CyberTAN Technology Inc. and the subsidiaries
Consolidated Financial Statements and Independent Auditors' Review Report
March 31, 2025 and 2024
(Stock Code: 3062)

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

Independent Auditors' Review Report

(2025) Cai-Shen-Bao-Zi No.24007323

To CyberTAN Technology Inc.:

Foreword

We have reviewed the consolidated balance sheets of CyberTAN Technology Inc. and its subsidiaries (hereinafter referred to as the "CyberTAN Group") as of March 31, 2025 and 2024 and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and the notes to the consolidated financial statements (including the summary of the material accounting policies) for the periods of January 1 to March 31, 2025 and 2024. It is the Company's responsibility to prepare and fairly present the consolidated financial reports per the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility as accountants is to draw a conclusion on the consolidated financial statements based on the results of our review.

Scope

Except as stated in the Basis for Qualified Conclusion paragraph, we conducted the review in accordance with the R.O.C. Review Standard No. 2410 "Reviews of Financial Statements." The procedures performed in reviewing the consolidated financial statements include inquiries (primarily of personnel responsible for financial and accounting affairs), analytical procedures, and other review procedures. The scope of a review is significantly smaller than that of an audit. Therefore, we may not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Notes 4(3) and 6(7) to the consolidated financial statements, the financial statements of some non-material subsidiaries and investees under the equity method included in the consolidated financial statements above have not been reviewed by accountants. As of March 31, 2025 and 2024, the total assets of these companies (including investments using the equity method) amounted to NTD 76,147 thousand and NTD 51,848 thousand, respectively, representing 1% and 1% of the consolidated total assets, respectively; the total liabilities amounted to NTD 1,278 thousand and NTD 0 thousand, respectively, representing 0% and 0% of consolidated total liabilities, respectively; the total comprehensive income (including the share of profit or loss of associates and other comprehensive income under the equity method) for the periods from January 1 to March 31, 2025 and 2024 amounted to NTD (786) thousand and NTD (246) thousand, respectively, representing 0% and (1%) of the consolidated total comprehensive income.

Qualified Conclusion

Based on our review, except for the potential adjustments that might be necessary to the consolidated financial statements if the financial statements of certain immaterial subsidiaries and investments accounted for using the equity method, as described in the Basis for Qualified Conclusion paragraph, had been reviewed by accountants, nothing has come to our attention that causes us to believe that the consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the CyberTAN Group as of March 31 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the periods from January 1 to March 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," as endorsed and made effective by the Financial Supervisory Commission.

PricewaterhouseCoopers Taiwan

CPA
PO-CHUAN LIN
CHIH-HUA HU

FSC
Document No. of Approval and Certification:
Jin-Guan-Zheng-Shen-Zi No. 1100350706
Jin-Guan-Zheng-Shen-Zi No. 1120348565

May 9, 2025

CyberTAN Technology Inc. and the subsidiaries
Consolidated Balance Sheet
March 31, 2025 and December 31, March 31, 2024

Unit: NTD thousand

	Assets	Notes	March 31, 2025 Amount	%	December 31, 2024 Amount	%	March 31, 2024 Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,134,365	17	$ 1,204,915	18	$ 1,882,709	27
1136	Financial assets measured at amortized cost – current	6(4) and 8	177,977	3	277,037	4	688,446	10
1170	Accounts receivable, net	6(5)	576,017	9	696,194	11	400,383	6
1180	Accounts receivable – the related party, net	6(5) and 7	309,277	5	304,478	5	188,050	2
1200	Other receivables	7	97,417	1	125,444	2	81,321	1
1220	Income tax assets in the current period		7,612	-	7,299	-	6,264	-
130X	Inventory	6(6)	1,188,637	18	820,211	12	892,339	13
1470	Other current assets		11,478	-	12,080	-	13,843	-
11XX	**Total current assets**		3,502,780	53	3,447,658	52	4,153,355	59
	Non-current assets							
1517	Financial assets measured at fair value through profit or loss – non-current	6(3)	307,373	5	51,871	1	7,888	-
1535	Financial assets measured at amortized cost – non-current	6(4) and 8	312,528	5	312,529	5	312,528	4
1550	Investment at equity method	6(7)	27,270	-	374,582	6	664,190	10
1600	Property, plant and equipment	6(8)	1,768,454	27	1,699,963	26	1,103,285	16
1755	Right-of-use assets	6(9)	363,254	5	368,279	5	398,985	6
1780	Intangible assets		6,652	-	7,915	-	24,670	-
1840	Deferred income tax assets		106,839	2	106,816	2	116,479	2
1900	Other non-current assets	6(11)	215,772	3	210,296	3	217,148	3
15XX	**Total non-current assets**		3,108,142	47	3,132,251	48	2,845,173	41
1XXX	**Total assets**		$ 6,610,922	100	$ 6,579,909	100	$ 6,998,528	100

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Balance Sheet
March 31, 2025 and December 31, March 31, 2024

Unit: NTD thousand

	Liabilities and equity	Notes	March 31, 2025 Amount	%	December 31, 2024 Amount	%	March 31, 2024 Amount	%
	Current liabilities							
2100	Short-term loans	6(12)	$ 27,329	-	$ 94,539	1	$ 405,328	6
2120	Financial liabilities measured at fair value through profit or loss – current	6(2)	17,268	-	19,543	-	12,239	-
2130	Contract liabilities – current	6(21)	4,222	-	41,443	1	48,308	1
2170	Accounts payable		984,672	15	855,377	13	878,142	13
2180	Accounts payable – the related party	7	29,286	1	31,714	1	16,589	-
2200	Other payables	6(13)	393,212	6	355,988	5	234,503	3
2220	Other payables – the related party	7	18,189	-	18,828	-	15,592	-
2230	Income tax liabilities in the current period		469	-	701	-	-	-
2250	Liability reserve – current	6(16)	1,553	-	541	-	2,897	-
2280	Lease liabilities – current		33,980	1	58,775	1	59,145	1
2399	Other current liabilities -others		1,148	-	48,098	1	82,937	1
21XX	**Total current liabilities**		1,511,328	23	1,525,547	23	1,755,680	25
	Non-current liabilities							
2550	Liability reserve – non-current	6(16)	11,070	-	10,424	-	9,874	-
2570	Deferred income tax liabilities		18,514	-	13,094	-	6,436	-
2580	Lease liabilities – non-current		217,538	4	385,068	6	430,683	7
2600	Other non-current liabilities	7	6,911	-	6,911	-	6,570	-
25XX	**Total non-current liabilities**		254,033	4	415,497	6	453,563	7
2XXX	**Total liabilities**		1,765,361	27	1,941,044	29	2,209,243	32
	Equity attributable to parent company shareholders							
	Capital stock	6(17)						
3110	Common stock		3,303,104	50	3,303,254	50	3,302,354	47
	Capital reserves	6(18)						
3200	Capital reserves		563,275	9	598,676	9	614,011	9
	Retained earnings	6(19)						
3310	Legal reserve		825,257	12	825,257	13	825,257	12
3320	Special reserve		155,470	2	155,470	2	162,392	2
3350	Undistributed earnings		731,257	11	26,706	1	20,589	-
	Other equity	6(20)						
3400	Other equity		(499,635)	(7)	(64,804)	(1)	(133,892)	(2)
	Treasury stocks	6(17)						
3500	Treasury stocks		(233,167)	(4)	(205,694)	(3)	(1,426)	-
31XX	**Total equity attributable to parent company shareholders**		4,845,561	73	4,638,865	71	4,789,285	68
3XXX	**Total equity**		4,845,561	73	4,638,865	71	4,789,285	68
	Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts	9						
3X2X	**Total liabilities and equity**		$ 6,610,922	100	$ 6,579,909	100	$ 6,998,528	100

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee Manager: Gwong-Yih Lee Accounting Officer: Sam Huang

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2025 and 2024

Unit: NTD thousand
(Except the unit of earnings (losses) per share is NTD)

	Item	Notes	January 1 to March 31, 2025		January 1 to March 31, 2024	
			Amount	%	Amount	%
4000	Operating revenue	6(21) and 7	$ 868,288	100	$ 659,075	100
5000	Operating cost	6(6), (26) (27) and 7	(779,056)	(90)	(660,132)	(100)
5950	Gross profit (loss), net		89,232	10	(1,057)	-
	Operating expense	6(26) (27) and 7				
6100	Selling expenses		(40,633)	(4)	(19,266)	(3)
6200	Administrative expenses		(67,785)	(8)	(33,110)	(5)
6300	R&D expenses		(128,605)	(15)	(73,424)	(11)
6450	Expected credit impairment gains (losses)	12(2)	(1,947)	-	1,517	-
6000	Total operating expenses		(238,970)	(27)	(124,283)	(19)
6900	Operating losses		(149,738)	(17)	(125,340)	(19)
	Non-operating revenue and expenses					
7100	Interest revenue	6(22)	7,135	1	15,882	2
7010	Other revenue	6(23) and 7	16,821	2	16,812	3
7020	Other gains and losses	6(24)	876,433	101	127,795	19
7050	Financial Costs	6(25)	(2,319)	(1)	(10,518)	(2)
7060	The share of the profit or loss of affiliated companies, joint ventures recognized under the equity method	6(7)	(53)	-	(28,780)	(4)
7000	Total non-operating income and expense		898,017	103	121,191	18
7900	**Net profit (loss) before tax**		748,279	86	(4,149)	(1)
7950	Income tax benefits (expenses)	6(28)	(5,362)	-	2,548	1
8200	**Net profit (loss) for the current period**		$ 742,917	86	($ 1,601)	-

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2025 and 2024

Unit: NTD thousand
(Except the unit of earnings (losses) per share is NTD)

	Item	Notes	January 1 to March 31, 2025 Amount	%	January 1 to March 31, 2024 Amount	%
	Other comprehensive income					
	Items not reclassified to profit or loss					
8316	Unrealized valuation gains and loss from equity instrument investments measured at fair value through other comprehensive income	6(3), (20)	($ 482,029)	(56)	($ 4,389)	-
8320	The share of other comprehensive income of affiliated companies, joint ventures recognized under the equity method – items not reclassified to profit or loss	6(7), (20)	(4,382)	-	8,709	1
8310	Total of items not reclassified to profit or loss		(486,411)	(56)	4,320	1
	Items may be reclassified to profit or loss subsequently					
8361	Exchange difference in the financial statement translation of the foreign operation	6(20)	9,720	1	14,452	2
8370	The share of other comprehensive income of affiliated companies, joint ventures recognized under the equity method – items may be reclassified to profit or loss	6(7), (20)	-	-	10,742	2
8399	Income tax related to items may be reclassified	6(20) (28)	(134)	-	(2,890)	(1)
8360	Total of items may be reclassified to profit or loss subsequently		9,586	1	22,304	3
8300	**Other comprehensive income (net amount)**		($ 476,825)	(55)	$ 26,624	4
8500	**Total comprehensive income for the year**		$ 266,092	31	$ 25,023	4
	Net profit attributable to:					
8610	Parent company shareholders		$ 742,917	86	($ 1,601)	-
	The total comprehensive income attributable to:					
8710	Parent company shareholders		$ 266,092	31	$ 25,023	4
	Earnings (losses) per share	6(29)				
9750	Basic earnings (losses) per share		$ 2.31		$ -	
9850	Diluted earnings (losses) per share		$ 2.28		$ -	

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee Manager: Gwong-Yih Lee Accounting Officer: Sam Huang

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Changes in Shareholder Equity
January 1 to March 31, 2025 and 2024

Unit: NTD thousand

		Equity attributable to parent company shareholders									
				Retained earnings			Other equity				
	Notes	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of the foreign operation	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Employees' unearned remuneration	Treasury stocks	Total
2024											
Balance at January 1, 2024		$ 3,302,554	$ 622,678	$ 825,257	$ 162,392	$ 28,086	($ 77,986)	($ 77,483)	($ 14,143)	($ 1,426)	$ 4,769,929
Current net loss		-	-	-	-	(1,601)	-	-	-	-	(1,601)
Other comprehensive income for the year	6(20)	-	-	-	-	-	22,304	4,320	-	-	26,624
Total comprehensive income for the year		-	-	-	-	(1,601)	22,304	4,320	-	-	25,023
Revocation of restricted employee shares	6(15), (17), (18), (20)	(200)	(261)	-	-	-	-	-	461	-	-
Share-based payment for remuneration	6(15), (20)	-	-	-	-	-	-	-	2,739	-	2,739
Disposal of investments accounted for using the equity method	6(18), (20)	-	(8,406)	-	-	(6,047)	-	6,047	-	-	(8,406)
Disposal of equity instrument measured at fair value through other comprehensive income		-	-	-	-	151	-	(151)	-	-	-
Balance as of March 31, 2024		$ 3,302,354	$ 614,011	$ 825,257	$ 162,392	$ 20,589	($ 55,682)	($ 67,267)	($ 10,943)	($ 1,426)	$ 4,789,285
2025											
Balance as of January 1, 2025		$ 3,303,254	$ 598,676	$ 825,257	$ 155,470	$ 26,706	($ 10,414)	($ 47,762)	($ 6,628)	($ 205,694)	$ 4,638,865
Current net profit		-	-	-	-	742,917	-	-	-	-	742,917

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee   Manager: Gwong-Yih Lee   Accounting Officer: Sam Huang

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Changes in Shareholder Equity
January 1 to March 31, 2025 and 2024

