	Comparable to general transaction terms	-
			1	Operating revenue	19,542	Internal transfer pricing	1
			1	Other receivables from related parties	303,066	—	3
		Scope	1	Trade receivables from related parties	24,053	Comparable to general transaction terms	-
			1	Operating revenue	22,608	Internal transfer pricing	1
			1	Other receivables from related parties	248,899	—	2
1	Lipers	Scope	3	Trade receivables from related parties	53,598	Comparable to general transaction terms	-
			3	Operating revenue	50,308	Internal transfer pricing	1
			3	Trade receivables from related parties	69,029	Comparable to general transaction terms	1
		AES	3	Operating revenue	64,845	Internal transfer pricing	2
			3	Trade receivables from related parties	14,408	Comparable to general transaction terms	-
			3	Operating revenue	14,208	Internal transfer pricing	-
2	Scope	Lipers	3	Trade receivables from related parties	62,702	Comparable to general transaction terms	1
			3	Operating revenue	60,118	Internal transfer pricing	2
		Advance	3	Trade receivables from related parties	90,303	Comparable to general transaction terms	1
			3	Operating revenue	85,221	Internal transfer pricing	2
		AES	2	Trade receivables from related parties	38,653	Comparable to general transaction terms	-
			2	Operating revenue	36,863	Internal transfer pricing	1
3	AES	Lipers	3	Trade receivables from related parties	55,339	Comparable to general transaction terms	1
			3	Operating revenue	52,905	Internal transfer pricing	1
			3	Other receivables from related parties	40,088	—	-
		Scope	3	Trade receivables from related parties	61,386	Comparable to general transaction terms	1
			3	Operating revenue	58,557	Internal transfer pricing	2
			3	Trade receivables from related parties	31,395	Comparable to general transaction terms	-
4	Vic-Dawn	Lipers	3	Other receivables from related parties	40,130	—	-
5	NDB (Shenzhen)	Lipers Electronic (SZ)	3	Trade receivables from related parties	14,282	Comparable to general transaction terms	-
			3	Operating revenue	12,470	Internal transfer pricing	-
6	NDB (Suzhou)	NDB (Suzhou)	3	Other receivables from related parties	45,773	—	-
		NDB (Shenzhen)	3	Trade receivables from related parties	12,523	Comparable to general transaction terms	-
			3	Operating revenue	10,939	Internal transfer pricing	-

Note 1: Business transactions between the parent company and its subsidiaries should be indicated in the numbering column as follows:

- (1) Parent company: 0.
- (2) Subsidiaries: numbered sequentially starting from 1.

Note 2: The relationship with purchasers (seller) include the following three types:

- (1) Parent company to subsidiary.
- (2) Subsidiary and parent company.
- (3) Subsidiary to subsidiary.

Note 3: The ratio of transaction amount to consolidated total revenue or total assets is calculated based on the nature of the item: for balance sheet items, the ratio is calculated using the closing balance as a percentage of consolidated total assets; for income statement items, it is calculated using the cumulative amount as a percentage of consolidated total revenue.

Note 4: The disclosure threshold for business relationships and significant transactions between the Group's entities is NT\$10,000 thousand.

Note 5: The above transactions have been eliminated.

