

## **EZconn Corporation and Subsidiaries**

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

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
EZconn Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of EZconn Corporation and its subsidiaries (collectively, the “Group”) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Conclusion**

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

The engagement partners on the reviews resulting in this independent auditors' review report are Chun-Hung Chen and Cheng-Hisu Chang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 7, 2025

Notice to Readers

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

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

# EZCONN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 3,800,130	47	\$ 2,673,758	38	\$ 928,501	24
Financial assets at amortized cost - current (Notes 9 and 31)	88,639	1	100,506	2	98,187	3
Notes receivable (Note 10)	5,676	-	4,818	-	5,466	-
Trade receivables from unrelated parties (Note 10)	858,975	11	990,178	14	438,623	12
Other receivables from unrelated parties (Note 10)	49,930	1	21,420	-	33,640	1
Inventories (Note 11)	1,016,942	12	1,190,671	17	814,834	21
Prepayments (Note 30)	52,349	1	52,280	1	40,270	1
Other current assets	<u>16,785</u>	<u>-</u>	<u>12,927</u>	<u>-</u>	<u>3,700</u>	<u>-</u>
Total current assets	<u>5,889,426</u>	<u>73</u>	<u>5,046,558</u>	<u>72</u>	<u>2,363,221</u>	<u>62</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 20)	30,000	-	3,700	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	595,605	7	425,994	6	111,436	3
Financial assets at amortized cost - non-current (Notes 9 and 31)	3,359	-	3,343	-	3,309	-
Investments accounted for using the equity method (Note 13)	82,677	1	88,264	1	37,422	1
Property, plant and equipment (Notes 14 and 31)	1,094,701	14	1,106,253	16	1,107,483	29
Right-of-use assets (Note 15)	154,985	2	155,843	2	34,219	1
Intangible assets (Note 16)	18,465	-	20,096	-	7,584	-
Deferred tax assets (Notes 4 and 25)	140,987	2	119,791	2	137,155	4
Prepayments for equipment	104,333	1	56,850	1	1,493	-
Refundable deposits	<u>4,616</u>	<u>-</u>	<u>4,517</u>	<u>-</u>	<u>1,368</u>	<u>-</u>
Total non-current assets	<u>2,229,728</u>	<u>27</u>	<u>1,984,651</u>	<u>28</u>	<u>1,441,469</u>	<u>38</u>
TOTAL	<u>\$ 8,119,154</u>	<u>100</u>	<u>\$ 7,031,209</u>	<u>100</u>	<u>\$ 3,804,690</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 17 and 31)	\$ 297,299	4	\$ -	-	\$ 250,000	7
Notes payable (Note 18)	73,076	1	6	-	152,693	4
Trade payables to unrelated parties (Note 18)	297,180	3	297,045	4	171,603	5
Trade payables to related parties (Note 30)	1,890	-	-	-	271	-
Other payables (Note 19)	2,329,758	29	1,623,600	23	268,113	7
Current tax liabilities (Notes 4 and 25)	304,062	4	176,644	3	87,720	2
Lease liabilities - current (Note 15)	14,784	-	14,877	-	7,575	-
Other current liabilities (Notes 19 and 23)	<u>67,679</u>	<u>1</u>	<u>68,228</u>	<u>1</u>	<u>61,606</u>	<u>2</u>
Total current liabilities	<u>3,385,728</u>	<u>42</u>	<u>2,180,400</u>	<u>31</u>	<u>999,581</u>	<u>27</u>
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Notes 7 and 20)	2,000	-	-	-	-	-
Bonds payable (Note 20)	940,908	12	935,440	13	-	-
Deferred tax liabilities (Notes 4 and 25)	82,041	1	77,527	1	19,040	1
Lease liabilities - non-current (Note 15)	122,680	1	122,214	2	6,459	-
Net defined benefit liabilities (Notes 4 and 21)	6,262	-	8,309	-	12,900	-
Other non-current liabilities	<u>9,671</u>	<u>-</u>	<u>9,337</u>	<u>-</u>	<u>9,383</u>	<u>-</u>
Total non-current liabilities	<u>1,163,562</u>	<u>14</u>	<u>1,152,827</u>	<u>16</u>	<u>47,782</u>	<u>1</u>
Total liabilities	<u>4,549,290</u>	<u>56</u>	<u>3,333,227</u>	<u>47</u>	<u>1,047,363</u>	<u>28</u>
EQUITY (Note 22)						
Ordinary shares	760,000	9	760,000	11	756,000	20
Capital surplus	<u>917,698</u>	<u>11</u>	<u>917,698</u>	<u>13</u>	<u>685,055</u>	<u>18</u>
Retained earnings						
Legal reserve	286,369	4	286,369	4	276,278	7
Special reserve	81,457	1	81,457	1	117,072	3
Unappropriated earnings	<u>1,451,891</u>	<u>18</u>	<u>1,783,791</u>	<u>26</u>	<u>969,122</u>	<u>26</u>
Total retained earnings	<u>1,819,717</u>	<u>23</u>	<u>2,151,617</u>	<u>31</u>	<u>1,362,472</u>	<u>36</u>
Other equity	<u>70,984</u>	<u>1</u>	<u>(133,240)</u>	<u>(2)</u>	<u>(46,200)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	<u>3,568,399</u>	<u>44</u>	<u>3,696,075</u>	<u>53</u>	<u>2,757,327</u>	<u>72</u>
NON-CONTROLLING INTERESTS	<u>1,465</u>	<u>-</u>	<u>1,907</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity	<u>3,569,864</u>	<u>44</u>	<u>3,697,982</u>	<u>53</u>	<u>2,757,327</u>	<u>72</u>
TOTAL	<u>\$ 8,119,154</u>	<u>100</u>	<u>\$ 7,031,209</u>	<u>100</u>	<u>\$ 3,804,690</u>	<u>100</u>

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

# EZCONN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
NET REVENUE (Note 23)	\$ 2,104,723	100	\$ 826,319	100
COST OF REVENUE (Notes 11, 21, 24 and 30)	<u>1,064,523</u>	<u>51</u>	<u>420,285</u>	<u>51</u>
GROSS PROFIT	<u>1,040,200</u>	<u>49</u>	<u>406,034</u>	<u>49</u>
OPERATING EXPENSES (Notes 10, 21, 24 and 30)				
Selling and marketing expenses	451,714	21	164,063	20
General and administrative expenses	180,314	9	96,423	11
Research and development expenses	25,978	1	24,139	3
Expected credit gain	<u>(86)</u>	<u>-</u>	<u>(11)</u>	<u>-</u>
Total operating expenses	<u>657,920</u>	<u>31</u>	<u>284,614</u>	<u>34</u>
PROFIT FROM OPERATIONS	<u>382,280</u>	<u>18</u>	<u>121,420</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 20 and 24)				
Interest income	19,839	1	7,524	1
Other income	362	-	156	-
Other gains	51,597	2	35,814	4
Finance costs	(7,700)	-	(3,662)	-
Share of loss of associates accounted for using the equity method	<u>(5,587)</u>	<u>-</u>	<u>(2,478)</u>	<u>-</u>
Total non-operating income and expenses	<u>58,511</u>	<u>3</u>	<u>37,354</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	440,791	21	158,774	20
INCOME TAX EXPENSE (Notes 4 and 25)	<u>119,551</u>	<u>6</u>	<u>39,849</u>	<u>5</u>
NET INCOME	<u>321,240</u>	<u>15</u>	<u>118,925</u>	<u>15</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 8, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	<u>169,611</u>	<u>8</u>	<u>12,050</u>	<u>1</u>
	<u>169,611</u>	<u>8</u>	<u>12,050</u>	<u>1</u>