Unit: NTD thousand

	Notes	Equity attributable to parent company shareholders									
				Retained earnings			Other equity				
		Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of the foreign operation	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Employees' unearned remuneration	Treasury stocks	Total
Other comprehensive income for the year	6(20)	-	-	-	-	-	9,586	(486,411)	-	-	(476,825)
Total comprehensive income for the year		-	-	-	-	742,917	9,586	(486,411)	-	-	266,092
Revocation of restricted employee shares	6(15), (17), (18), (20)	(150)	(195)	-	-	-	-	-	345	-	-
Share-based payment for remuneration	6(15), (20)	-	-	-	-	-	-	-	1,665	-	1,665
Disposal of investments accounted for using the equity method	6(18), (20)	-	(35,206)	-	-	(26,170)	1,618	26,170	-	-	(33,588)
Disposal of equity instrument measured at fair value through other comprehensive income	6(20)	-	-	-	-	(12,196)	-	12,196	-	-	-
Repurchase of treasury shares		-	-	-	-	-	-	-	-	(27,473)	(27,473)
Balance as of March 31, 2025		$ 3,303,104	$ 563,275	$ 825,257	$ 155,470	$ 731,257	$ 790	($ 495,807)	($ 4,618)	($ 233,167)	$ 4,845,561

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee   Manager: Gwong-Yih Lee   Accounting Officer: Sam Huang

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Cash Flow
January 1 to March 31, 2025 and 2024

Unit: NTD thousand

	Notes	January 1 to March 31, 2025	January 1 to March 31, 2024
Cash flow from operating activities			
Net profit (loss) before tax for the current period		$ 748,279	($ 4,149)
Adjustment items			
Income/expenses items			
Depreciation expenses	6(26)	33,773	35,184
Miscellaneous expenses – depreciation expenses	6(24)	4,035	4,932
Amortization expenses	6(26)	2,200	1,827
Expected credit impairment losses (gains)	12(2)	1,947	(1,517)
Net loss from financial assets and liabilities at fair value through profit or loss	6(2), (24)	21,759	14,177
Interest expenses	6(25)	2,319	10,518
Miscellaneous expenses - Interest expenses	6(24)	403	450
Interest revenue	6(22)	(7,135)	(15,882)
Share of profit or loss from affiliated companies under the equity method	6(7)	53	28,780
Gains on disposal of investment accounted for using equity method	6(7), (24)	(707,714)	(130,117)
Share-based payment for remuneration	6(15) (27)	1,665	2,739
Lease modification profit	6(9), (24)	(232,533)	-
Changes of assets/liabilities related to operating activities			
Net changes of assets/liabilities related to operating activities			
Accounts receivable (including the related party)		113,431	378,833
Inventory		(368,426)	(10,849)
Other receivables		30,639	(35,114)
Other current assets		602	6,913
Net changes of liabilities related to operating activities			
Financial liabilities measured at fair value through profit or loss		(24,034)	(325)
Contract liabilities - current		(37,221)	(340)
Accounts payable (including the related party)		126,867	28,246
Other payables (including the related party)		75,320	53,154
Liability reserve		1,658	(168)
Other current liabilities		(46,950)	(7,255)
Cash inflow (outflow) from operations		(259,063)	360,037
Income tax paid		(191)	(1,765)
Net cash inflow (outflow) from operating activities		(259,254)	358,272

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Cash Flow
January 1 to March 31, 2025 and 2024

Unit: NTD thousand

	Notes	January 1 to March 31, 2025	January 1 to March 31, 2024
Cash flow from investing activities			
Disposal of financial assets proceeds measured at fair value through profit or loss		$ 223,959	$ -
Disposal of financial assets measured at amortized cost		99,061	212,386
Proceeds from disposal of investment under equity method	6(7)	55,107	231,729
Acquisition of property, plant, and equipment	6(30)	(106,419)	(183,735)
Disposal of property, plant, and equipment proceeds		12,564	-
Increase in refundable deposit		(314)	(949)
Increase in advance payments for equipment		(5,162)	-
Acquisition of intangible asset		(689)	(669)
Interest received		4,523	13,596
Acquisition for right-of-use assets	6(30)	-	(6,840)
Net cash inflow from investing activities		282,630	265,518
Cash flow from financing activities			
Decrease in short-term loans		(67,210)	(270,335)
Decrease in guarantee deposits		-	(262)
Repayment of lease principal	6(31)	(8,629)	(5,616)
Interest paid		(2,722)	(10,968)
Repurchase of treasury shares	6(17)	(27,473)	-
Net cash outflow from financing activities		(106,034)	(287,181)
Foreign exchange rate effect		12,108	43,517
Increase (decrease) in cash and cash equivalents in the current period		(70,550)	380,126
Balance of cash and cash equivalents, beginning		1,204,915	1,502,583
Balance of cash and cash equivalents, ending		$ 1,134,365	$ 1,882,709

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee Manager: Gwong-Yih Lee Accounting Officer: Sam Huang

CyberTAN Technology Inc. and the subsidiaries
Notes to Consolidated Financial Statements
For the First Quarters of 2025 and 2024

Unit: NTD thousand
(Unless otherwise specified)

1. Company History and Business Scope

CyberTAN Technology Inc. (hereinafter referred to as the "the Company") was established in the Republic of China. The Company and the subsidiaries (hereinafter referred to as "the Group") have mainly engaged in wired communication mechanical equipment manufacturing, electronic components manufacturing, and the R&D, development and sales of broadband Internet routers, gateways, virtual private networks, firewalls, Layer 3 and Layer 4 switches, wired broadband network security routers and wireless broadband network security routers. The Company's stock has been listed and traded on the Taiwan Stock Exchange since July 28, 2003.

2. Approval Date and Procedures of the Financial Statements

The consolidated financial report was released after being approved by the board of directors on May 9, 2025.

3. New Standards, Amendments, and Interpretations Adopted

(1) Effect of adopting the new promulgated or amended IFRS endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table sets forth the standards and interpretations of new releases, amendments, and amendments of the IFRSs applicable in 2025 that were approved and promulgated by the FSC:

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group evaluated that the above standards and interpretations applicable have no significant impact on the financial status and business results of the Group.

(2) The impact of not yet adopting the new and revised IFRSs recognized by the FSC

The following table summarizes the newly issued, amended, and revised International Financial Reporting Standards (IFRS) and interpretations applicable for the year 2025, as endorsed by the FSC:

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
Partial amendments to IFRS 9 and IFRS 7 "Amendment to the Classification and Measurement of Financial Instruments"	January 1, 2026

The Group evaluated that the above standards and interpretations applicable have no significant impact on the financial status and business results of the Group.

(3) Impacts of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the standards and interpretations of new releases, amendments, and amendments to the IFRSs issued by the IASB but not yet endorsed by the FSC:

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
Partial amendments to IFRS 9 and IFRS 7 "Amendment to the	January 1, 2026

Classification and Measurement of Financial Instruments”	
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 decided by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures of Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the Group has assessed that the standards and interpretations above have no significant impact on the Group’s financial position and financial performance:

IFRS 18 “Presentation and Disclosures of Financial Statements”

IFRS 18 “Presentation and Disclosures of Financial Statements” replaces IAS 1 and updates the structure of the statement of comprehensive income, adds the disclosure of management-defined performance measures, and enhances the guidance on the organization and grouping of information in the primary financial statements and the notes.

4. Summary of Significant Accounting Policies

The major accounting policies applied to prepare the consolidated financial statements are as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(1) Compliance Statement

The consolidated financial report was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting,” as endorsed and issued into effect by the FSC.

(2) Basis of preparation

A. Except the following important items, the consolidated financial report was prepared based on the historical cost:

(A) Financial instruments and liabilities (including derivatives) measured at fair value through profit or loss based on fair value.

(B) Financial assets measured at fair value through other comprehensive income based on fair value.

(C) Defined benefit assets stated based on the net after pension fund assets less the present value of defined benefit obligations.

B. The preparation of the financial report that complies with IFRSs requires some important accounting estimates. The application of the Group’s accounting policy also requires the management to use their judgment during the process. For items involving high judgment or complexity or items involving important estimates and assumptions of the consolidated financial report, please refer to the description in Note 5.

(3) Basis of consolidation

A. Principle for the preparation of consolidated financial statements

(A) The Group included all of the subsidiaries in the consolidated financial statements. Subsidiaries mean the entities controlled by the Group (including structured entities). When the Group is exposed to the changes of remuneration participated in by the entities or is entitled to changes of remuneration, and is able to influence the remuneration by virtue of its power over the entities, the Group is held as controlling the entities. The subsidiaries are included in the consolidated financial statements on the date when the Group acquires the controlling power, and the consolidation shall be suspended as of the date when the Group forfeits the controlling power.

(B) Unrealized gains on transactions between the Group companies are eliminated to the extent of the Group’s interest in the associates. Accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(C) Elements of the income and other comprehensive income shall be vested in parent company shareholders and non-controlling equity. The total comprehensive income shall be vested in parent company shareholders and non-controlling equity, even if the non-controlling equity suffers loss.

(D) Where the changes in shareholdings of subsidiaries don’t result in forfeiture of controlling power (transactions with non-controlling equity), they shall be processed as equity transactions, which are identified as the transactions with parent company shareholders. The price difference between the adjustment value of non-controlling equity and fair value of paid or collected consideration was directly recognized as equity.

(E) When the Group forfeits control over its subsidiaries, its residual investment in the subsidiaries shall be remeasured based on fair value and identified as the fair value of financial assets recognized initially or the cost of the investment in affiliated companies or joint ventures recognized initially. The price difference between the fair value and book value is stated as current income. Where the accounting treatment for the values related to the subsidiaries as stated in other comprehensive income previously is identical with the basis for the Group’s direct disposition of related assets or liabilities, namely, if the gain or loss stated in other comprehensive income previously would be reclassified into profit or loss when the related assets or liabilities are disposed of, the profit or loss shall be reclassified into income from equity when the Group forfeits control over the subsidiaries.

B. The subsidiaries covered within the consolidated financial report:

Name of investor	Name of subsidiary	Nature of business	Equity percentage March 31, 2025	Equity percentage December 31, 2024	Equity percentage March 31, 2024	Description
The Company	CyberTAN Corp(U.S.A)	Sales company	100%	100%	100%	(1)
"	Ta Tang Investment Co., Ltd.	General investment business	100%	100%	100%	
"	CyberTAN (B.V.I) Investment Corp.	"	100%	100%	100%	
"	SonicFi Inc.	Sales company	100%	100%	100%	(1)
CyberTAN (B.V.I) Investment Corp.	FU HAI Technology Company Limited	Manufacturing company	100%	100%	100%	
CyberTAN (B.V.I) Investment Corp.	HON YAO FU Technology Company Limited	Manufacturing company	100%	100%	100%	
CyberTAN (B.V.I) Investment Corp.	CyberTAN Technology (HONG KONG) Limited	General investment business	100%	100%	100%	
CyberTAN Technology (HONG KONG) Limited	Fuhongkang Technology (Shenzhen) Co., Ltd.	Manufacturing company	100%	100%	100%	
CyberTAN Technology(HONG KONG) Limited	Guangzhou Fuguang Communication Technology Co., Ltd.	R&D company	100%	100%	-	(1)(2)
Fuhongkang Technology (Shenzhen) Co., Ltd.	Chongqing Hongdaofu Technology Co., Ltd.	Manufacturing company	100%	100%	100%	

(A) As it does not meet the definition of a material subsidiary, its financial statements as of March 31, 2025 and 2024 have not been reviewed by accountants.

(B) The Group directly invested in the establishment of Guangzhou Fuguang Communication Technology Co., Ltd. on April 16, 2024, and acquired 100% of its equity, which was included in the consolidated financial statements from the date of investment.

C. Subsidiaries that are not included in the consolidated financial statements: None.

D. Different adjustment and treatment by subsidiaries in the accounting period: None.

E. Significant restrictions: None.

F. Subsidiaries over which the Group holds important non-controlling equity: None.

(4) <u>Translation of foreign currency</u>

Each item listed in the separate financial statements of the Group is measured by the currency of the primary economic environment in which the business department is situated (i.e. functional currency). The consolidated financial report was prepared in the Company's functional currency, "NTD."

A. Foreign currency transaction and balance

(A) Foreign currency transaction converts the conversion difference generated by the transaction to functional currency adopting the spot exchange rate on the date of transactions or measurement date and recognizes the difference as current profit or loss.

(B) The monetary assets and balance of liabilities in foreign currency are adjusted based on the spot exchange rate evaluation on the balance sheet date and the conversion difference generated by adjustment is recognized as current profit or loss.

(C) For non-monetary assets and balance of liabilities in foreign currency, those measured at fair value through profit or loss are adjusted based on the spot exchange rate evaluation on the balance sheet date and the conversion difference generated by the adjustment is recognized as current profit or loss. Those measured at fair value through other comprehensive income are adjusted based on the spot exchange rate evaluation on the balance sheet date and the conversion difference generated by the adjustment is recognized in other comprehensive income. Those not measured at fair value are measured at the historical exchange rate on the initial transaction date.

(D) All exchange gain or loss is listed in "Other Profit and Loss" of profit and loss statement.

B. Translation of the foreign operation

(A) For all the Group's entities, affiliated companies and joint agreements with differences in functional currency and presentation currency, the business result and financial status is converted to presentation currency by the following method:

a. The assets and liabilities presented in each balance sheet were translated based on the exchange rates closed on every balance sheet date;
b. The profits and losses presented in each statement of comprehensive income were translated in accordance with the average exchange rates in the current period; and
c. All resulting exchange differences were recognized under other comprehensive income.

(B) When the foreign operations partially disposed or sold are affiliated companies or under joint agreements, the exchange differences under other comprehensive income will be reclassified into the current profit or loss proportionately as part of the gains or losses on the sale. However, when the Group retains partial rights in former affiliated companies or joint agreements but loses significant influence over the affiliated companies included in the foreign operation or loses joint control over the joint agreements included in the foreign operation, it is conducted based on the disposal of all equity in the foreign operation institutions.

(5) <u>Classification of assets and liabilities as current and non-current</u>

A. Assets that match any of the following conditions shall be classified as current assets:

(A) Assets expected to be realized, intended to be sold or consumed over the normal operating cycles.

(B) Primarily for trading purposes.

(C) Assets expected to be realized within 12 months after the reporting period.

(D) Assets in cash or cash equivalents, except for those that are used for an exchange or to settle a liability, or otherwise remain restricted for more than 12 months after the reporting period.