Table 6

NICHIDENBO CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of Shares	(%)	Carrying Value			
Nichidenbo Corporation	Vic-Dawn	Xindian District, New Taipei City	Sales and marketing of electronic components	\$ 187,646	\$ 187,646	14,296,603	95.31	\$ 362,470	\$ 31,227	\$ 29,751 (Note 1)	Subsidiary (Note 5)
	NDB (Mauritius)	Mauritius	Investment activities	154,382	154,382	5,050,000	100.00	480,741	7,684	7,684	Subsidiary (Note 5)
	Lipers	Xindian District, New Taipei City	Sales and marketing of electronic components	729,615	729,615	31,788,710	99.34	760,810	58,017	57,197 (Note 2)	Subsidiary (Note 5)
	Scope	Xindian District, New Taipei City	Sales and marketing of electronic components	814,502	814,502	53,016,276	100.00	1,248,285	127,377	127,524 (Note 1)	Subsidiary (Note 5)
	AES	Xindian District, New Taipei City	Sales and marketing of electronic components	383,887	383,887	37,224,808	100.00	669,384	38,044	37,622 (Note 1)	Subsidiary (Note 5)
	Tonsam	Xindian District, New Taipei City	Sales and marketing of electronic components	358,430	358,430	15,000,000	100.00	296,518	7,967	7,966 (Note 2)	Subsidiary (Note 5)
	Lipers (HK)	Hong Kong	Sales and marketing of electronic components	140,373	140,373	11,000,000	100.00	123,627	6,944	6,944	Subsidiary (Note 5)
	Koho	Xindian District, New Taipei City	Sales and marketing of electronic components	81,600	81,600	5,100,000	85.00	184,645	15,104	12,146 (Note 2)	Subsidiary (Note 5)
	Concord Advanced	Zhonghe District, New Taipei City	Sales and marketing of electronic components	302,355	302,355	21,932,212	20.56	491,626	14,935	2,979 (Note 3)	Associates

Note 1: The difference between the investee company's profit or loss for the period recognized based on the shareholding ratio and the investment income (loss) recognized for the period is due to the impact of unrealized gross profit from upstream transactions.

Note 2: The difference between the investee company's profit or loss for the period recognized based on the shareholding ratio and the investment income (loss) recognized for the period is due to the amortization of the excess of the fair value of the investee's assets over their carrying amount and the impact of unrealized gross profit from upstream transactions.

Note 3: The difference between the investee company's profit or loss for the period recognized based on the shareholding ratio and the investment income (loss) recognized for the period is due to the amortization of the excess of the fair value of the investee's assets over their carrying amount.

Note 4: For information on investee companies in Mainland China, please refer to Table 7.

Note 5: Intercompany profits and losses, long-term equity investments in investee companies, and the investee companies' net equity have been eliminated.

Table 7

NICHIDENBO CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gains (Losses) (Note 1)	Carrying Amount as of March 31,2025 (Note 1)	Accumulated Repatriation of Investment Income as of March 31,2025
					Outward	Inward						
NDB(Shenzhen)	Sales and marketing of electronic components	\$ 90,499 (USD 2,744 thousand and HKD 2,000 thousand)	Invested by NDB (Mauritius)	\$ 90,499	\$ -	\$ -	\$ 90,499	\$ 4,346	100	\$ 4,346	\$ 299,298	\$ 154,755
NDB(Suzhou) (Note 3)	Sales and marketing of electronic components	101,712 (US\$ 3,396 thousand)	Invested by NDB (Mauritius)	59,900	-	-	59,900	3,307	100	3,307	178,916	4,475
Lipers Electronic (SZ)	Sales and marketing of electronic components	29,385 (US\$ 1,000 thousand)	Invested by Lipers (HK)	61,911	-	-	61,911	7,707	100	7,707	109,692	76,187

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 212,310 (HKD 2,000 thousand, USD 4,744 thousand and NTD 61,911 thousand)	\$ 254,122 (HKD 2,000 thousand, USD 6,140 thousand and NTD 61,911 thousand)	\$ 3,597,812 (Note 2)

Note 1: Current period recognized investment gain/loss and investment carrying amount at period-end are calculated based on the investee companies' unreviewed financial statements for the same period.

Note 2: The Company's cumulative investment amount limit in mainland China is calculated as 60% of consolidated equity.

Note 3: Of NDB(Suzhou)'s paid-in capital, NT\$59,900 thousand (US\$2,000 thousand) was remitted from Taiwan via a third region investment to mainland China; the remainder represents an indirect capital increase by NDB (Mauritius) through dividends received from Nichidenbo (Shanghai) Trading Co., Ltd. and reinvestment in NDB(Suzhou).

Note 4: Paid-in capital amounts were translated into NT\$ at historical exchange rates.

Note 5: Intercompany profits and losses, long-term equity investments in investee companies, and investee companies' equity net worth have been eliminated.