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# EZCONN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ 21,180	1	\$ 29,008	4
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(4,232)</u>	<u>-</u>	<u>(5,802)</u>	<u>(1)</u>
	<u>16,948</u>	<u>1</u>	<u>23,206</u>	<u>3</u>
Other comprehensive income for the period, net of income tax	<u>186,559</u>	<u>9</u>	<u>35,256</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 507,799</u>	<u>24</u>	<u>\$ 154,181</u>	<u>19</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the parent	\$ 321,702	15	\$ 118,925	15
Non-controlling interests	<u>(462)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 321,240</u>	<u>15</u>	<u>\$ 118,925</u>	<u>15</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the parent	\$ 508,241	24	\$ 154,181	19
Non-controlling interests	<u>(442)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 507,799</u>	<u>24</u>	<u>\$ 154,181</u>	<u>19</u>
EARNINGS PER SHARE (NT\$;Note 26)				
Basic	<u>\$ 4.26</u>		<u>\$ 1.72</u>	
Diluted	<u>\$ 4.23</u>		<u>\$ 1.72</u>	

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

(Concluded)

EZCONN CORPORATION AND SUBSIDIARIES

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

	Other Equity												Non-controlling Interests (Note 12)	Total Equity
	Share Capital		Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Comprehensive Income	Unearned Stock-based Employee Compensation	Total	Total		
	Share (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total							
BALANCE AT JANUARY 1, 2024	66,300	\$ 663,000	\$ 225,635	\$ 276,278	\$ 117,072	\$ 850,197	\$ 1,243,547	\$ (97,004)	\$ 15,548	\$ -	\$ (81,456)	\$ 2,050,726	\$ -	\$ 2,050,726
Issuance of ordinary shares for cash	9,300	93,000	459,420	-	-	-	-	-	-	-	-	552,420	-	552,420
Net profit for the three months ended March 31, 2024	-	-	-	-	-	118,925	118,925	-	-	-	-	118,925	-	118,925
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	-	23,206	12,050	-	35,256	35,256	-	35,256
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	118,925	118,925	23,206	12,050	-	35,256	154,181	-	154,181
BALANCE AT MARCH 31, 2024	75,600	\$ 756,000	\$ 685,055	\$ 276,278	\$ 117,072	\$ 969,122	\$ 1,362,472	\$ (73,798)	\$ 27,598	\$ -	\$ (46,200)	\$ 2,757,327	\$ -	\$ 2,757,327
BALANCE AT JANUARY 1, 2025	76,000	\$ 760,000	\$ 917,698	\$ 286,369	\$ 81,457	\$ 1,783,791	\$ 2,151,617	\$ (64,232)	\$ 49,050	\$ (118,058)	\$ (133,240)	\$ 3,696,075	\$ 1,907	\$ 3,697,982
Share-based payment transactions	-	-	-	-	-	-	-	-	-	17,685	17,685	17,685	-	17,685
Appropriation of 2024 earnings Cash dividends distributed by the Company	-	-	-	-	-	(653,602)	(653,602)	-	-	-	-	(653,602)	-	(653,602)
Net profit (loss) for the three months ended March 31, 2025	-	-	-	-	-	321,702	321,702	-	-	-	-	321,702	(462)	321,240
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	-	16,928	169,611	-	186,539	186,539	20	186,559
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	321,702	321,702	16,928	169,611	-	186,539	508,241	(442)	507,799
BALANCE AT MARCH 31, 2025	76,000	\$ 760,000	\$ 917,698	\$ 286,369	\$ 81,457	\$ 1,451,891	\$ 1,819,717	\$ (47,304)	\$ 218,661	\$ (100,373)	\$ 70,984	\$ 3,568,399	\$ 1,465	\$ 3,569,864

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

# EZCONN CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 440,791	\$ 158,774
Adjustments for:		
Depreciation expenses	21,279	19,998
Amortization expenses	2,416	857
Expected credit gain reversed on trade receivables	(86)	(11)
Net loss on financial assets and liabilities at fair value through profit or loss	5,700	-
Finance costs	7,700	3,662
Interest income	(19,839)	(7,524)
Compensation cost of share-based payment	17,685	22,320
Share of loss of associates accounted for using the equity method	5,587	2,478
Loss on disposal of property, plant and equipment	1,780	327
Gain on lease modification	(10)	-
Write-down of inventories	15,314	4,040
Changes in operating assets and liabilities		
Notes receivable	(858)	(220)
Trade receivables from unrelated parties	131,281	(1,737)
Other receivables from unrelated parties	(24,196)	(15,943)
Inventories	157,221	(218,417)
Prepayments	(69)	4,274
Other current assets	(3,858)	636
Notes payable	73,070	152,687
Trade payables to unrelated parties	135	(15,793)
Trade payables to related parties	1,890	271
Other payables	55,964	(114,788)
Other current liabilities	(549)	(1,136)
Net defined benefit liabilities	(2,048)	(20,645)
Cash generated from (used in) operations	886,300	(25,890)
Interest received	15,525	6,929
Interest paid	(2,113)	(4,070)
Income tax paid	(13,128)	(4,443)
Net cash generated from (used in) operating activities	886,584	(27,474)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	-	(10,000)
Purchase of financial assets at amortized cost	(53,776)	(63,650)
Proceeds from sale of financial assets at amortized cost	66,282	63,250
Proceeds from sale of financial assets at fair value through profit or loss	(30,000)	-
Payments for property, plant and equipment	(7,332)	(288,178)

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# EZCONN CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
Proceeds from disposal of property, plant and equipment	\$ 1,156	\$ 83
Increase in refundable deposits	(97)	-
Decrease in refundable deposits	-	1,681
Payments for intangible assets	(615)	(854)
Increase in prepayments for equipment	<u>(45,992)</u>	<u>-</u>
Net cash used in investing activities	<u>(70,374)</u>	<u>(297,668)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	446,721	920,000
Repayments of short-term borrowings	(150,000)	(1,000,000)
Repayments of long-term borrowings	-	(218,000)
Repayment of the principal portion of lease liabilities	(3,869)	(2,410)
Increase in other non-current liabilities	335	127
Proceeds from issuance of ordinary shares	<u>-</u>	<u>530,100</u>
Net cash generated from financing activities	<u>293,187</u>	<u>229,817</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>16,975</u>	<u>23,411</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,126,372	(71,914)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>2,673,758</u>	<u>1,000,415</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 3,800,130</u>	<u>\$ 928,501</u>

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

(Concluded)

# EZCONN CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

EZconn Corporation (the “Company”) was incorporated in the Republic of China (ROC) on September 4, 1996. The Company mainly manufactures and sells precision metal components and optical fiber components of various electronic products.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since July 14, 2015.

These consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 7, 2025.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the FSC

#### Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

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

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

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

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

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

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

#### IFRS 18 “Presentation and Disclosures in Financial Statements”

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

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

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

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

##### a. Statement of compliance

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

##### b. Basis of preparation

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

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

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

##### c. Basis of consolidation

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 12, Tables 5 and 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

##### d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

##### 1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

**5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The accounting judgments and key sources of estimation uncertainty of these consolidated financial statements are the same as the consolidated financial statements for the year ended December 31, 2024.

**6. CASH AND CASH EQUIVALENTS**

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 832	\$ 538	\$ 832
Checking accounts and demand deposits	2,066,390	2,073,968	694,648
Cash equivalents			
Time deposits with original maturities of three months or less	1,533,678	599,252	233,021
Repurchase agreements collateralized by bonds	<u>199,230</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,800,130</u>	<u>\$ 2,673,758</u>	<u>\$ 928,501</u>

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (MARCH 31, 2024: NONE)**

	March 31, 2025	December 31, 2024
<u>Financial assets - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Domestic convertible bonds	\$ 30,000	\$ -
Derivative instruments (not under hedge accounting)		
Convertible options (Note 20)	<u>-</u>	<u>3,700</u>
	<u>\$ 30,000</u>	<u>\$ 3,700</u>
<u>Financial liabilities - non-current</u>		
Financial liabilities held for trading		
Derivative instruments (not under hedge accounting)		
Convertible options (Note 20)	<u>\$ 2,000</u>	<u>-</u>

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Listed shares and emerging market shares			
TrueLight Corporation	\$ 24,032	\$ 28,413	\$ 39,500
TMY Technology Inc.	485,992	-	-
Unlisted shares			
TMY Technology Inc.	-	312,000	10,000
OpXion Tech. Incorporation	11,004	11,004	5,602
Lightel Technologies Inc.	<u>74,577</u>	<u>74,577</u>	<u>56,334</u>
	<u>\$ 595,605</u>	<u>\$ 425,994</u>	<u>\$ 111,436</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purpose. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In March and November 2024, the Group acquired the ordinary shares of TMY Technology Inc. via capital injection; since the shares are held for medium- to long-term strategic purposes, the management designated these investments as at FVTOCI.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 55,434	\$ 100,506	\$ 98,187
Pledged deposits	<u>33,205</u>	<u>-</u>	<u>-</u>
	<u>\$ 88,639</u>	<u>\$ 100,506</u>	<u>\$ 98,187</u>
<u>Non-current</u>			
Pledged deposits	<u>\$ 3,359</u>	<u>\$ 3,343</u>	<u>\$ 3,309</u>

- The ranges of interest rates for time deposits with an original maturity of more than 3 months were approximately 1.42%-3.70%, 1.70%-5.10% and 2.40%-5.00% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.
- The market interest rates of the pledged deposits were 1.700%, 1.575%-1.700% and 1.575% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.
- Refer to Note 31 for information relating to investments in financial assets at amortized cost pledged as security.

# 10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable, net</u>			
At amortized cost			
Gross carrying amount	\$ 5,760	\$ 4,902	\$ 5,550
Less: Allowance for impairment loss	<u>(84)</u>	<u>(84)</u>	<u>(84)</u>
	<u>\$ 5,676</u>	<u>\$ 4,818</u>	<u>\$ 5,466</u>
Notes receivable - operating	<u>\$ 5,676</u>	<u>\$ 4,818</u>	<u>\$ 5,466</u>
<u>Trade receivables (a)</u>			
At amortized cost			
Gross carrying amount	\$ 859,636	\$ 990,917	\$ 539,669
Less: Allowance for impairment loss	<u>(661)</u>	<u>(739)</u>	<u>(101,046)</u>
	<u>\$ 858,975</u>	<u>\$ 990,178</u>	<u>\$ 438,623</u>
<u>Other receivables (b)</u>			
Tax refund receivable	\$ 36,084	\$ 14,882	\$ 26,184
Interest receivable	7,932	3,618	3,527
Receivables from sales of scrap and by-products	3,830	680	2,495
Others	<u>2,084</u>	<u>2,240</u>	<u>1,434</u>
	<u>\$ 49,930</u>	<u>\$ 21,420</u>	<u>\$ 33,640</u>

## a. Trade receivables

The average credit period of sales of goods is 30 to 120 days. No interest was charged on trade receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

March 31, 2025

	China	Asia	America	Europe	Others	Total
Gross carrying amount	\$ 78,655	\$ 116,447	\$ 598,096	\$ 66,438	\$ -	\$ 859,636
Loss allowance (Lifetime ECLs)	<u>(49)</u>	<u>(174)</u>	<u>(299)</u>	<u>(139)</u>	<u>-</u>	<u>(661)</u>
Amortized cost	<u>\$ 78,606</u>	<u>\$ 116,273</u>	<u>\$ 597,797</u>	<u>\$ 66,299</u>	<u>\$ -</u>	<u>\$ 858,975</u>

December 31, 2024

	China	Asia	America	Europe	Others	Total
Gross carrying amount	\$ 75,448	\$ 166,165	\$ 700,477	\$ 48,827	\$ -	\$ 990,917
Loss allowance (Lifetime ECLs)	<u>(46)</u>	<u>(249)</u>	<u>(349)</u>	<u>(95)</u>	<u>-</u>	<u>(739)</u>
Amortized cost	<u>\$ 75,402</u>	<u>\$ 165,916</u>	<u>\$ 700,128</u>	<u>\$ 48,732</u>	<u>\$ -</u>	<u>\$ 990,178</u>

March 31, 2024

	China	Asia	America	Europe	Others	Total
Gross carrying amount	\$ 42,454	\$ 207,476	\$ 156,226	\$ 32,972	\$ 100,541	\$ 539,669
Loss allowance (Lifetime ECLs)	<u>(43)</u>	<u>(311)</u>	<u>(78)</u>	<u>(73)</u>	<u>(100,541)</u>	<u>(101,046)</u>
Amortized cost	<u>\$ 42,411</u>	<u>\$ 207,165</u>	<u>\$ 156,148</u>	<u>\$ 32,899</u>	<u>\$ -</u>	<u>\$ 438,623</u>

The aging of receivables was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Less than 30 days	\$ 586,794	\$ 755,429	\$ 291,700
31-60 days	174,811	122,266	43,688
61-90 days	37,385	70,248	45,920
91-120 days	28,053	28,713	37,902
Over 120 days	<u>32,593</u>	<u>14,261</u>	<u>120,459</u>
	<u>\$ 859,636</u>	<u>\$ 990,917</u>	<u>\$ 539,669</u>

The above aging schedule was based on the invoice date.