The Group listed all assets that did not comply with the following conditions as non-current assets.

B. Assets that match any of the following conditions shall be classified as current liabilities:

(A) Liabilities expected to be settled in the normal business cycle.

(B) Primarily for trading purposes.

(C) Liabilities expected to be settled within 12 months after the reporting period.

(D) Entities that do not have the right to defer settlement of a liability for at least 12 months after the reporting period.

(E) The Group listed all assets that did not comply with the following conditions as non-current liabilities.

(6) Cash equivalents

Cash equivalent includes short-term and highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value. The time deposits that fall into the above definition and are intended to satisfy the short-term cash commitment shall be classified as cash equivalents.

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

A. This refers to financial assets not measured at amortized cost or measured at fair value through other comprehensive income.

B. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at fair value through profit or loss.

C. It is initially recognized at fair value by the Group while the transaction cost is recognized in profit or loss upon being incurred. Subsequent valuation is based on the fair value measurement and the resulting gain or loss is recognized as profit or loss.

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

A. This refers to the irrevocable choice at initial recognition to recognize the later fair value change of the equity instrument investment held not for transaction in other comprehensive profit or loss; or at the same time, the debt instrument investment meets the following conditions:

(A) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or to sell.

(B) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at fair value through other comprehensive income.

C. It is initially recognized at fair value plus the transaction cost by the Group and the subsequent valuation is measured at fair value:

(A) The changes in fair value belonging to equity instrument investment are recognized as other comprehensive income. During derecognition, accumulated profit or loss previously recognized in other comprehensive income shall not be subsequently reclassified as profit or loss but classified as retained earnings. When the Group is entitled to collect dividends, the economic effect related to the dividend may inflow and the amount of revenue can be measured reliably. Therefore, the related dividend revenue shall be recognized as profit or loss.

(B) The changes in fair value belonging to equity instrument investment is recognized as other comprehensive income. The impairment loss, interest income and exchange gain or loss in foreign currency before derecognition is recognized as profit or loss. During derecognition, the accumulated profit or loss previously recognized in other comprehensive income will be reclassified from equity to profit or loss.

(9) Financial assets measured at amortized cost

A. This refers to those meeting the following conditions at the same time:

(A) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

(B) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at amortized cost.

C. The Group measures its fair value plus transaction costs at the time of initial recognition. Subsequently, the effective interest method is adopted to recognize interest income and impairment loss in the current period according to the amortization procedure. At the time of derecognition, the loss is recognized in profit and/or loss.

D. The time deposit not complying with cash equivalents held by the Group is measured at investment amount since the impact of discounting was insignificant.

(10) Accounts receivable

A. This refers to accounts from the rights to receive consideration without any condition due to commodity transfer or labor service based on contract agreement.

B. This belongs to short-term accounts receivable with unpaid interest. The invoice payable was measured at the initial par value by the Group since the impact of discounting was insignificant.

(11) Impairment of financial assets

For debt instrument investment measured at fair value through other comprehensive income, financial assets measured at amortized cost and accounts receivable that comprise material financial parts, after taking reasonable and supporting materials into consideration (including forward-looking ones) on each balance sheet date, the Group measures the loss allowance based on 12-month expected credit losses for those without a significant increase in credit risk after initial recognition; for those with a significant increase in credit risk after initial recognition, the loss allowance is measured based on the amount of the expected credit losses throughout the duration; for accounts receivable excluding material financial parts, the allowance loss is measured at the amount of the expected credit losses throughout the duration.

(12) Derecognition of the financial assets

The Group will derecognize financial assets only in the event that the interests on a contract for financial assets-based cash flow cease to be effective.

(13) Lease transactions of lessor – operating lease

The lease income from operating a lease deducting any given incentives of the lessee is amortized and recognized as current profit or loss under straight-line method over the lease period.

(14) Inventory

Inventories are measured at the lower of cost or net realizable value while the cost is determined by weighted average method. The cost of finished product and goods in process includes material, direct manpower, other direct costs and manufacturing expenses related to production (amortized based on normal productivity) without loan cost. The item-by-item comparison method is adopted when comparing the cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost of sales balance.

(15) Investments under the equity method – affiliated companies

A. The affiliated companies refer to the entity in which the Group has a significant impact and often holds more than 20% of voting shares directly or indirectly. The investment of the Group in the affiliated companies adopts the equity method for disposal and is recognized based on cost upon acquisition.

B. The shares in profit or loss acquired from affiliated companies by the Group was recognized as current profit or loss and shares of other comprehensive income was recognized as other comprehensive income. In the event that the Group's shares of loss in the affiliated companies is equal to or exceeds its equity in the affiliated companies (including other unsecured receivables), the Group does not recognize further losses, unless in the event of occurrence of legal obligations, presumed obligations or within the scope that the Group made payment on behalf of the affiliated companies.

C. When changes to equity irrespective of profit and loss or comprehensive income occur to affiliated companies with no impact on the shareholding ratio of the Group, all changes in equity will be recognized as "capital reserves" based on the shareholding ratio by the Group.

D. The unrealized profit or loss deriving from the transactions between the Group and the affiliated companies were written off based on the equity ratio of the affiliated companies; the unrealized loss was written off unless the evidence displayed the impairment of transferred assets in such transaction. Accounting policies of the affiliated companies have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. If the Group fails to subscribe or acquire new shares in proportion to the issuance of new shares by the affiliated enterprise, resulting in a change in the proportion of investment but still a material influence on the affiliate, the increase or decrease in the change in the net value of the equity will be the adjustment of the "capital reserves" and "investments under the equity method." If the investment ratio decreases as a result, in addition to the above-mentioned adjustment, the profit or loss recognized under other comprehensive income related to the decrease in ownership interest, and such profit or loss must be reclassified to, if any, it is reclassified to profit or loss in proportion to the decrease.

F. When the Group forfeits its material influence over the affiliated companies, if the Group disposes the affiliated companies, the accounting treatment for the values related to the affiliated companies as stated into other comprehensive income previously is identical with the basis for the Group's direct disposition of related assets or liabilities, namely, if the gain or loss stated into other comprehensive income previously would be reclassified into income when the related assets or liabilities are disposed thereof, the gain or loss shall be reclassified into income from equity, when the Group has no significant impact on the affiliated companies. Provided that where it still has material influence over the affiliated companies, the amount previously recognized in other comprehensive income is transferred according to the method stated above based on the proportion.

G. When the Group disposes of an affiliate, the capital surplus of the affiliate is transferred to profit or loss if the Group loses significant influence on the affiliate. If there is still significant influence, profit or loss shall be transferred in proportion to the disposal.

(16) Property, plant and equipment

A. Property, plant and equipment is accounted at acquisition cost at initiation and the relevant interest is capitalized during the purchase and construction period.

B. The subsequent cost is included in the book value of assets or recognized as single asset only when future economic benefits related to such item will have probable inflow to the Group and the cost of such item can be measured reliably. The book value of the replaced part shall be derecognized. All other repair expenses are recognized as profit or loss upon occurring.

C. Except for land, which is not depreciated, the subsequent measurement of property, plant, and equipment adopts the cost model, and the depreciation is calculated over the estimated useful lives in accordance with the straight-line method. Property, plant and equipment are depreciated for each and every major part individually.

D. The Group at least reviews the residual value, estimated useful years, and depreciation method of each asset at the end of each fiscal year. If the expected values of the residual value and useful years are different from the previous estimate or the expected consumption pattern used in future economic benefits of such asset has significant changes, it is conducted based on the accounting estimate of IFRS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" since the date of the change. The useful life of each asset is as follows:

House and buildings	3 – 41 years
(The useful life of interior construction is 3–10 years)	
Machinery and equipment	3 – 10 years
Transportation equipment	5 years
Office equipment	2 – 10 years
Other equipment	2 – 5 years

(17) Lease transactions of lessee – right-of-use assets/lease liabilities

A. The lease asset is recognized as right-of-use assets and lease liabilities upon the date available for use by the Group. When the lease contract is a short-term lease or a low-valued underlying asset lease, the lease payment is recognized as expenses on a straight-line method within the lease period.

B. The unpaid lease payment is recognized as lease liability based on present value discounted at the Group's incremental borrowing rate of interest on the start date of the lease. The lease payment belongs to fixed payment deducting any received lease incentives.

   Subsequently, it is measured at the amortized cost under the interest method, and the interest expenses are recognized during the lease period. When changes in lease term or lease payment are not caused by contract modification, lease liabilities will be reevaluated, and the remeasurement will be used to adjust right-of-use assets.

C. The right-of-use assets are recognized based on the cost on the starting date of the lease, the cost includes:

   (A) The original measured amount of lease liability;

   (B) Any lease payment paid before or on the starting date; and

   (C) Initial direct costs incurred.

   Subsequently, the right-of-use assets are measured using the cost model, with depreciation recognized over the shorter of the asset's useful life or the lease term. When the lease liabilities are reassessed, the right-of-use assets will adjust any remeasurement of the lease liabilities.

D. For the lease modification regarding the decrease in scope of the lease, the lessee will decrease the book amount of right-of-use assets to reflect partial or overall termination of the lease and will recognize the difference between it and the remeasurement amount of lease liabilities as profit or loss. For all other lease modifications, the remeasured amount of lease liabilities shall be adjusted to the right-of-use assets accordingly.

(18) Intangible assets

Computer software is recognized by acquisition cost and is amortized under the straight-line method based on 1 – 3 years of useful life.

(19) Impairment of non-financial assets

The Group will estimate the recoverable amount of the assets which show signs of impairment on the balance sheet date, and an impairment loss will be recognized if the recoverable amount falls below the asset's carrying amount. The recoverable amount is the fair value of an asset less the disposition cost or the use value, whichever is higher. Impairment loss recognized in previous years on assets may be reversed if the basis of impairment no longer exists or is reduced. Notwithstanding, the increase in book value of the asset resulting from the reversal must not exceed the face value of the asset less depreciation or amortization without impairment.

(20) Loans

This refers to short-term amounts borrowed from the bank. Loans of the Group are measured based on the fair value less trading cost at the time of initial recognition. The subsequent measurement of any difference between the price deducting trading cost and redemption value, its interest expenses shall be recognized in profit or loss based on amortized procedure under effective interest method within the outstanding period.

(21) Accounts payable

A. This means debt generated from the purchase of materials, commodities or labor services on credit, and accounts payable due to business and non-business reasons.

B. This belongs to short-term accounts payable with unpaid interest. The invoice payable was measured at the initial per value by the Group since the impact of discounting was insignificant.

(22) Financial liabilities measured at fair value through profit or loss

A. Refers to financial liabilities held for trading with the main purpose of repurchasing them in the near future, and derivative financial instruments that are not designated as hedging instruments by hedge accounting. When a financial liability meets one of the following conditions, the Group designates it to be measured at fair value through profit or loss at the time of initial recognition:

(A) It is a hybrid (combined) contract; or

(B) The measurement or recognition inconsistency can be eliminated or significantly reduced; or

(C) It is a tool for managing and evaluating its performance on a fair value basis in accordance with documented risk management policies.

B. It is initially recognized at fair value by the Group while the transaction cost is recognized in profit or loss upon being incurred. Subsequent valuation is based on the fair value measurement and the resulting gain or loss is recognized as profit or loss.

(23) Derecognition of the financial liabilities

The Group will have financial liabilities derecognized when the contractual obligation is performed, discharged, or expires.

(24) Offsetting of financial assets and liabilities

The financial assets and liabilities may be offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts of the financial assets and liabilities and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(25) Liability reserve

The reserve for warranty liabilities shall be recognized when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The reserve for liabilities is measured by the best estimated present value paid to settle the obligation on the balance sheet date. The discount rate adopts the pre-tax discount rate that reflects the specific risk assessment of the current market toward the time value of money and the liabilities. The discounted amortization is then recognized as interest expenses. The future operating loss shall not be recognized in the reserve for liabilities.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at non-discounted amount expected to be paid, and stated as expenses when the relevant services are provided.

B. Pension

(A) Defined appropriation plan

Under the defined contribution plan, every contribution made to the pension fund is recognized as pension cost in the period occurred using the accrual basis. The prepaid contribution may be stated as assets, insofar as it may be refunded in cash or the future payment is reduced.

(B) Defined benefit plan

a. The net obligation under the defined benefit pension plan is converted to the present value based on the future benefit earned from the services provided by the employees under various benefit plans in the current period or in the past, and the present value of defined benefit obligations on the balance sheet date less the fair value of the planned assets. An actuary uses the Projected Unit Credit Method to estimate defined benefit obligations each year. The discount rate is based on the market yield rate of government bonds (on the balance sheet date) that have the same currency exposure and maturity date as the obligations on the balance sheet date.

b. The remeasurement generated from the defined benefit plan is stated as other comprehensive income in the period when it is incurred, and presented in the retained earnings.

c. Expenses related to the service cost in the previous period are immediately recognized in profit or loss.

d. The pension cost for the interim period was calculated using the actuarially determined pension cost rate at the end of the previous fiscal year from the beginning of the year to the end of the current period. If there are significant market changes and major reductions, settlements or other major one-time events after the end date, they will be adjusted and the relevant information will be disclosed in accordance with the aforementioned policies.

C. Severance benefits

Severance benefits are provided to employees upon termination of employment prior to the normal retirement date or when an employee accepts the Company's offer of benefits in exchange for termination of employment. The Group recognizes severance benefits as expenses when the offer of benefits can no longer be withdrawn, or the related reorganization costs are recognized, whichever occurs earlier. Benefits that are not expected to be settled in full within 12 months of the balance sheet date should be discounted.

D. Remuneration to employees and directors

The remuneration to employees and directors/supervisors shall be recognized as expenses and liabilities only when legal or constructive obligations and the value thereof may be estimated reasonably. Subsequently, if the actual distributed amount resolved is different from the estimate, the difference shall be treated as a change in the accounting estimate. If the remuneration to employees is paid with stock shares, the basis for calculating the number of shares shall be the closing price on the day preceding the day of resolution made by the shareholders' meeting.

(27) Employees' share-based payment for remuneration

New restricted employee shares:

A. Remuneration costs are recognized over the vesting period on the basis of the fair value of the equity instrument given on the grant date.

B. If the right to participate in the distribution of dividends is not restricted, and employees do not need to return the dividends they have received if they resign during the vested period, then on the date of dividend declaration, the part of dividends to employees who are expected to resign during the vested period is recognized as remuneration cost according to the fair value of the dividends.

(28) Income Tax

A. The income tax expenses consist of current income tax and deferred income tax. The income tax is recognized in the profit or loss except for the income taxes relevant to the items that are recognized under other comprehensive income or directly counted into the items of equity, which are recognized under other comprehensive income or directly counted into equity respectively.

B. The Group calculates the income tax related to the current period based on the statutory tax rate or tax rate substantially enacted in the countries where the Company is operating and generating taxable income on the balance sheet date. The management shall evaluate the status of the income tax return within the statutory period defined by the related income tax laws, and shall be responsible for the income tax expected to be paid to the tax collection authority. Income tax will be levied on any undistributed earnings. This will be stated in the year following the year in which the earnings were generated once the motion for allocation of earnings is approved at a shareholders' meeting.

C. Deferred tax is stated based on the temporary differences between taxation basis for assets and liabilities and the face value thereof on the consolidated balance sheet using the balance sheet method. The deferred income tax liabilities resulting from the initial recognition of goodwill shall not be recognized. The deferred income tax resulting from the initial recognition of assets or liabilities in a transaction (exclusive of business merger) shall not be recognized if, at the time of the transaction, it does not affect accounting profit or taxable income (taxable loss), and no equal taxable and deductible temporary differences are generated. If temporary differences arise from investments in subsidiaries and affiliates, and the Group can control the timing of the reversal of those temporary differences, and it is highly probable that they will not reverse in the foreseeable future, then no deferred tax liabilities are recognized. The deferred income tax assets and liabilities are measured at the tax rate in the current period of which the assets are expected to be realized or liabilities to be repaid. The tax rate shall be based on the tax rate and tax laws already legislated or substantially legislated at the end of the reporting period.

D. Deferred income tax assets shall be recognized insofar as the temporary difference is very likely to be credited against future taxable income, and deferred income tax assets which are recognized and unrecognized shall be reevaluated on each balance sheet date.

E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

F. Unused tax credits derived from purchase of equipment or technology, R&D expenditure and equity investment can be added to deductible temporary differences and recognized as deferred tax assets, to the extent that the Company is likely to earn taxable income to offset against.

G. The estimated average effective tax rate for the interim period is applied to the interim income tax expense to calculate the interim income before tax, and the relevant information is disclosed in accordance with the aforementioned policies.

H. When a tax rate change occurs during an interim period, the Group recognizes the effect of the change all at once in the period in which the change occurs. For income tax that is related to an item other than profit or loss, the effect of the change is recognized in other comprehensive income or equity. If the income tax is related to the item recognized in profit or loss, the effect of the change is recognized in profit or loss.

(29) Capital stock

A. Common share is classified as equity. The net amount directly attributable to new shares issuing or additional cost of stock options is recognized as deduction of proceeds in the equity after deducting income tax.

B. When the Company repurchases outstanding shares, the consideration paid, including any directly attributable incremental cost, shall be recognized as a deduction of shareholder equity after tax. When the repurchased shares are subsequently reissued, the difference between the consideration received, net of any directly attributable incremental costs, and the effect of income tax and the carrying amount is recognized as an adjustment to shareholder equity.

(30) Allocation of dividends

The dividends allocated to the Company's shareholders are recognized in the financial report upon allocation of dividends resolved by the shareholders' meeting or resolved specially by the board of directors of the Company. The distributed cash dividend is recognized as liabilities and the distributed stock dividend is recognized as stock dividend to be distributed and reclassified as common shares on the date of new share issuance.

(31) Recognition of revenue

A. Sale of goods

(A) The Group researches and develops, manufactures and sells products related to wired communication and wireless broadband networks. The sales revenue is recognized upon the transfer of product control to the customer, i.e. the timing when the product is delivered to the buyer, when the buyer has discretionary power regarding the selling channels and prices of the product and the Group has no unfulfilled contract obligations that may affect the reception of such product by the buyer. When the product is delivered to the specified location, the risk of obsolescence and loss is transferred to the buyer and the buyer accepts the product based on the sales contract or there is objective evidence indicating all acceptance standards have been met, the commodity delivery is thus completed.

(B) The sales revenue of communication products is recognized by the net amount of contract price deducting estimated sales discount. Sales discounts granted to customers are generally calculated based on cumulative sales volume over a 12-month period. The Group estimates sales discounts using the expected value method based on historical experience. Revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur in the future. Estimates are updated at each balance sheet date. As of the balance sheet date, the estimated sales discount payable to the customer related to the sales is recognized as refund liabilities. The collection conditions of trading are agreed upon based on the general business trading model.

(C) The Group provides a standard warranty for products sold and has a responsibility to provide refunds for defective products, which is recognized in reserve for liabilities upon sales.

(D) The accounts receivable is recognized upon the delivery of product to the customer because the Group has unconditional rights to contract proceeds from that time and can collect consideration from the customer after that time.

B. Cost of acquiring customer contract

The Group expected to recover the additional cost generated from the acquisition of customer contract. However, the related contract term is less than one year so such cost shall be recognized in expenses when incurred.

(32) Government grants

Government subsidies shall be stated at fair value when it is reasonable to ensure that an enterprise will comply with the conditions incident to the government subsidies and the subsidies may be received affirmatively. If the government subsidies, in nature, are intended to compensate for expenses incurred by the Group, the government subsidies shall be stated as current income on a systematic basis when the related expenses are incurred.

(33) Business segment

The Group’s business segment information adopts the same reporting method as the internal management report provided for the main operating decision maker. The main operating decision maker is responsible for distributing resources to the business segment and evaluating their performance. The main operating decision maker of the Group is identified to be the board of directors.

5. Major Sources of Uncertainty in Significant Accounting Judgments, Estimates, and Assumptions

When preparing the consolidated financial report of the Group, the management decided on the adopted accounting policy by their judgment and made accounting estimates and assumptions based on the reasonable expectation toward future events subject to current circumstances on the balance sheet date. The actual results might be different from the major accounting estimates and assumptions, so the historical experience and other factors will be considered for constant evaluation and adjustment. The risk description of the assumptions and estimates which may cause major adjustments to the book amount of assets and liabilities in the following financial year. The following are the description of uncertainty to significant accounting judgments, estimates and assumptions:

(1) Significant judgments on choice of accounting policy

None.

(2) Accounting estimates and assumptions

Valuation of inventory

Inventory shall be evaluated on the basis of the lower of the cost and net realizable value. As a result, the Group must make judgment and estimate to determine the net realizable value of the inventory on the balance sheet date. Due to the rapid transformation of technology, the Group assesses the amount of normal wearing out and phasing out of inventory or inventory with no market price and writes off the cost of inventory from net realizable value on the balance sheet date. The valuation of inventory is mainly estimated according to the product demand within a certain period in the future, therefore significant changes may occur.

As of March 31, 2025, the book value of the Group's inventories is NTD 1,188,637.

6. Description of Significant Accounting Items

(1) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and working fund	$ 586	$ 543	$ 312
Current deposit	690,679	610,288	896,337
Time deposit	182,926	223,930	726,000
Cash equivalents – repurchase bonds	260,174	370,154	260,060
Total	$ 1,134,365	$ 1,204,915	$ 1,882,709

A. The financial institutions trading with the Group are reputable banks and the Group trades with various financial institutions to spread the credit risk. Thus, the possibility of expected default is low.

B. The Group has reclassified time deposits with original maturities over three months and those with restricted use under "Financial assets measured at amortized cost." Please refer to the description in Note 6(4).

(2) Financial assets and liabilities measured at fair value through profit or loss

Liabilities	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Financial liabilities mandatorily measured at fair value through profit or loss			
Cross currency swap	$ 17,268	$ 19,543	$ 12,239

A. Financial assets and liabilities measured at fair value through profit or loss are recognized in the income statement as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Recognized in profit or loss:		
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Cross currency swap	($ 21,759)	($ 14,177)

B. The transactions and contracts information of derivative financial assets and liabilities not entitled to the hedging accounting used by the Group are as follows:

	March 31, 2025		
Derivative financial liabilities	Contract amount (nominal principal) (in thousands)		Contract term
Current items:			
Cross-currency swap contracts	TWD(BUY)	1,349,668	2025.01.09 – 2025.06.24
	USD(SELL)	41,000	2025.01.09 – 2025.06.24

	December 31, 2024		
Derivative financial liabilities	Contract amount (nominal principal) (in thousands)		Contract term
Current items:			
Cross-currency swap contracts	TWD(BUY)	1,134,430	2024.08.19 – 2025.03.24
	USD(SELL)	35,000	2024.08.19 – 2025.03.24

	March 31, 2024		
Derivative financial liabilities	Contract amount (nominal principal) (in thousands)		Contract term
Current items:			
Cross-currency swap contracts	TWD(BUY)	791,410	2024.01.18 – 2024.06.28
	USD(SELL)	25,000	2024.01.18 – 2024.06.28

Cross-currency swap contracts

The cross-currency swap contracts entered into by the Group are to meet the needs of capital allocation. In terms of foreign currency exchange, the principal of the two currencies is swapped at the same exchange rate at the beginning and the end of the period, so there is no exchange rate risk. In terms of interest rate swap, the fixed interest rate between the two currencies is exchanged with a fixed interest rate, and there is no interest rate fluctuation risk.

C. Please refer to Note 12(3) for the fair value of financial assets measured at fair value through profit or loss.

(3) Financial assets measured at fair value through other comprehensive income

Item	March 31, 2025	December 31, 2024	March 31, 2024
Non-current items:			
Equity instruments			
TWSE/TPEx listed stocks	$ 736,568	$ 12,175	$ -
TWSE/TPEx unlisted stocks	76,294	75,730	44,800
Valuation adjustment	(505,489)	(36,034)	(36,912)
Total	$ 307,373	$ 51,871	$ 7,888

A. The Group classified the equity instrument investment belonging to strategic investment as financial assets measured at FVOCI. The fair values of these investments were NTD 307,373, NTD 51,871, and NTD 7,888 as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

B. The details of financial assets measured at FVOCI recognized in comprehensive income are as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Equity instrument measured at fair value through other comprehensive income		
Fair value changes recognized in other comprehensive income	($ 482,029)	($ 4,389)
Accumulated gains or losses reclassified to retained earnings upon derecognition	($ 12,196)	$ 151

C. In January 2025, the Group recognized the financial assets measured at fair value through other comprehensive income due to the loss of significant influence on some of the investments under the equity method. Please refer to the descriptions in Note 6(7) for details.

D. For information related to financial assets measured at fair value through other comprehensive income, please refer to Note 12(3).

(4) Financial assets measured at amortized cost

Item	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Time deposit expired over three months	$ 177,977	$ 277,037	$ 688,446
Non-current items:			
Ordinary corporate bonds	$ 290,000	$ 290,000	$ 290,000
Pledged time deposit	22,528	22,529	22,528
Total	$ 312,528	$ 312,529	$ 312,528

A. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk of the Group's financial assets measured at amortized cost as of March 31, 2025, December 31, 2024, and March 31, 2024 is represented by their carrying amounts.

B. For pledged financial assets measured at amortized cost by the Group, please refer to Note 8.

C. The Group's investments in time deposits and ordinary corporate bonds are with financial institutions of good credit quality with a very low likelihood of default expected.

(5) Accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	$ 589,325	$ 708,183	$ 406,367
Accounts receivable – the related party	309,277	304,478	188,050
Less: Allowance loss	(13,308)	(11,989)	(5,984)
	$ 885,294	$ 1,000,672	$ 588,433

A. For aging analysis of accounts receivable (including the related party), please refer to Note 12(2).

B. As of March 31, 2025, December 31, 2024, and March 31, 2024, the balances of accounts receivable (including related parties) all arise from customer contracts. In addition, the accounts receivable balance from customer contracts as of January 1, 2024 was NTD 965,749.

C. The accounts receivable (including the related party) of the Group does not include collaterals.

D. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk of the Group's accounts receivable as of March 31, 2025, December 31, 2024, and March 31, 2024 is represented by their carrying amounts.