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 739	\$ 96,970
Less: Impairment loss reversed on receivables	(86)	(11)
Foreign exchange gains and losses	<u>8</u>	<u>4,087</u>
Balance at March 31	<u>\$ 661</u>	<u>\$ 101,046</u>



In previous years, the Company had recognized full impairment losses regarding the debt of PCT International Inc. (PCT). PCT filed for bankruptcy proceedings under Chapter 11 of the United States Bankruptcy Code in November 2019, and also filed for a debt reorganization plan in June 2020. In March 2021, the Company, PCT, the Official Committee of Unsecured Creditors (“Committee”), and certain other parties entered into a settlement agreement. The bankruptcy court approved the debt reorganization plan associated with the settlement in November 2021. In April 2024, the Group and PCT began conducting settlement discussions and recovered US\$1,955 thousand, which is based on the reversal of allowance losses on accounts receivable. The remaining US\$1,176 thousand was fully written off by offsetting the loss allowance of trade receivables.

b. Other receivables

Other receivables were primarily tax refund receivable, receivable from sales of scrap and by-products and interest receivable. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had assessed the impairment loss of other receivables based on expected credit losses.

## 11. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 388,478	\$ 557,204	\$ 390,580
Work in progress	236,260	179,877	187,811
Raw materials	<u>392,204</u>	<u>453,590</u>	<u>236,443</u>
	<u>\$ 1,016,942</u>	<u>\$ 1,190,671</u>	<u>\$ 814,834</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2025 and 2024 was \$1,064,523 thousand and \$420,285 thousand, respectively. The cost of goods sold for the three months ended March 31, 2025 and 2024 included inventory write-downs of \$15,314 thousand and \$4,040 thousand, respectively.

## 12. SUBSIDIARIES

### Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership		
			March 31, 2025	December 31, 2024	March 31, 2024
The Company	EC-Link Technology Inc. (EC-Link)	Investment	100%	100%	100%
	EZconn Europe GmbH	Manufacture and sale of precision metal components and optical fiber components of various electronic products	100%	100%	100%
	EZConn USA Inc.	Sale of precision metal components and optical fiber components of various electronic products	80%	80%	-
	EZconn Technology Corporation	Manufacturer of electronic components	100%	100%	-
EC-Link	Light Master Technology Inc. (Light Master)	Investment	100%	100%	100%

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership		
			March 31, 2025	December 31, 2024	March 31, 2024
EZconn Europe GmbH	EZconn Czech a.s.	Manufacture of various optical fiber components	100%	100%	100%
Light Master	Light Master Technology (Ningbo) Inc.	Manufacture and sale of optical fiber components and cable connector	100%	100%	100%
EZconn Czech a.s.	EZconn Technologies CZ s.r.o.	Manufacture and research of optical communication components	100%	100%	100%

(Concluded)

The financial statements of subsidiaries included in the consolidated financial statements were reviewed by the independent auditors.

In order to expand its business, the Company proposed to set up a subsidiary in the U.S., which was approved by the board of directors on November 7, 2023, and the amount of investment was US\$600 thousand in EZConn USA Inc. as of March 31, 2025.

In order to expand its business, the Company planned to set up a subsidiary in the Philippines, which was approved by the board of directors on May 8, 2024. The shareholding ratio is 100%, and the amount of injection was US\$3,000 thousand in October 2024.

### 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2025	December 31, 2024	March 31, 2024
Investments in associate that is not individually material			
AuthenX Inc.	\$ 82,677	\$ 88,264	\$ 37,422

Associate is accounted for using the equity method.

Aggregate information of associate that is not individually material

	For the Three Months Ended March 31	
	2025	2024
The Group's share of:		
Loss for the current period/total comprehensive loss	\$ (5,587)	\$ (2,478)

In April 2024, AuthenX Inc. issued 7,000 thousand ordinary shares. The Group participated in the capital injection of AuthenX Inc. with 2,000 thousand shares at \$20 per share. However, the Group did not subscribe for the original shareholding percentage, which decreased its ownership interests from 29.52% to 29.32% and adjusted to increase the capital surplus \$1,062 thousand.

In July 2024, AuthenX Inc. also issued 3,200 thousand ordinary shares. However, the Group did not subscribe for the original shareholding percentage, which decreased its ownership interests from 29.32% to 26.71% and adjusted to increase the capital surplus by \$23,504 thousand.

Investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have not been reviewed. The Group's management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss.

## 14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Mold Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
<b>Cost</b>									
Balance at January 1, 2025	\$ 664,140	\$ 416,025	\$ 897,942	\$ 35,808	\$ 5,993	\$ 46,893	\$ 115,672	\$ 266	\$ 2,182,739
Additions	-	-	2,782	197	-	376	430	20	3,805
Disposals	-	-	(29,619)	(186)	-	(301)	-	-	(30,106)
Internal transfers	-	-	617	-	-	-	-	-	617
Effects of foreign currency exchange differences	-	3,509	3,468	-	79	282	175	4	7,517
Balance at March 31, 2025	<u>\$ 664,140</u>	<u>\$ 419,534</u>	<u>\$ 875,190</u>	<u>\$ 35,819</u>	<u>\$ 6,072</u>	<u>\$ 47,250</u>	<u>\$ 116,277</u>	<u>\$ 290</u>	<u>\$ 2,164,572</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2025	\$ -	\$ 231,147	\$ 690,554	\$ 34,070	\$ 2,661	\$ 39,240	\$ 78,814	\$ -	\$ 1,076,486
Depreciation expenses	-	3,940	8,606	272	180	618	2,343	-	15,959
Disposals	-	-	(26,719)	(182)	-	(269)	-	-	(27,170)
Effects of foreign currency exchange differences	-	3,000	1,259	-	32	228	77	-	4,596
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 238,087</u>	<u>\$ 673,700</u>	<u>\$ 34,160</u>	<u>\$ 2,873</u>	<u>\$ 39,817</u>	<u>\$ 81,234</u>	<u>\$ -</u>	<u>\$ 1,069,871</u>
Carrying amount at March 31, 2025	<u>\$ 664,140</u>	<u>\$ 181,447</u>	<u>\$ 201,490</u>	<u>\$ 1,659</u>	<u>\$ 3,199</u>	<u>\$ 7,433</u>	<u>\$ 35,043</u>	<u>\$ 290</u>	<u>\$ 1,094,701</u>
Carrying amount at January 1, 2025 and December 31, 2024	<u>\$ 664,140</u>	<u>\$ 184,878</u>	<u>\$ 207,388</u>	<u>\$ 1,738</u>	<u>\$ 3,332</u>	<u>\$ 7,653</u>	<u>\$ 36,858</u>	<u>\$ 266</u>	<u>\$ 1,106,253</u>
<b>Cost</b>									
Balance at January 1, 2024	\$ 126,000	\$ 383,223	\$ 936,967	\$ 36,151	\$ 6,155	\$ 44,630	\$ 106,966	\$ 210	\$ 1,640,302
Additions	269,070	9,889	737	407	26	773	-	51	280,953
Disposals	-	-	(933)	(106)	(2,156)	(3)	-	-	(3,198)
Internal transfers	269,070	10,930	75	-	1,760	68	-	(51)	281,852
Effects of foreign currency exchange differences	-	9,455	16,751	-	223	811	351	8	27,599
Balance at March 31, 2024	<u>\$ 664,140</u>	<u>\$ 413,497</u>	<u>\$ 953,597</u>	<u>\$ 36,452</u>	<u>\$ 6,008</u>	<u>\$ 46,279</u>	<u>\$ 107,317</u>	<u>\$ 218</u>	<u>\$ 2,227,508</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2024	\$ -	\$ 205,815	\$ 730,858	\$ 34,100	\$ 4,744	\$ 38,074	\$ 70,219	\$ -	\$ 1,083,810
Depreciation expenses	-	3,846	10,513	417	107	509	2,133	-	17,525
Disposals	-	-	(738)	(106)	(1,941)	(3)	-	-	(2,788)
Effects of foreign currency exchange differences	-	7,638	12,901	-	139	667	133	-	21,478
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 217,299</u>	<u>\$ 753,534</u>	<u>\$ 34,411</u>	<u>\$ 3,049</u>	<u>\$ 39,247</u>	<u>\$ 72,485</u>	<u>\$ -</u>	<u>\$ 1,120,025</u>
Carrying amount at March 31, 2024	<u>\$ 664,140</u>	<u>\$ 196,198</u>	<u>\$ 200,063</u>	<u>\$ 2,041</u>	<u>\$ 2,959</u>	<u>\$ 7,032</u>	<u>\$ 34,832</u>	<u>\$ 218</u>	<u>\$ 1,107,483</u>

On December 14, 2023, in order to meet operational needs and long-term development and planning, the Corporation's board of directors resolved to purchase the leased land and factory with a total contract amount of \$560,000 thousand. The transfer of ownership completed in January 2024.

No impairment assessment was performed for the three months ended March 31, 2025 and 2024, as there was no indication of impairment.

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

Buildings	4, 20 and 40 years
Machinery equipment	2-10 years
Mold equipment	2 years
Transportation equipment	5 years
Office equipment	3, 5 and 10 years
Other equipment	2, 3, 5, 8-10 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 31.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Land	\$ 20,374	\$ 20,265	\$ 20,564
Buildings	133,393	134,405	11,395
Transportation equipment	<u>1,218</u>	<u>1,173</u>	<u>2,260</u>
	<u>\$ 154,985</u>	<u>\$ 155,843</u>	<u>\$ 34,219</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2025</b>	<b>2024</b>
Additions to right-of-use assets		<u>\$ 1,597</u>	<u>\$ 2,203</u>
Depreciation charge for right-of-use assets			
Land		\$ 178	\$ 172
Buildings		4,781	1,940
Transportation equipment		<u>361</u>	<u>361</u>
		<u>\$ 5,320</u>	<u>\$ 2,473</u>

### b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Current	<u>\$ 14,784</u>	<u>\$ 14,877</u>	<u>\$ 7,575</u>
Non-current	<u>\$ 122,680</u>	<u>\$ 122,214</u>	<u>\$ 6,459</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	1.45%-5.14%	1.45%-5.14%	1.45%-4.75%
Transportation equipment	1.45%-4.00%	1.45%-4.00%	1.45%-4.00%

### c. Material leasing activities and terms

As lessee, the Group leases land and buildings for plants and offices and transportation equipment with lease terms of 2 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land, buildings and transportation equipment at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Expenses relating to short-term leases	\$ <u>693</u>	\$ <u>695</u>
Total cash outflow for leases	\$ <u>(6,210)</u>	\$ <u>(3,189)</u>

The Group leases certain transportation equipment and buildings which qualify as short-term leases. The Group elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 16. INTANGIBLE ASSETS

The Group's intangible assets primarily comprise computer software. Except for amortization recognized, significant addition, disposal or impairment of other intangible assets during the three months ended March 31, 2025 and 2024, other intangible assets are amortized on a straight-line basis over their estimated useful lives of 1 to 10 years.

An analysis of amortization by function

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Operating costs	\$ 294	\$ 215	\$ 20
Selling and marketing expenses	13	51	13
General and administrative expenses	835	1,645	345
Research and development expenses	<u>1,274</u>	<u>2,254</u>	<u>479</u>
	<u>\$ 2,416</u>	<u>\$ 4,165</u>	<u>\$ 857</u>

## 17. BORROWINGS (DECEMBER 31, 2024: NONE)

### Short-term Borrowings

	<b>March 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Secured borrowings</u>		
Bank borrowings (Note 31)	\$ 27,299	\$ -
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>270,000</u>	<u>250,000</u>
	<u>\$ 297,299</u>	<u>\$ 250,000</u>

The interest rate ranges of bank borrowings were 1.975%-5.200% and 1.800%-1.980% per annum as of March 31, 2025 and 2024, respectively.

## 18. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes payable</u>			
Non-operating	\$ <u>73,076</u>	\$ <u>6</u>	\$ <u>152,693</u>
<u>Trade payables</u>			
Operating	\$ <u>297,180</u>	\$ <u>297,045</u>	\$ <u>171,603</u>

The average credit period of purchases of goods is 60-90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 19. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Other payables</u>			
Payables for commissions	\$ 1,223,340	\$ 1,027,267	\$ 84,274
Payables for cash dividends	653,602	-	-
Payables for employees' compensation and remuneration of directors	192,000	150,000	38,800
Payables for salaries or bonuses	132,602	327,637	62,413
Payables for employees' insurance	25,306	19,146	13,642
Others	<u>102,908</u>	<u>99,550</u>	<u>68,984</u>
	<u>\$ 2,329,758</u>	<u>\$ 1,623,600</u>	<u>\$ 268,113</u>
<u>Other current liabilities</u>			
Refund liabilities	\$ 53,453	\$ 55,605	\$ 49,520
Contract liabilities (Note 23)	8,135	7,470	8,223
Others	<u>6,091</u>	<u>5,153</u>	<u>3,863</u>
	<u>\$ 67,679</u>	<u>\$ 68,228</u>	<u>\$ 61,606</u>

## 20. BONDS PAYABLE (March 31, 2024: NONE)

	March 31, 2025	December 31, 2024
1st domestic unsecured convertible corporate bonds	\$ 1,000,000	\$ 1,000,000
Less: Discount of corporate bond payable	<u>(59,092)</u>	<u>(64,560)</u>
	<u>\$ 940,908</u>	<u>\$ 935,440</u>

The Company issued 1st domestic unsecured convertible corporate bonds totaling 10,000 units on November 11, 2024, with a principal amounting to \$1,005,000 thousand, at 100.5% of the par value and a zero coupon rate. The conversion price at the time of issuance was \$491.3 per share, for a term of 3 years. The corporate bonds may be converted into ordinary shares of the Company upon request from February 12, 2025 to November 11, 2027.