E. Please refer to Note 12(2) for details on the credit risk of accounts receivable.

(6) Inventory

	March 31, 2025		
	Costs	Allowance for valuation loss	Book amount
Materials	$ 989,230	($ 100,839)	$ 888,391
Goods in process and semi-finished goods	101,716	(8,115)	93,601
Finished products	215,063	(8,418)	206,645
Total	$ 1,306,009	($ 117,372)	$ 1,188,637

	December 31, 2024		
	Costs	Allowance for valuation loss	Book amount
Materials	$ 519,559	($ 88,329)	$ 431,230
Goods in process and semi-finished goods	107,127	(5,879)	101,248
Finished products	295,019	(7,286)	287,733
Total	$ 921,705	($ 101,494)	$ 820,211

	March 31, 2024		
	Costs	Allowance for	Book amount

		valuation loss	
Materials	$ 869,484	($ 95,645)	$ 773,839
Goods in process and semi-finished goods	99,617	(15,825)	83,792
Finished products	39,747	(5,039)	34,708
Total	$ 1,008,848	($ 116,509)	$ 892,339

The inventory cost recognized in expenses in current period by the Group:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Cost of sold inventory	$ 721,030	$ 587,540
Idle production capacity	42,148	50,050
Valuation loss	15,878	22,542
	$ 779,056	$ 660,132

(7) Investment at equity method

	2025	2024
January 1	$ 374,582	$ 783,537
Disposal of investments accounted for using the equity method	(342,877)	(110,018)
Share in profit or loss of affiliated companies under equity method	(53)	(28,780)
Exchange difference in the financial statement translation of the foreign operation	-	10,742
Share of other comprehensive income from affiliated companies under the equity method	(4,382)	8,709
March 31	$ 27,270	$ 664,190

	March 31, 2025	December 31, 2024	March 31, 2024
Affiliated companies:			
Microelectronics Technology, Inc. (Microelectronics Technology)	$ -	$ 342,877	$ 639,366
Mega Power Ventures Inc.	27,270	31,705	24,824
	$ 27,270	$ 374,582	$ 664,190

A. The basic information about affiliated companies important to the Group is stated as follows:

Company Name	Principal business place	Shareholding ratio		Nature of relationship	Measurement method
		December 31, 2024	March 31, 2024		
Microelectronics Technology	Taiwan	11.22%	16.18%	Invested company under the equity method by the Company	Equity method

B. The summarized financial information of affiliated companies important to the Group is stated as follows:

Balance sheet	Microelectronics Technology	
	December 31, 2024	March 31, 2024
Current assets	$ 2,183,643	$ 3,282,092
Non-current assets	1,777,450	1,905,376
Current liabilities	(2,388,851)	(2,768,083)
Non-current liabilities	(758,733)	(680,894)
Total net assets	$ 813,509	$ 1,738,491
Shares of the affiliates' net assets	$ 100,437	$ 281,253
Goodwill	248,151	368,901
Others	(5,711)	(10,788)
Book value of affiliated companies	$ 342,877	$ 639,366

Comprehensive Income Statement	Microelectronics Technology
	January 1 to March 31, 2024
Revenue	$ 431,021
Net loss of continuing operations for the year	($ 180,226)
Other comprehensive income (after tax)	36,698
Total comprehensive income for the year	($ 143,528)

C. As the affiliated company important to the Group, Microelectronics Technology has open market quotation. Its fair value was NTD 1,136,353 and NTD 1,394,441 as of December 31, 2024 and March 31, 2024, respectively.

D. From January 1 to March 31, 2024, the Group sold 6,749 thousand shares of affiliate Microelectronics Technology for a total sale price of NTD 231,729. This was recognized as an investment gain of NTD 130,117 accounted for under the equity method, decreasing its shareholding from 18.86% to 16.18%.

E. From January 1 to January 9, 2025, the Group sold 1,473 thousand shares of affiliate Microelectronics Technology for a total sale price of NTD 55,107. This was recognized as an investment gain of NTD 38,991 accounted for under the equity method, decreasing its shareholding from 11.22% to 10.63%.

F. The Group was originally the largest single shareholder of Microelectronics Technology. However, due to the transfer of more than half of the shares held at the time of board appointment, the Group was legally and automatically disqualified from its board position. As a result, the Group lost significant influence over Microelectronics Technology on January 9, 2025. On that date, the Group derecognized the carrying amount of the investment previously accounted for using the equity method, reclassified it as a financial asset at fair value through other comprehensive income based on its fair value, and recognized a gain on disposal of investment in the amount of NTD 668,723 for the difference.

G. As of December 31, 2024, and March 31, 2024, the Group held 11.22% and 16.18% equity interest in Microelectronics Technology, respectively, and was the largest single shareholder. However, the shareholding does not exceed half of total shares and does not exceed the majority vote of the shareholders present at the meeting. Also, the Group has no control over the financial affairs, operation and personnel guidelines of Microelectronics Technology without any actual guidance of relevant activities. Therefore, it is determined that the Group has no control over such company but only significant impact thereof.

(8) Property, plant and equipment

	House and buildings	Machinery and equipment	Others	Unfinished construction and equipment to be inspected	Total
January 1, 2025					
Costs	$ 884,948	$ 425,179	$ 252,184	$ 909,026	$ 2,471,337
Accumulated depreciation	(385,805)	(248,067)	(137,502)	-	(771,374)
	$ 499,143	$ 177,112	$ 114,682	$ 909,026	$ 1,699,963
2025					
January 1	$ 499,143	$ 177,112	$ 114,682	$ 909,026	$ 1,699,963
Increase	-	6,560	5,479	55,645	67,684
Disposal (cost)	-	(37,349)	(663)	-	(38,012)
Disposal (accumulated depreciation)	-	24,786	662	-	25,448
Depreciation expenses	(5,919)	(17,840)	(4,702)	-	(28,461)
Reclassification (cost)	-	3,644	-	(3,644)	-
Net exchange differences	-	23,839	6,378	11,615	41,832
March 31	$ 493,224	$ 180,752	$ 121,836	$ 972,642	$ 1,768,454
March 31, 2025					
Costs	$ 884,948	$ 447,248	$ 269,290	$ 972,642	$ 2,574,128
Accumulated depreciation	(391,724)	(266,496)	(147,454)	-	(805,674)
	$ 493,224	$ 180,752	$ 121,836	$ 972,642	$ 1,768,454

	House and buildings	Machinery and equipment	Others	Unfinished construction and equipment to be inspected	Total
January 1, 2024					
Costs	$ 878,858	$ 360,766	$ 177,425	$ 132,104	$ 1,549,153
Accumulated depreciation	(361,454)	(171,520)	(115,421)	-	(648,395)
	$ 517,404	$ 189,246	$ 62,004	$ 132,104	$ 900,758
2024					
January 1	$ 517,404	$ 189,246	$ 62,004	$ 132,104	$ 900,758
Increase	2,372	7,548	6,873	162,784	179,577
Disposal (cost)	-	(329)	(703)	-	(1,032)
Disposal (accumulated depreciation)	-	329	703	-	1,032
Depreciation expenses	(6,065)	(20,949)	(4,184)	-	(31,198)
Reclassification (cost)	-	8,873	-	(8,873)	-
Net exchange differences	-	36,658	8,987	8,503	54,148
March 31	$ 513,711	$ 221,376	$ 73,680	$ 294,518	$ 1,103,285
March 31, 2024					
Costs	$ 881,230	$ 447,261	$ 198,156	$ 294,518	$ 1,821,165
Accumulated depreciation	(367,519)	(225,885)	(124,476)	-	(717,880)
	$ 513,711	$ 221,376	$ 73,680	$ 294,518	$ 1,103,285

The property, plant, and equipment of the Group were not provided as collateral or capitalized interest.

(9) Lease transactions – Lessee

A. The underlying assets leased by the Group include land, buildings, and transportation equipment. The term of lease contracts is usually 3 to 20 years. The lease contract adopts individual negotiation and includes various different terms and conditions. Besides that the rented assets shall not be used as loan guarantee, there were no other restrictions.

B. The lease terms of parking spaces rented by the Group are less than 12 months, and the underlying leased assets of low value are water dispensers and photocopiers.

C. The following information is the book value and recognized depreciation expenses of right-of-use assets:

	March 31, 2025	December 31, 2024	March 31, 2024
	Book amount	Book amount	Book amount
Land	$ 314,550	$ 322,687	$ 334,851
House	48,105	44,623	62,054
Transportation equipment	599	969	2,080
	$ 363,254	$ 368,279	$ 398,985

	January 1 to March 31, 2025	January 1 to March 31, 2024
	Depreciation expenses	Depreciation expenses
Land	$ 5,149	$ 5,114
House	3,828	3,446
Transportation equipment	370	358
	$ 9,347	$ 8,918

D. During the periods from January 1 to March 31, 2025 and 2024, the increase in the right-of-use assets of the Group amounted to NTD 601 and NTD 5,022, respectively.

E. The following is information regarding the profit or loss items related to lease contracts:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Item influencing current profit or loss		
Interest expenses of lease liabilities	$ 1,252	$ 3,933
Expenses for short-term lease contracts	461	399
Expenses for lease of low-price assets	70	52
Lease modification profit	232,533	-

In the current year, due to the early termination of the lease contract through a supplemental agreement for plant usage rights, the Group recognized a gain on lease modification in the amount of $232,533. Please refer to Note 6, (24) for details.

F. The Group’s total lease cash outflows for the periods from January 1 to March 31, 2025 and 2024 were NTD 10,412 and NTD 10,000, respectively.

(10) Lease transactions – Lessor

A. The assets leased out by the Group are buildings, with lease terms typically ranging from 1 to 20 years. Lease contracts are individually negotiated and contain a variety of terms and conditions. To ensure the use condition of the leased assets, it is often required that the lessee shall not use the leased assets for loan guarantee.

B. The Group recognized NTD 15,315 and NTD 16,620 of rent revenue based on the operating lease contract for the periods from January 1 to March 31, 2025 and 2024, respectively, and there were no variable lease payments.

C. The maturity analysis of lease payments based on operating lease of the Group is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Not more than 1 year	$ 62,799	$ 63,428	$ 68,859
2 to 5 years	17,015	32,722	84,732
More than 5 years	729	786	914
Total	$ 80,543	$ 96,936	$ 154,505

(11) Other non-current assets

	March 31, 2025	December 31, 2024	March 31, 2024
Offset against business tax payable	$ 148,980	$ 148,980	$ 163,624
Net defined benefit assets	56,652	56,652	49,521
Advanced payments for equipment	5,162	-	-
Refundable deposits	4,978	4,664	4,003
Total	$ 215,772	$ 210,296	$ 217,148

(12) Short-term loans

Nature of loan	March 31, 2025	Interest rate range	Collateral
Bank loans			
Credit loans	$ 27,329	5.15%	None

Nature of loan	December 31, 2024	Interest rate range	Collateral
Bank loans			
Credit loans	$ 94,539	5.60%～5.62%	None

Nature of loan	March 31, 2024	Interest rate range	Collateral
Bank loans			
Credit loans	$ 405,328	4.50%～6.215%	None

(13) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Payables for discount	$ 90,017	$ 87,958	$ 79,222
Payables for equipment	42,499	81,234	-
Employee bonus payable	70,982	1,476	-
Salaries and bonuses payable	68,400	76,773	68,099
Rent payable	-	53,922	15,264
Other fees payable	121,314	54,625	71,918
	$ 393,212	$ 355,988	$ 234,503

(14) Pension

A. (A) The Company has established regulations for retirement with welfare in accordance with the Labor Standards Act. These regulations apply to the years of service for full-time employees before the implementation of the Labor Pension Act on July 1, 2005. The employees continued to adopt the Labor Standards Act after the Labor Pension Act came into effect. Employees who meet the retirement requirements will be paid the pension based on their years of service and average salary or wage of the last six (6) months prior to retirement. Two units are accrued for each year of service for the first 15 years and one unit is accrued for each additional year thereafter, up to a maximum of 45 units. The Company contributes 2% of the total salary on a monthly basis to the pension fund and deposits it at the special pension account under the title of the Pension Reserve Monitoring Committee Taiwan, the Bank of Taiwan. Before the end of the fiscal year, the Company calculates the balance of the said labor pension fund account. If the pension account balance is insufficient to pay for the pension of employees expecting to meet the retirement conditions in the following year, the spread amount shall be deposited by the Company in a lump sum before the end of March in the following year.

(B) In February 2025, the Science Park Administration approved the Company to suspend the appropriation of the labor pension reserve.

(C) The Company schedules to contribute NTD 0 to the pension plan in 2025.

B. (A) As of July 1, 2005, the Company and its domestic subsidiaries instituted the defined contribution pension plan according to the Labor Pension Act applicable to employees who are nationals of the country where the Company operates.. For employees who have elected to participate in the pension system under the Labor Pension Act, the Company and its domestic subsidiaries contribute 6% of the employees’ monthly salary to their individual pension accounts maintained by the Bureau of Labor Insurance. Pension benefits are paid out based on the balance of the personal pension account, including accumulated returns, and may be received either as monthly payments or as a lump-sum payment.

(B) The subsidiaries in China and Vietnam make monthly contributions to the endowment insurance based on a certain percentage of the local employees’ total salary in accordance with the endowment insurance system stipulated by the local government and deposit them in a dedicated employee account. Employee pensions are arranged by the government. Except for the contribution of funds on a monthly basis, the Company mentioned above shall bear no other obligations.

(C) For the periods from January 1 to March 31, 2025 and 2024, the Group recognized pension costs of NTD 5,847 and NTD 4,899, respectively, in accordance with the aforementioned pension plan.

(15) Share-based payment for remuneration

A. The share-based payment for remuneration agreements of the Group as of March 31, 2025, December 31, 2024, and March 31, 2024, were as follows:

Type of agreement	Grant date	Amount given	Contract period	Criteria for vesting
New restricted employee shares plan	2022.09.13	1,110 thousand shares	3 years	Descriptions (1) and (6)
New restricted employee shares plan	2022.11.08	500 thousand shares	3 years	Descriptions (2) and (6)
New restricted employee shares plan	2023.08.11	100 thousand shares	3 years	Descriptions (3) and (6)
New restricted employee shares plan	2023.11.10	30 thousand shares	3 years	Descriptions (4) and (6)
New restricted employee shares plan	2024.05.10	260 thousand shares	3 years	Descriptions (5) and (6)

(A) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on September 12, 2025.

(B) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on November 7, 2025.

(C) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on August 10, 2026.

(D) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on November 9, 2026.

(E) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on May 9, 2027.

(F) The new restricted employee shares issued by the Group are issued without consideration and may not be transferred during the vesting period. However, they are not restricted in terms of voting rights or the right to participate in dividend distributions. If an employee resigns during the vesting period, he/she must return the shares but not the dividends received.

(G) The above share-based payment agreements are all settled through equity.

B. The details of the above share-based payment agreements are shown below:

	2025	2024
	Quantity (thousand shares)	Quantity (thousand shares)
New restricted employee shares on January 1	614	1,042
Canceled in the current period	(15)	(20)
New restricted employee shares on March 31	599	1,022

C. The Group's share-based payment transactions granted on the grant date are valued using the fair value of the estimated stock options, which is calculated as the grant date stock price minus the exercise price. Relevant information is as follows:

Type of agreement	Grant date	Stock price	Fulfillment price	Expected volatility	Expected duration	Expected dividends	Risk-free rate	Fair value per unit
New restricted employee shares plan	2022.09.13	29.70	-	-	3 years	-	-	29.70
New restricted employee shares plan	2022.11.08	23.05	-	-	3 years	-	-	23.05
New restricted employee shares plan	2023.08.11	20.05	-	-	3 years	-	-	20.05
New restricted employee shares plan	2023.11.10	21.95	-	-	3 years	-	-	21.95
New restricted employee shares plan	2024.05.10	21.95	-	-	3 years	-	-	21.95

D. The expenses generated from share-based payment transactions are as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Equity settled	$ 1,665	$ 2,739

(16) Liability reserve

	Warranty	
	2025	2024
Balance, January 1	$ 10,965	$ 12,939
Increase in liability reserve in current period	2,596	1,949
Used liability reserve in current period	(938)	(2,117)
Balance as of March 31	$ 12,623	$ 12,771

The analysis of liability reserve is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	$ 1,553	$ 541	$ 2,897
Non-current	$ 11,070	$ 10,424	$ 9,874

The Group’s reserve for warranty liabilities is estimated according to the historical warranty information of such products to estimate possible after-sale service in the future. The warranty liabilities of the Group estimated to be used in 2025 and 2026 are NTD 1,553 and NTD 11,070, respectively.

(17) Capital stock

A. As of March 31, 2025, the Company’s authorized capital was NTD 5,000,000, divided into 500,000 thousand shares (including 14,000 thousand shares reserved for employee stock options), and the paid-in capital amounted to NTD 3,303,104, with a par value of NTD 10 per share. All shares issued by the Company were paid in full.

The Company’s outstanding common stock at beginning and ending is reconciled as follows:

	2025 (thousand shares)	2024 (thousand shares)
January 1	323,679	330,190
Cancellation of new restricted employee shares	(15)	(20)
Recovery of shares	(854)	-
March 31	322,810	330,170

B. The Company’s board of directors resolved to issue new restricted employee shares on May 10, 2024 (please refer to Note 6(14)). The respective issuance reference date for the new shares was May 10, 2024. Employees did not need to pay to acquire the new restricted employee shares. The rights and obligations of the common shares issued this time are the same as other previously issued common stocks, except for the restriction on the transferability of shares, until the vested conditions are met by the employees.

C. On March 11, 2024, the Company’s board of directors resolved to cancel 20 thousand shares of restricted stock units bought back, reducing the capital by NTD 200 thousand. The reduction date was set as March 11, 2024, and the change of registration was completed on March 27, 2024.

D. On August 9, 2024, the Company’s board of directors resolved to cancel 50 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 500 thousand. The reduction date was set as August 9, 2024, and the change of registration was completed on August 27, 2024.

E. On November 13, 2024, the Company’s board of directors resolved to cancel 120 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 1,200. The reduction date was set as November 13, 2024, and the change of registration was completed on November 28, 2024.

F. On March 5, 2025, the Company’s board of directors resolved to cancel 15 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 200. The reduction date was set as March 5, 2025, and the change of registration was completed on March 20, 2025.

G. Treasury stocks

(A) Reasons for the redemption of shares and their quantities:

		March 31, 2025	
Name of Company Holding Shares	Reason for redemption	Number of shares (thousand shares)	Book amount
The Company	For transfer of shares to employees	7,500	$ 233,167

		December 31, 2024	
Name of Company Holding Shares	Reason for redemption	Number of shares (thousand shares)	Book amount
The Company	For transfer of shares to employees	6,646	$ 205,694

		March 31, 2024	
Name of Company Holding Shares	Reason for redemption	Number of shares (thousand shares)	Book amount
The Company	For transfer of shares to employees	65	$ 1,426

(B) On May 10, 2024, the Company's board of directors resolved to buy back 5,000 thousand shares of the Company from May 13 to July 12, 2024, at the price of NTD 15.5 - NTD 33.6 per share to protect the Company's credit and shareholder equity, and when the market price falls below the lower limit of the original price range, the repurchase of the Company's shares will continue; as of the expiration of the exercise period, a total of 2,650 thousand shares have been repurchased at a total cost of NTD 78,605 thousand.

(C) On August 9, 2024, the Company's board of directors resolved to buy back 3,000 thousand shares of the Company from August 12 to October 11, 2024, at the price of NTD 17.8 - NTD 33 per share to protect the Company's credit and shareholder equity, and when the market price falls below the lower limit of the original price range, the repurchase of the Company's shares will continue; as of the expiration of the exercise period, a total of 1,785 thousand shares have been repurchased at a total cost of NTD 56,912 thousand.

(D) On November 13, 2024, the Company's board of directors resolved to buy back 3,000 thousand shares of the Company from November 14, 2024 to January 13, 2025, at the price of NTD 24.85 - NTD 37.30 per share to protect the Company's credit and shareholder equity, and when the market price falls below the lower limit of the original price range, the repurchase of the Company's shares will continue; as of the expiration of the exercise period, a total of 3,000 thousand shares have been repurchased at a total cost of NTD 96,224 thousand.

(E) Pursuant to the Securities and Exchange Act, the amount of the outstanding shares repurchased by the Company shall not exceed ten percent of the total number of issued shares. The total amount of the repurchased shares shall not exceed 10% of the Company's retained earnings plus the premium of the outstanding shares and the realized capital stock.

(F) According to the Securities and Exchange Act, the treasury stock held by the Company shall not be pledged and shall not be entitled to the rights of shareholders before transfer.

(G) Pursuant to the Securities and Exchange Act, shares repurchased due to transfer of shares to employees shall be transferred within five years from the repurchase date. Failure to transfer the shares within this period will be treated as if the Company has not issued the shares, and the company must proceed to change registration to cancel the shares. For the repurchased shares to protect the Company's credit and shareholders' rights and interests, a change of registration shall be made to cancel the shares within six months from the date of repurchase.

(H) From January 1 to March 31, 2025 and 2024, the number of treasury shares transferred to the Company's employees was both 0 thousand shares, and the amount of the transfer was both NTD 0.

(18) Capital reserves

According to the Company Act, for the capital reserves including shares issued at premium exceeding the par value and the gains in the form of gifts, besides covering losses, the Company shall distribute the capital reserve by issuing new shares or cash in proportion to the original shareholding ratio of the shareholders when the Company incurs no loss. In addition, according to the relevant regulation of the Securities and Exchange Act, the capital surplus mentioned above that can be capitalized annually shall not exceed 10% of the total paid-in capital. When the reserve is insufficient to cover the capital losses, the Company shall not use capital reserve for offset.

	2025				
	Stock premium	Changes in net worth of equity of affiliated companies and joint ventures recognized under equity method	New restricted employee shares	Others	Total
January 1	$ 484,632	$ 35,206	$ 69,870	$ 8,968	$ 598,676
Cancellation of new restricted employee shares	-	-	(195)	-	(195)
Disposal of investments accounted for using the equity method	-	(35,206)	-	-	(35,206)
March 31	$ 484,632	$ -	$ 69,675	$ 8,968	$ 563,275

	2024				
	Stock premium	Changes in net worth of equity of affiliated companies and joint ventures recognized under equity method	New restricted employee shares	Others	Total
January 1	$ 484,632	$ 59,187	$ 69,891	$ 8,968	$ 622,678
Cancellation of new restricted employee shares	-	-	(261)	-	(261)
Disposal of investments accounted for using the equity method	-	(8,406)	-	-	(8,406)
March 31	$ 484,632	$ 50,781	$ 69,630	$ 8,968	$ 614,011

(19) Retained earnings

A. If the Company has profit at the year's final accounting, it shall first be used to pay the income tax and make up any cumulative losses in accordance with law, and 10% of the balance shall be appropriated as legal reserve, unless the existing legal reserve reaches the amount of the Company's paid-in capital. The rest of the balance shall be used for provision/reversal of special reserves pursuant to laws. The residual balance, if any, shall be added to cumulative undistributed earnings. The Board of Directors shall draft a proposal for allocation of the residual balance plus the undistributed earnings, and submit the same to the shareholders' meeting to resolve whether shareholder bonuses shall be distributed.

B. The Company authorizes the Board of Directors to make a resolution with respect to payment of all or part of the distributable dividends, bonuses, capital reserves or legal reserves in cash by a majority vote at a meeting attended by over two-thirds of the directors and report such payment to the shareholders' meeting without being subject to the resolution of the shareholders' meeting referred to in the preceding paragraph.

C. The dividend policy of the Company is as follows: CyberTAN is currently in the growth stage. Its policy for the distribution of bonuses to shareholders must be based on the current and future investment environment, funding needs, domestic and international competition, capital budget, and other factors, and it must take into account shareholder interests and CyberTAN's long-term financial plan. Bonuses to shareholders shall be allocated from the accumulated distributable earnings and shall be no less than 15% of the distributable earnings of the current year. No distribution is required if the distributable earnings of the current year are less than 3% of the paid-in capital. Cash dividends shall account for no less than 10% of the bonuses to shareholders.

D. The legal reserve shall not be used unless for covering losses or issuing new shares or in cash in proportion to the original shareholding ratio of the shareholders. The new shares or cash allocated shall be no more than 25% of the paid-in capital.

E. Pursuant to laws, when allocating earnings, the Company shall provide the special reserve from the credit balance under other equities on the balance sheet date in the current year. The Company may then allocate the earnings. If the credit balance under other equities is subsequently reversed, the reversed amount may be included in the allocable earnings.

F. The Company's proposed earnings distribution for 2024 was approved by the Board of Directors on March 5, 2025, and the shareholders' meeting held on June 25, 2024 resolved to approve the deficit compensation for 2023 as follows:

	2024		2023	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Reversal of special reserves	$ 97,294	$ -	$ 6,922	$ -

The Company's 2024 earnings distribution proposal does not intend to distribute dividends. The aforementioned earnings distribution proposal is subject to approval by the shareholders' meeting.

(20) Other items of interest

	Financial assets measured at fair value through other comprehensive income	Translation of foreign currency	Employees' unearned remuneration	Total
January 1, 2025	($ 47,762)	($ 10,414)	($ 6,628)	($ 64,804)
Valuation adjustment	(482,029)	-	-	(482,029)
Valuation adjustment – Affiliated companies	(4,382)	-	-	(4,382)
Valuation adjustment transferred to retained earnings	12,551	-	-	12,551
Valuation adjustment transferred to retained earnings – Affiliated companies	(355)	-	-	(355)
Currency translation differences:				
—Group	-	9,720	-	9,720
—Group's tax	-	(134)	-	(134)
Cancellation of new restricted employee shares	-	-	345	345
Share-based payment for remuneration	-	-	1,665	1,665
Disposal of investments accounted for using the equity method	26,170	1,618	-	27,788
March 31, 2025	($ 495,807)	$ 790	($ 4,618)	($ 499,635)

	Financial assets measured at fair value through other comprehensive income	Translation of foreign currency	Employees' unearned remuneration	Total
January 1, 2024	($ 77,483)	($ 77,986)	($ 14,143)	($ 169,612)
Valuation adjustment	(4,389)	-	-	(4,389)
Valuation	8,709	-	-	8,709

adjustment – Affiliated companies				
Valuation adjustment transferred to retained earnings – Affiliated companies	5,896	-	-	5,896
Currency translation differences:				
— Group	-	14,452	-	14,452
— Group's tax	-	(2,890)	-	(2,890)
— Affiliated companies	-	10,742	-	10,742
Cancellation of new restricted employee shares	-	-	461	461
Share-based payment for remuneration	-	-	2,739	2,739
March 31, 2024	($ 67,267)	($ 55,682)	($ 10,943)	($ 133,892)

(21) Operating revenue

	January 1 to March 31, 2025	January 1 to March 31, 2024
Revenue from customer contracts	$ 868,288	$ 659,075

A. Details of revenue from customer contracts

The revenue of the Group is mainly from providing products transferred in certain timing and the revenue can be classified by the following main product lines and geographical area:

January 1 to March 31, 2025	Communication products in America	Communication products in Europe	Communication products in Asia	Other departments	Total
Revenue from external customer contracts	$ 515,689	$ 237,313	$ 44,843	$ 70,443	$ 868,288

January 1 to March 31, 2024	Communication products in America	Communication products in Europe	Communication products in Asia	Other departments	Total
Revenue from external customer contracts	$ 278,926	$ 194,474	$ 9,187	$ 176,488	$ 659,075

B. Contract liabilities

(A) As of March 31, 2025, December 31, 2024, March 31, 2024, and January 1, 2024, the Group recognized contract liabilities – advance receipts related to customer contract revenue in the amounts of NTD 4,222, NTD 41,443, NTD 48,308, and NTD 48,648, respectively.

(B) Contract liabilities at the beginning recognized in the revenue in current period

	January 1 to March 31, 2025	January 1 to March 31, 2024
Balance of the contract liabilities at the beginning recognized in the revenue in current period	$ 40,902	$ 7,294

(22) Interest revenue

	January 1 to March 31, 2025	January 1 to March 31, 2024
Bank deposit interest	$ 7,135	$ 15,882

(23) Other revenue

	January 1 to March 31, 2025	January 1 to March 31, 2024
Rental revenue	$ 15,315	$ 16,620
Other revenues – others	1,506	192
	$ 16,821	$ 16,812

(24) Other gains and losses

	January 1 to March 31, 2025	January 1 to March 31, 2024
Gains on disposal of investment	$ 707,714	$ 130,117
Lease modification profit (Note)	232,533	-
Foreign currency exchange gain (loss)	(37,112)	22,064
Miscellaneous expenses – interest	(403)	(450)
Miscellaneous expenses – depreciation	(4,035)	(4,932)
Loss from financial assets and liabilities at fair value through profit or loss	(21,759)	(14,177)
Miscellaneous expenses	(505)	(4,827)
	$ 876,433	$ 127,795

Note: The Group's subsidiary in China, Chongqing Hongdao Full Technology Co., Ltd. originally entered into an 18-year factory lease. As the Group had fully relocated its production lines to Vietnam, a supplementary agreement was signed on January 20, 2025, to terminate the lease early. A lease modification gain of NTD 232,533 was recognized based on the difference between the lease liability and the right-of-use asset.