The bonds will be held from the next day after the expiration of 3 months until 40 days before the expiration of the issue period. If the closing price of the Company's ordinary stock exceeds the conversion price of the bond by 30% or more for 30 consecutive business days, the Company shall repurchase the bonds in cash within 30 business days, the Company redeems the bondholder's convertible corporate bonds in cash. If the outstanding balance of these convertible bonds falls below 10% of the original total issuance amount, the company may redeem all outstanding bonds in cash at face value at any time thereafter.

The bondholders may opt for early redemption of the bonds after holding them for two years from the date of issuance. The bondholders may submit a written notice within 40 days prior to the put date, requesting the company to redeem their bonds in cash at face value.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - equity component of convertible bonds. The effective interest rate of the liability component was 2.36% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,410 thousand)	\$ 999,590
Buy-back/redemption rights derivative instruments	400
Equity component (less transaction costs allocated to the equity component of \$365 thousand)	<u>(67,534)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$5,045 thousand)	<u>\$ 932,456</u>

Changes in the principal debt instrument are as follows:

	<b>For the Three Months Ended March 31, 2025</b>
Beginning liability components	\$ 935,440
Interest calculated at effective interest rate	<u>5,468</u>
Ending liability components	<u>\$ 940,908</u>

The movements of derivative financial instruments were as follows:

	<b>For the Three Months Ended March 31, 2025</b>
Beginning balance	\$ 3,700
Loss on fair value changes	<u>(5,700)</u>
Ending balance	<u>\$ (2,000)</u>

The changes in the conversion rights under the equity components (under the capital surplus) are as follows:

**For the Three  
Months Ended  
March 31, 2025**

Beginning balance and ending balance	<u>\$ 67,534</u>
--------------------------------------	------------------

## 21. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined benefit retirement plans was calculated using the actuarially determined pension cost rate at the end of the prior financial year, which was stated in the respective 2024 and 2023 actuarial reports; the employee benefits expenses for the three months ended March 31, 2025 and 2024 were \$53 thousand and \$130 thousand, respectively.

## 22. EQUITY

### a. Share capital

#### Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
Number of authorized shares (in thousands)	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Amount of authorized shares	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Number of issued and fully paid shares (in thousands)	<u>76,000</u>	<u>76,000</u>	<u>75,600</u>
Amount of issued and fully paid shares	<u>\$ 760,000</u>	<u>\$ 760,000</u>	<u>\$ 756,000</u>

The holders of issued ordinary shares with a par value of \$10 are entitled the right to vote and receive dividends.

In order to enrich working capital and repay bank borrowings, the Company's board of directors resolved to issue 9,300 thousand new shares through a cash capital increase with a par value of \$10 on November 21, 2023. The issue price is \$57 per share, and the total issued and fully paid cash capital increased to \$756,000 thousand. The base date for cash capital increase was March 5, 2024, and the change of registration was completed on March 29, 2024.

The Company's board of directors resolved to issue 400 thousand employee restricted shares with a par value of NT\$10, and fully paid cash capital increase to \$760,000 thousand, within the quota approved by the FSC on September 20, 2024. Please see Note 28 for information relating to employee stock options and employee restricted shares.



b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 672,009	\$ 672,009	\$ 672,009
<u>May only be used to offset a deficit (2)</u>			
Exercising the right of imputation	10	10	10
Changes in equity of associates accounted for using the equity method	24,566	24,566	-
<u>May not be used for any purpose</u>			
Employee restricted shares	140,543	140,543	-
Convertible bonds share options	67,534	67,534	-
Changes in percentage of ownership interests in subsidiaries (3)	<u>13,036</u>	<u>13,036</u>	<u>13,036</u>
	<u>\$ 917,698</u>	<u>\$ 917,698</u>	<u>\$ 685,055</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
- 2) Such capital surplus which may only be used to offset a deficit.
- 3) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual disposal or acquisition. Such capital surplus may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, refer to employees' compensation and remuneration of directors and supervisors in Note 24-g.

The Company's dividends policy is based on the shareholders' long-term interests. In formulating its dividends policy, the Company takes into account the overall business and industry conditions and trends, present and future operational expansion and to satisfy the shareholders' need for cash inflow. The Company's dividends policy states that cash dividends should be at least 10% of total dividends. A distribution plan is also to be made by the board of directors and passed for resolution in the shareholders' meeting.

Under the Company's dividends policy in the Articles, the proposed distribution of dividends can be distributed fully or partially by cash and is subject to the approval of the Company's board of directors with the attendance of more than two-thirds of the directors and with the consent of at least half of the attending directors; in addition, it shall be reported in the shareholders' meeting.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

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

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Legal reserve	\$ 106,683	\$ 10,091
Special reserve	\$ (66,274)	\$ (35,615)
Cash dividends	\$ 653,602	\$ 158,760
Cash dividends per share (NT\$)	\$ 8.6	\$ 2.1

The above appropriations of earnings as cash dividends were resolved by the Company's board of directors on March 7, 2025 and May 8, 2024, respectively. The proposed appropriations of earnings for the year ended December 31, 2023 were resolved by the shareholders in their meeting on June 18, 2024, respectively. The proposed appropriations of earnings for the year ended December 31, 2024 are pending resolution by the shareholders at the meeting to be held on May 28, 2025.

d. Special reserve

The Company shall appropriate additional reserve for the amount equal to the difference between net debit balance reserves and the special reserve appropriated. Any special reserve appropriated may be reversed to the extent that the debit balance reverses and, thereafter, distributed.

e. Other equity items

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

The exchange differences arising on translation of the net assets of foreign operation from their functional currencies to the Company's presentation currency (the New Taiwan dollar) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

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

	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 49,050	\$ 15,548
Recognized for the period		
Unrealized gain		
Equity instruments	<u>169,611</u>	<u>12,050</u>
Balance at March 31	<u>\$ 218,661</u>	<u>\$ 27,598</u>

3) Unearned employee benefits (for the three months ended March 31, 2024: None)

In the meeting of shareholders on June 18, 2024, the shareholders approved a restricted share plan for employees. Refer to Note 28 for detail.