(25) Financial Costs

	January 1 to March 31, 2025		January 1 to March 31, 2024	
Interest expenses:				
Bank loans	$	1,470	$	7,035
Lease liabilities		849		3,483
	$	2,319	$	10,518

(26) Additional Information on the Nature of Expense

	January 1 to March 31, 2025		January 1 to March 31, 2024	
Employee benefit expenses	$	221,330	$	113,719
Depreciation expenses of property, plant and equipment		26,316		28,198
Depreciation expenses of right-of-use assets		7,457		6,986
Amortization expense of intangible assets		2,200		1,827
	$	257,303	$	150,730

(27) Employee benefit expenses

	January 1 to March 31, 2025		January 1 to March 31, 2024	
Salary expenses	$	198,405	$	91,575
Employee stock option		1,665		2,739
Expenses for labor and health insurance		10,826		8,848
Pension expenses		5,847		4,899
Other employment expenses		4,587		5,145
	$	221,330	$	113,206

A. According to the Articles of Incorporation, if there is a profit after the annual closing, the Company shall allocate 7%–9% thereof as remuneration to employees. However, the earnings must first be used to offset cumulative losses, if any, before being distributed to the employees and directors as their remuneration at the percentage.

B. For the periods from January 1 to March 31, 2025 and 2024, the Company accrued employee compensation in the amounts of NTD 69,506 and NTD 0, respectively, and accrued director compensation in the amount of NTD 0 for both periods. The aforementioned amounts were recorded under salary expenses.

In 2024, the amounts were estimated at 8% and 0% respectively based on the profit for the year. The actual distributed amounts approved by the Board of Directors were NTD 1,476 and NTD 0, among which the remuneration for employees would be distributed in cash.

As resolved by the board of directors, no remuneration to employees and remuneration to directors will be distributed for 2024, which is consistent with the recognized amount in the 2024 financial statements.

C. Please refer to the "Market Observation Post System" for information related to the remuneration to employees and directors of the Company approved by the board of directors.

(28) Income Tax

A. Income tax expenses (benefits)

(A) Components of income tax expenses (benefits):

	January 1 to March 31, 2025	January 1 to March 31, 2024
Income tax in the current period:		
Income tax generated from the current income	$ 62	$ 384
Underestimated (overestimated) income tax in previous year	-	(27)
Total income tax in the current period	62	357
Deferred income tax:		
Initial occurrence and reversal of temporary difference	5,300	(2,905)
Total deferred income tax	5,300	(2,905)
Income tax expenses (benefits)	$ 5,362	($ 2,548)

(B) Income tax related to other comprehensive income:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Exchange differences on the translation of the foreign operation	$ 134	$ 2,890

B. The Company's profit-seeking business income tax has been certified by the tax authority up until 2022.

(29) Earnings (losses) per share

	January 1 to March 31, 2025		
	After-tax income	Weighted average outstanding shares (thousand shares)	Earnings per share (NTD)
Basic earnings per share			
Net profit attributable to the parent company's common stock shareholders	$ 742,917	322,271	$ 2.31
Diluted earnings per share			
Net profit attributable to the parent company's common stock shareholders	$ 742,917	322,271	
Impacts of dilutive potential common shares			
Remuneration to employees	-	2,917	
Restricted stock	-	474	
Impacts of net profit attributable to the parent company's common stock shareholders plus potential common stocks	$ 742,917	325,662	$ 2.28

	January 1 to March 31, 2024		
	After-tax income	Weighted average outstanding shares (thousand shares)	Losses per share (NTD)
Basic losses per share			
Net loss for the period attributable to the parent company's common stock shareholders	($ 1,601)	328,540	($ 0.00)

The Company had a net loss from January 1 to March 31, 2024, and the inclusion of the potential common shares will have an anti-dilutive effect, so the diluted loss per share is not calculated.

(30) Supplementary information on cash flow

Partial cash payment investment activities:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Purchase of land use rights	$ -	$ -
Add: Payables at beginning of period	-	6,840
Less: Payables at end of period	-	-
Cash paid in current period	$ -	$ 6,840

	January 1 to March 31, 2025	January 1 to March 31, 2024
Purchase of property, plant and equipment	$ 67,684	$ 179,577
Add: Payables for equipment, beginning	81,234	4,158
Less: payables for equipment, ending	(42,499)	-
Cash paid in current period	$ 106,419	$ 183,735

(31) Changes in liabilities from financing activities

	Lease liabilities	
	2025	2024
January 1	$ 443,843	$ 482,764
Changes in cash flow from financing activities	(8,629)	(5,616)
Other non-cash changes	(193,507)	(3,521)
Impact of changes in exchange rate	9,811	16,201
March 31	$ 251,518	$ 489,828

Besides lease liabilities, the Group's changes in liabilities from financing activities for the periods from January 1 to March 31, 2025, and 2024 were changes in cash flow from financing without any non-cash changes. Please refer to the consolidated statement of cash flow.

7. Transactions of the Related Party

(1) Name of the related party and relationship

Name of the related party	Relationship with the Group
Gwong-Yih Lee	Key management of the Group
Microelectronics Technology, Inc. and its subsidiaries (Note)	Other related parties
Hon Hai Precision Industry Co., Ltd. and its subsidiaries (Hong Hai)	〃
FOXCONN Technology Co., Ltd. and its subsidiaries	〃
Garuda Technology Co., Ltd. and its subsidiaries	〃
Pan-International Industrial Corp.	〃
Cloud Network Technology Singapore Pte. Ltd.(Cloud Network)	〃

Note: Microelectronics Technology, Inc. and its subsidiaries were previously related parties of the Company. However, since the Group ceased to hold a board seat on January 9, 2025, it no longer has significant influence over Microelectronics Technology, Inc. and, as such, reclassified it as an other related party effective January 9, 2025.

(2) Significant transactions with the related party

A. Operating revenue

	January 1 to March 31, 2025	January 1 to March 31, 2024
Sale of goods:		
Other related parties		
- Cloud Network	$ 238,080	$ 195,085
- Hon Hai Precision Ind. Co., Ltd.	144,513	10,926
- Others	6,682	658
Affiliated companies	-	1,057
Total	$ 389,275	$ 207,726

Except for transactions with no similar transactions to follow, where the transaction terms are negotiated and determined by both parties, the selling prices of the Group to the aforementioned related parties are similar to the selling prices to ordinary customers. The mode of collection adopts NET 20 days, and the collection period is O/A 120 days. The mode of collection for general customers is O/A 60 days.

B. Purchase

	January 1 to March 31, 2025	January 1 to March 31, 2024
Purchase of commodities:		
Other related parties	$ 38,159	$ 37,756
Affiliated companies	-	122
Total	$ 38,159	$ 37,878

Except for transactions with no similar transactions to follow, where the transaction terms are negotiated and determined by both parties, all other transactions of the Group involve purchasing from related parties at prevailing market prices. The mode of collection adopts NET 30 days, and the collection period is O/A 120 days. The mode of collection for general vendors is O/A 60 days.

C. Accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable – the related party			
Other related parties			
- Cloud Network	$ 219,661	$ 238,127	$ 182,513
- Hon Hai Precision Ind. Co., Ltd.	84,709	55,534	-
- Others	4,907	-	4,672
Affiliated companies	-	10,817	865
Total	$ 309,277	$ 304,478	$ 188,050

D. Other receivables

	March 31, 2025	December 31, 2024	March 31, 2024
Other receivables – the related party			
Affiliated companies			
- Microelectronics Technology and its subsidiaries	$ -	$ 92,602	$ 50,962
Other related parties			
- Microelectronics Technology and its subsidiaries	87,075	-	-
- Others	1,061	1,039	1,286
Total	$ 88,136	$ 93,641	$ 52,248

Other receivables from the related party mainly are the purchase amount on behalf of the related party and rental revenue.

E. Accounts payable

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable – the related party			
Other related parties	$ 29,286	$ 19,663	$ 16,589
Affiliated companies	-	12,051	-

Total	$ 29,286	$ 31,714	$ 16,589

F. Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Other payables – the related party			
Other related parties	$ 18,189	$ 17,749	$ 14,701
Affiliated companies	-	1,079	891
Total	$ 18,189	$ 18,828	$ 15,592

Other payables to the related party mainly are payables of processing fee, labor service fee and freight.

G. Processing expenses

	January 1 to March 31, 2025	January 1 to March 31, 2024
Other related parties	$ 1,382	$ 566

H. Labor service fee

	January 1 to March 31, 2025	January 1 to March 31, 2024
Other related parties	$ 600	$ 600

I. Freight costs

	January 1 to March 31, 2025	January 1 to March 31, 2024
Other related parties	$ 14,248	$ 4,751

J. Rental revenue

	January 1 to March 31, 2025	January 1 to March 31, 2024
Affiliated companies		
- Microelectronics Technology and its subsidiaries	$ -	$ 14,859
Other related parties		
- Microelectronics Technology and its subsidiaries	13,616	-
- Others	1,654	1,686
Total	$ 15,270	$ 16,545

The Group leased property, plant and equipment to the related party for the periods from January 1 to March 31, 2025, and 2024. Rental rates were determined in accordance with prevailing market conditions. The rent is collected every quarter.

K. Deposit received

	March 31, 2025	December 31, 2024	March 31, 2024
Affiliated companies			
- Microelectronics Technology and its subsidiaries	$ -	$ 5,765	$ 5,765
Other related parties			
- Microelectronics Technology and its subsidiaries	5,765	-	-
- Others	690	690	349
Total	$ 6,455	$ 6,455	$ 6,114

L. Other transactions

The related party, Gwong-Yih Lee, served as the joint guarantor of bank loans and joint writer of guaranteeing invoices by the Company for the periods from January 1 to March 31, 2025 and 2024.

(3) Information on the remuneration to the key management:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Short-term employee benefits	$ 5,605	$ 5,237
Benefits after severance/retirement	144	131
Total	$ 5,749	$ 5,368

8. Pledged Assets

The details of the Group's assets provided as collateral are as follows:

	Book value			
Asset item	March 31, 2025	December 31, 2024	March 31, 2024	Purpose of collateral
Time deposit (listed financial assets measured at amortized cost – non-current)	$ 22,528	$ 22,529	$ 22,528	Guarantee deposits of superficies

9. Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts

(1) Contingency

None.

(2) Commitments

As of March 31, 2025, December 31, 2024, and March 31, 2024, the total contract prices for the projects signed were NTD 1,164,711, NTD 998,884, and NTD 948,150, respectively. The amounts paid were NTD 831,691, NTD 820,872, and NTD 294,519, leaving outstanding balances of NTD 333,020, NTD 178,012, and NTD 653,631, respectively.

10. Losses Due to Major Disasters

None.

11. Significant Subsequent Events

None.

12. Others

(1) Capital Management

The Group's capital management objective is intended to protect the Group's continued operation and maintain optimal capital structure to reduce capital cost and provide remuneration to the shareholder. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce liabilities.

(2) Financial instruments

A. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Financial assets measured at fair value through other comprehensive income			
Selection of specified equity instrument investment	$ 307,373	$ 51,871	$ 7,888
Financial assets measured at amortized cost	2,612,559	2,925,566	3,557,440
	$ 2,919,932	$ 2,977,437	$ 3,565,328
Financial liabilities			
Financial liabilities measured at fair value through profit or loss			
Financial liabilities mandatorily measured at fair value through profit or loss	$ 17,268	$ 19,543	$ 12,239
Financial liabilities measured at amortized cost	1,459,599	1,363,357	1,556,724
Lease liabilities	251,518	443,843	489,828
	$ 1,728,385	$ 1,826,743	$ 2,058,791

Note: The financial assets carried at amortized cost, including cash and cash equivalents, financial assets measured at amortized cost, accounts receivables (including the related party), other receivables, and guaranteed deposits paid; the financial liabilities measured at amortized cost include short-term loans, accounts payable (including the related party), other payables (including the related party) and deposits received.

B. Risk management policy

(A) Various financial risks have an impact on the daily operation of the Group, including market risk (including the exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. To reduce the adverse impact of uncertainty on the Group's financial performance, the Group used forward exchange contracts to hedge the risk of exchange rate. The derivative tools used by the Group are for hedging purposes instead of trading or speculation.

(B) The risk management work is executed by the Group's financial department based on the policy approved by the board of directors. The Group's financial department is responsible for identifying, evaluating and hedging financial risks through close cooperation with each business unit in the Group. The board of directors has established written principles for the overall risk management while providing written policy for certain scope and matters, such as exchange rate risk, interest rate risk, credit risk, utilization of the financial and non-financial instruments and the investment principles of remained current funds.