	<b>For the Three Months Ended March 31, 2025</b>
Balance at January 1	\$ (118,058)
Share-based payment expenses recognized	<u>17,685</u>
Balance at March 31	<u>\$ (100,373)</u>

f. Treasury shares

Under a resolution passed on April 11, 2025, the Company's board of directors approved the repurchase of the Company's own shares for transfer to employees,. Between April 14, 2025 and June 10, 2025, 2,000 thousand shares will be repurchased at a range of NT\$228 to NT \$681 per share. The Company will continue the repurchase even if the share price falls below the lower limit of the price range. As of May 7, 2025, the Company had repurchased 200 thousand shares for a total of \$66,481 thousand.

## 23. REVENUE

### Contract Balances

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>	<b>January 1, 2024</b>
Contract liabilities (classified under other current liabilities)	<u>\$ 8,135</u>	<u>\$ 7,470</u>	<u>\$ 8,223</u>	<u>\$ 10,585</u>

The changes in the contract liabilities balances primarily result from the timing difference between the satisfaction of performance obligations and respective the customer's payment.

## 24. NET INCOME FROM CONTINUING OPERATIONS

a. Interest income

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Bank deposits	\$ 17,931	\$ 7,524
Others	<u>1,908</u>	<u>-</u>
	<u>\$ 19,839</u>	<u>\$ 7,524</u>

b. Other income

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Grant income	\$ 22	\$ 46
Others	<u>340</u>	<u>110</u>
	<u>\$ 362</u>	<u>\$ 156</u>

c. Other gains and losses

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Loss on disposal of property, plant and equipment	\$ (1,780)	\$ (327)
Net foreign exchange gains	59,130	36,167
Loss on financial instruments mandatorily classified as at FVTPL	(5,700)	-
Others	<u>(53)</u>	<u>(26)</u>
	<u>\$ 51,597</u>	<u>\$ 35,814</u>

d. Finance costs

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Interest on bank borrowings	\$ 584	\$ 3,578
Interest on convertible bonds	5,468	-
Interest on lease liabilities	<u>1,648</u>	<u>84</u>
	<u>\$ 7,700</u>	<u>\$ 3,662</u>

e. Depreciation and amortization

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Property, plant and equipment	\$ 15,959	\$ 17,525
Right of use assets	5,320	2,473
Intangible assets	<u>2,416</u>	<u>857</u>
	<u>\$ 23,695</u>	<u>\$ 20,855</u>
An analysis of depreciation by function		
Operating costs	\$ 12,594	\$ 13,352
Operating expenses	<u>8,685</u>	<u>6,646</u>
	<u>\$ 21,279</u>	<u>\$ 19,998</u>

(Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
An analysis of amortization by function		
Operating costs	\$ 294	\$ 20
Operating expenses	<u>2,122</u>	<u>837</u>
	<u>\$ 2,416</u>	<u>\$ 857</u>
		(Concluded)

f. Employee benefits expense

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Post-employment benefits (Note 21)		
Defined contribution plans	\$ 7,783	\$ 6,718
Defined benefit plans	<u>53</u>	<u>130</u>
	7,836	6,848
Insurance expense	20,001	12,291
Remuneration of directors	9,532	3,732
Other employee benefits	<u>289,117</u>	<u>176,694</u>
Total employee benefits expense	<u>\$ 326,486</u>	<u>\$ 199,565</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 153,586	\$ 107,888
Operating expenses	<u>172,900</u>	<u>91,677</u>
	<u>\$ 326,486</u>	<u>\$ 199,565</u>

g. Employees' compensation and remuneration of directors

Under the Company's Articles of Incorporation, the Company accrued employees' compensation and remuneration of directors at rates of no less than 5% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

Under the August 2024 amendments to the Securities and Exchange Act, the Company's shareholders are expected to approve the application of these amendments at their 2025 regular shareholders' meeting, stipulating that no less than 10% of the compensation of employees for the year shall be allocated to non-executive employees.

The estimated compensation of employees (including non-executive employees) and the remuneration of directors for the three months ended March 31, 2025 and 2024 were as follows:

Accrual rate

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Compensation of employees	7.02%	7.63%
Remuneration of directors	1.91%	2.02%

Amount

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Compensation of employees	<u>\$ 33,000</u>	<u>\$ 12,100</u>
Remuneration of directors	<u>\$ 9,000</u>	<u>\$ 3,200</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The employees' compensation and remuneration of directors for the year ended December 31, 2024 and 2023 which were approved by the Company's board of directors on March 7, 2025 and March 14, 2024, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 113,000	\$ 18,000
Remuneration of directors	37,000	5,500

The employee and directors' remuneration for the year ended December 31, 2024, has not yet been distributed.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023.

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

h. Gain or loss on foreign currency exchange

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Foreign exchange gains	\$ 76,030	\$ 36,944
Foreign exchange losses	<u>(16,900)</u>	<u>(777)</u>
	<u>\$ 59,130</u>	<u>\$ 36,167</u>

## 25. INCOME TAXES

- a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Current tax		
In respect of the current period	\$ 129,375	\$ 51,551
Income tax on unappropriated earnings	18,641	-
Adjustments for prior years	<u>(7,466)</u>	<u>(5,741)</u>
	<u>140,550</u>	<u>45,810</u>
Deferred tax		
In respect of the current period	<u>(20,999)</u>	<u>(5,961)</u>
Income tax expense recognized in profit or loss	<u>\$ 119,551</u>	<u>\$ 39,849</u>

- b. Income tax recognized in other comprehensive income

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Deferred tax</u>		
In respect of the current period		
Translation of foreign operations	<u>\$ (4,232)</u>	<u>\$ (5,802)</u>

- c. Income tax assessments

The tax returns of the Company through 2023 have been assessed by the tax authorities.

## 26. EARNINGS PER SHARE

**Unit: NT\$ Per Share**

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Basic earnings per share	<u>\$ 4.26</u>	<u>\$ 1.72</u>
Diluted earnings per share	<u>\$ 4.23</u>	<u>\$ 1.72</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

### Net Profit for the Period

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Net profit used in calculation of basic and diluted earnings per share for the period	<u>\$ 321,702</u>	<u>\$ 118,925</u>
	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares used in the computation of basic earnings per share	75,600	69,059
Effect of potentially dilutive ordinary shares		
Compensation of employees	245	195
Employee restricted shares	<u>199</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>76,044</u>	<u>69,254</u>

The Group may settle compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

If the outstanding convertible bonds issued by the Company are converted to ordinary shares, they are anti-dilutive and excluded from the computation of diluted earnings per share.