C. Nature and degree of important financial risk

(A) Market risk

Exchange rate risk

a. The Group is a multinational corporation. Therefore, the exchange rate risk resulting from transactions with functional currencies relatively different from the Company and its subsidiaries mainly involve USD, RMB, and VND. Related exchange rate risks come from future commercial transactions and recognized assets and liabilities.

b. The management of the Group has established policy that regulates the management of the exchange rate risk which is relative to the functional currency of the Companies in the Group. Each Company shall adopt a hedging policy against the overall exchange rate risk via the Group's financial department. The exchange rate risk is measured by the expected transactions with a high possibility of generating USD, RMB, and VND expenses, which adopt forward exchange contracts to reduce the impact of exchange rate fluctuations on the expected purchase inventory cost.

c. The Group's business lines involved some non-functional currencies (the functional currency of the Company and some of its subsidiaries was NTD, and that of some subsidiaries is USD, RMB, and VND). Therefore, the Company would be subject to effects produced by fluctuation in foreign exchange rates. The information about assets and liabilities denominated in foreign currency exposed to significant effects produced by fluctuations in the foreign exchange rate is stated as follows:

	March 31, 2025				
				Sensitivity analysis	
	Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Range of change	Impact on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD : NTD	$ 36,742	33.205	$ 1,220,018	2%	$ 19,520
RMB : NTD	2,157	4.573	9,864	2%	158
USD : VND	950	22,222.222	31,244	2%	500
Financial liabilities					
Monetary items					
USD : NTD	19,301	33.205	640,890	2%	10,254
USD : VND	18,996	22,222.222	624,757	2%	9,996

	December 31, 2024				
				Sensitivity analysis	
	Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Range of change	Impact on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD : NTD	$ 31,310	32.785	$ 1,026,498	2%	$ 16,424
RMB : NTD	2,157	4.478	9,659	2%	155
USD : VND	1,719	25,641.026	55,757	2%	892
Financial liabilities					
Monetary items					
USD : NTD	41,945	32.785	1,375,167	2%	22,003
USD : VND	2,229	25,641.026	74,570	2%	1,193

March 31, 2024					
				Sensitivity analysis	
	Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Range of change	Impact on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD : NTD	$ 27,707	32.000	$ 886,624	2%	$ 14,186
RMB : NTD	2,145	4.408	9,455	2%	151
USD : VND	726	21,768.707	23,232	2%	372
Financial liabilities					
Monetary items					
USD : NTD	21,943	32.000	702,176	2%	11,235
USD : VND	17,779	21,768.707	568,928	2%	9,103

d. For the periods from January 1 to March 31 of 2025 and 2024, the Group’s total amount of all exchange loss (including the realized and unrealized) from monetary items due to significant impact of exchange rate fluctuation were NTD (37,112) and NTD 22,064, respectively.

Price risk

a. The Group’s equity instruments exposed to price risk are the holding financial assets measured at the fair value through profit or loss and financial assets measured at the fair value through other comprehensive income. To manage the price risk of the equity instrument investment, the Group separated the investment portfolio and the separation method based on the limited amount set by the Group.
b. The Group mainly invested in equity instruments issued at home and abroad. The price of such equity instruments is affected by the uncertainty of the investment’s future value. If the price of the equity instrument increases or decreases by 1% and all other factors remain unchanged, the other comprehensive income for the periods from January 1 to March 31, 2025, and 2024, would increase or decrease by NTD 2,997 and NTD 79 as a result of the profit or loss in equity instrument measured at fair value through other comprehensive income.

(B) Credit risk

a. The Group’s credit risk is the risk of financial loss that would be incurred by the Group if its customers or financial instrument trading counterparty failed to fulfill contracts. This is mainly due to the trading counterparty not being able to pay the accounts payable based on the payment conditions and the contractual cash flows of debt instrument investment classified as measured at amortized cost.

b. The Group manages credit risk from a group-wide perspective. For trading banks and financial institutes, only those with good credit can be accepted as trading counterparties. According to the loan policy expressly defined internally, each business department within the Group shall conduct a management and credit risk analysis on each new customer before setting payment and proposing the delivery terms and conditions. The internal risk control evaluates customers' credit quality by taking into consideration the customers' financial position, past experience and other factors. The individual risk limit is set by the board of directors according to the internal or external ratings. The management will also control the periodic draw down of credit limits.
c. The Group adopts IFRS 9 for presumption that when the contract payment is past due for over 90 days based on the agreed payment terms, the Group takes it as a default of the contract.
d. The following presumption provided by the Group adopts IFRS 9 as the basis to determine whether the credit risk of a financial instrument increases significantly after the initial recognition:
   (a) When the contract payment is past due for over 30 days based on the agreed payment terms, it is determined that the credit risk of the financial instrument has increased significantly after the initial recognition.
   (b) For bond investments traded on the Taipei Exchange, those financial assets with investment grading rated by any external credit rating agency on the balance sheet date are considered to be low credit risk.
e. The Group's indexes used to determine the debt instrument as credit impairment are as follows:
   (a) Issuer has major financial difficulty or is likely to wind up or proceed with other financial reorganizations;
   (b) The active market of financial assets might extinguish due to the financial difficulty of the issuer;
   (c) Overdue or non-performance of interest or principal payment by the issuer;
   (d) National or regional adverse economic changes related to the default of issuer.
f. The Group classified the customer's accounts receivable based on customer rating and the characteristics of the customer. They used the reserve matrix as the basis, with a simplified approach to estimate the expected credit losses.
g. The Group offsets the amount of recoverable financial assets which cannot be reasonably expected after the recourse procedure. However, the Group will continue the legal recourse procedure to protect the creditor's rights. As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group does not have creditor's rights, which were written off with means of recourse.

h. The Group adopted the business indicators of the National Development Council for future forward-looking considerations to adjust the established loss ratio based on certain periods of history and current information to estimate the allowance loss of the accounts receivable (including the related parties). The provision matrices as of March 31, 2025, December 31, 2024, and March 31, 2024, are as follows:

	Undue	Overdue 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue more than 90 days	Total
March 31, 2025						
Expected loss ratio	0.44%	15.30%	15.33%	15.36%	100%	
Total book value	$ 873,048	$ 20,049	$ 2,317	$ 1,499	$ 1,689	$ 898,602
Allowance loss	7,967	3,067	355	230	1,689	13,308

	Undue	Overdue 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue more than 90 days	Total
December 31, 2024						
Expected loss ratio	0.88%	13.67%	13.70%	13.73%	100%	
Total book value	$ 983,675	$ 25,974	$ 1,106	$ 89	$ 1,817	$ 1,012,661
Allowance loss	6,459	3,550	151	12	1,817	11,989

	Undue	Overdue 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue more than 90 days	Total
March 31, 2024						
Expected loss ratio	0.77%	10.34%	10.37%	10.40%	100%	
Total book value	$ 591,451	$ 1,448	$ -	$ -	$ 1,518	$ 594,417
Allowance loss	4,317	149	-	-	1,518	5,984

i. The aging analysis of accounts receivable (including the related party) is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
	Accounts receivable	Accounts receivable	Accounts receivable
Undue	$ 873,048	$ 983,675	$ 591,451
Within 30 days	20,049	25,974	1,448
31–60 days	2,317	1,106	-
61–90 days	1,499	89	-
90 days and above	1,689	1,817	1,518
	$ 898,602	$ 1,012,661	$ 594,417

The aging analysis stated above was based on the number of overdue days.

j. The Group's statement of changes in the allowance loss for accounts receivable using the simplified approach is as follows:

	2025	2024
	Accounts receivable (including the related party)	Accounts receivable (including the related party)
January 1	$ 11,989	$ 7,476
Impairment loss accounted for (reversed)	1,947	(1,517)
Foreign exchange rate effect	(628)	25
March 31	$ 13,308	$ 5,984

(C) Liquidity risk

a. The cash flow forecast is executed by each business department in the Group and summarized by the Group's finance department. The finance department of the Group supervises the forecast of the Group's current fund demand to ensure there are sufficient funds to support operating needs.

b. The following table refers to the non-derivative financial liabilities and is grouped subject to the relevant expiry dates. The non-derivative financial liabilities are analyzed based on the residual period from the date of the balance sheet until the expiry date. The contractual cash flow amount disclosed in the following statement is the undiscounted amount.

Non-derivative financial liabilities March 31, 2025	Within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years
Deposit received	$ 349	$ 6,106	$ -	$ 456
Lease liabilities	34,616	32,738	82,421	116,499
	$ 34,965	$ 38,844	$ 82,421	$ 116,955

Non-derivative financial liabilities December 31, 2024	Within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years
Deposit received	$ 349	$ 341	$ 5,765	$ 456
Lease liabilities	70,695	67,284	188,959	167,523
	$ 71,044	$ 67,625	$ 194,724	$ 167,979

Non-derivative financial liabilities March 31, 2024	Within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years
Deposit received	$ 349	$ 5,765	$ -	$ 456
Lease liabilities	71,250	68,209	196,001	207,612
	$ 71,599	$ 73,974	$ 196,001	$ 208,068

Except for those specified above, the non-derivative financial liabilities of the Group will expire within the coming year.

(3) Fair value information

A. The levels of the valuation technique adopted to measure the fair value of the financial and non-financial instruments are defined as follows:

Level 1:	The quotation of the same asset or liability in an active market on the measurement date acquired by the enterprise (before adjustment). The active market means the market in which there are frequent and large volumes of transactions to provide information about pricing on an ongoing basis.
Level 2:	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of derivatives invested by the Group belongs to this level.
Level 3:	Unobservable inputs for the asset or liability. All the equity instruments invested by the Group for which there is no active market belong to this category.

B. The following is the analysis regarding the Group's classification of the financial instruments measured at fair value based on the nature, characteristics and risks of the assets and liabilities as well as the levels of fair value:

March 31, 2025	Level 1	Level 2	Level 3	Total
Recurring fair value assets:				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ 256,144	$ -	$ 51,229	$ 307,373
Recurring fair value liability:				
Financial liabilities measured at fair value through profit or loss	$ -	$ 17,268	$ -	$ 17,268

December 31, 2024	Level 1	Level 2	Level 3	Total
Recurring fair value assets:				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ 12,175	$ -	$ 39,696	$ 51,871
Recurring fair value liability:				
Financial liabilities measured at fair value through profit or loss	$ -	$ 19,543	$ -	$ 19,543

March 31, 2024	Level 1	Level 2	Level 3	Total
Recurring fair value assets:				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 7,888	$ 7,888
Recurring fair value liability:				
Financial liabilities measured at fair value through profit or loss	$ -	$ 12,239	$ -	$ 12,239

C. The methods and assumptions used by the Group to measure fair value is as follows:

(A) The Group's fair value inputs (i.e. Level 1) adopting the quoted market price are listed in the following based on the characteristics of the instruments:

	TWSE/TPEx listed stocks
Quoted market price	Closing price

(B) Except for the financial instrument in the active market, the fair value of other financial instruments is based on the evaluation technology or the quotation of the counterparty. The fair value acquired through the evaluation technology can reference other substantial conditions and similar financial instruments' current fair value and discounted cash flow method or other evaluation technology, including market information that can be acquired on the date of preparing the consolidated balance sheet. The information is then used on a calculation model (such as the yield curve referred to by the Taipei Exchange and the average quotation of the Reuters commercial paper rate).

(C) When evaluating unstandardized financial instruments with low complexity such as debt instruments without active market, interest rate swap contracts, exchange swap contracts and options, the Group adopts evaluation technology widely used by market participants. The parameters used by the evaluation model of such financial instruments are usually information observable in the market.

(D) The Group includes the credit valuation adjustment in the consideration for the fair value calculation of financial and non-financial instruments to reflect the credit risk of the trading counterparty and the credit quality of the Group, respectively.

D. There was no transfer between levels 1 and 2 between January 1 to March 31, 2025 and 2024.

E. The following table shows the changes in level 3 from January 1 to March 31, 2025 and 2024:

	Equity instruments	
	2025	2024
January 1	$ 39,696	$ 10,464
Loss recognized under other comprehensive income	10,945	(4,389)
Foreign exchange rate effect	588	1,813
March 31	$ 51,229	$ 7,888

F. There was no transfer into or out of level 3 from January 1 to March 31, 2025 and 2024.

G. For the Group's evaluation process for fair value classified as level 3, the finance department is responsible for conducting the independent fair value validation of the financial instrument. The department confirms the reasonableness of the evaluation result by making the evaluation result closer to the market status with information from independent sources, confirming the information source is independent, reliable and consistent with other resources and represents executable price, regularly calibrating the evaluation model, conducting roll-back testing, updating required input value and data as well as other necessary fair value adjustments for the evaluation model.

H. For the evaluation model used by the measurement item of level 3 fair value, the quantitative information of unobservable major input and sensitivity analysis for the changes in unobservable major input are as follows:

	Fair value on March 31, 2025	Evaluation technology	Unobservable major input	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-TWSE/TPEx-listed stocks	$ 38,417	Comparable to TWSE/TPEx-listed companies	Note 1	6.09	Note 2
Stocks of venture capital companies	$ 12,812	Net asset value method	N/A	N/A	N/A

	Fair value on December 31, 2024	Evaluation technology	Unobservable major input	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-TWSE/TPEx-listed stocks	$ 26,405	Comparable to TWSE/TPEx-listed companies	Note 1	3.76	Note 2
Stocks of venture capital companies	$ 13,291	Net asset value method	N/A	N/A	N/A

	Fair value on March 31, 2024	Evaluation technology	Unobservable major input	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Stocks of venture capital companies	$ 7,888	Net asset value method	N/A	N/A	N/A

Note 1: The multiple of this net ratio and the lack of market liquidity discount.

Note 2: The higher the multiple, the higher the fair value; the higher the market liquidity discount lacked, the lower the fair value.

13. Noted Disclosures

(1) Information related to material transactions

A. Loaning of funds to others: Please refer to Attachment I.

B. Endorsement and guarantee made for others: None.

C. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated companies, and joint ventures): Please refer to Attachment II.

D. Purchase/sale amount of transactions with the related party reaching NTD 100 million or more than 20% of the paid-in capital: Please refer to Attachment III.

E. Accounts receivable from the related party reaching NTD 100 million or more than 20% of the paid-in capital: Please refer to Attachment IV.

F. Business relationship and major transactions between the parent company and its subsidiaries: Please refer to Attachment V.

(2) Information related to reinvested enterprises

Information related to the invested company, such as names and locations, etc. (excluding the invested company in China): Please refer to Attachment 6.

(3) Information about investment in Mainland China

A. Basic information: Please refer to Attachment VII.

B. Major transactions with the invested company in China either directly or indirectly with occurrence through third regions: None.

14. Business Segment Information

(1) General information

The Company only engages in one industry and the Group's operating decision-maker, the board of directors, adopts the overall group financial statements to evaluate performance and distribute resources. Therefore, the Company is identified as a single reportable segment.

(2) Segment Information

The Group is a single reportable segment. The Group's operating decision-maker, the board of directors, adopts profit after tax in the financial statements for measurement and as the basis of performance evaluation. Therefore, the business segment information is consistent with the information of the main financial statements.