## 27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, and other equity).

Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, and the amount of new debt issued or existing debt redeemed.



## 28. SHARE-BASED PAYMENT ARRANGEMENTS

### a. Employee stock option plan

The grant date of the cash capital increase for retained basic employee stock option transaction is based on the date when the number of shares subscribed by employees is recognized. The Group recognized the amount of \$22,320 thousand for employee compensation cost and capital surplus for the period from January 1, 2024 to December 31, 2024, based on the fair value of the equity instruments granted on the grant date for the measurement of the fair value of the labor acquired.

### b. Restricted stock awards to employees

The issuance of 400 thousand employee restricted shares was approved by the Company's shareholders at a meeting held on June 18, 2024, as a paid issuance. The board of directors approved the issuance on August 9, 2024, with the effective date set upon notification. The shares will be issued in multiple tranches within one year from the effective date. On September 20, 2024, the board of directors resolved to issue 400,000 restricted shares for employees at an issuance price of \$10 per share, with October 2, 2024, set as the record date for the new shares issuance.

Restrictions imposed on the employees' rights in the restricted stock awards before the vesting conditions are fulfilled:

- 1) An employee allocated new restricted employee shares may not sell, pledge, transfer, create an encumbrance on, or otherwise dispose of these shares before the vesting conditions for the shares have been satisfied. All shares must be held in trust by an institution designated by the Company until the vesting conditions are met.
- 2) Before the restricted shares are vested to the employees, the right of attendance, proposal, speech, voting and other rights of shareholders are acted by the custodian.
- 3) Except for the aforementioned restrictions, the other rights of the restricted shares granted to employees are the same as those of the Company's issued ordinary share.

Information on the restricted shares for employees is as follows:

		Unit: In Thousands of Shares
		For the Date from January 1, 2025 to March 31, 2025
Item		Number of Shares
Balance at January 1 and March 31		<u>400</u>

As of December 31, 2024 information on the outstanding restricted employee shares is as follows:

Grant Date	Fair Value Per Share - Grant Date	Shares Granted (In Thousands of Shares)	Vesting Period
September 23, 2024	\$371.5	400	1 year - 3 years

Employees who are granted restricted shares, upon meeting the Corporation's financial performance indicators and remains employed by the Company, are eligible to be vested 30%, 30% and 40 % of the restricted shares granted after 1, 2 and 3 years after the subscription date, respectively.

The recognized compensation cost from January 1 to March 31, 2025, was \$17,685 thousand. (for the three months ended March 31, 2024: None)

## 29. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments that were not measured at fair value (March 31, 2024: None)

### March 31, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 940,908	\$ -	\$ -	\$ 946,100	\$ 946,100

### December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 935,440	\$ -	\$ -	\$ 938,400	\$ 938,400

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

- 1) Fair value hierarchy

### March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic convertible bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed and emerging market shares	<u>\$ 510,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510,024</u>
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>85,581</u>	<u>85,581</u>
	<u>\$ 510,024</u>	<u>\$ -</u>	<u>\$ 85,581</u>	<u>\$ 595,605</u>
Financial liabilities at FVTPL				
Derivatives	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives	\$ _____ -	\$ _____ -	\$ 3,700	\$ 3,700
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed and emerging market shares	\$ 28,413	\$ -	\$ -	\$ 28,413
Foreign unlisted shares	_____ -	_____ -	397,581	397,581
	<u>\$ 28,413</u>	<u>\$ -</u>	<u>\$ 397,581</u>	<u>\$ 425,994</u>

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed and emerging market shares	\$ 39,500	\$ -	\$ -	\$ 39,500
Domestic unlisted shares	-	-	15,602	15,602
Foreign unlisted shares	_____ -	_____ -	56,334	56,334
	<u>\$ 39,500</u>	<u>\$ -</u>	<u>\$ 71,936</u>	<u>\$ 111,436</u>

There were no transfers between Levels 1 and 2 in the three months ended March 31, 2025 and 2024.

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

For the three months ended March 31, 2025

Financial Assets	Financial Assets at FVTPL		Financial Assets at FVTOCI	Total
	Convertible Bonds	Derivatives	Equity Instruments	
Balance on January 1, 2025	\$ -	\$ 3,700	\$ 397,581	\$ 401,281
Purchases	30,000	-	-	30,000
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI	-	(3,700)	-	(3,700)
Transfers out of Level 3	_____ -	_____ -	(312,000)	(312,000)
Balance on March 31, 2025	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 85,581</u>	<u>\$ 115,581</u>

<b>Financial liabilities</b>	<b>Financial Liabilities at FVTPL Derivatives</b>
Balance on January 1, 2025	\$ -
Recognized in profit or loss (included in unrealized valuation gain/(loss) on financial assets at FVTPL)	<u>2,000</u>
Balance on March 31, 2025	<u>\$ 2,000</u>

For the three months ended March 31, 2024

<b>Financial Assets</b>	<b>Financial assets at FVTOCI Equity Instruments</b>
Balance on January 1, 2024	\$ 61,936
Purchases	<u>10,000</u>
Balance on March 31, 2024	<u>\$ 71,936</u>

### 3) Valuation techniques and inputs applied for Level 3 fair value measurement

#### a) Investments in equity instruments

The fair values of unlisted equity investments were estimated using the market approach. The significant unobservable inputs used were the discounts for lack of marketability and for non-controlling interests. An increase in these discounts would result in an increase in fair value.

#### b) Derivatives

The fair value of the issuer's call option and the holder's put option embedded in the convertible bonds is determined using a binomial tree model for convertible bond valuation. The key parameters applied in the valuation were as follows:

#### **March 31, 2025**

Volatility	74.40%
Risk-free rate	1.3606%
Risk-adjusted discount rate	2.1441%
Liquidity risk	3.89%

#### c) Convertible bonds

The fair values of convertible bonds were estimated using the market approach, which is estimated with reference to the company's recent financing activities, valuation of similar companies, market conditions and other economic indicators, etc.

c. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 4,775,241	\$ 3,783,658	\$ 1,482,910
Financial assets at fair value through profit or loss	30,000	3,700	-
Financial assets at FVTOCI - equity instruments	595,605	425,994	111,436
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	2,961,907	2,378,454	741,467
Financial liabilities at fair value through profit or loss - current	2,000	-	-

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables (including related parties), other receivables (excluding tax refund receivable), and refundable deposits.
- 2) The balances included financial liabilities at amortized cost, which comprise short-term loans, notes payable, trade payables, bonds payable and other payables (excluding payables for salaries or bonuses and payables for employees' compensation and remuneration of directors and dividends payable).

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, borrowings, bonds payables and lease liabilities. According to business nature and the degree and magnitude of risks, the Group monitors and manages the financial risks relating to the operations. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group minimizes the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits is reviewed by internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the market risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 32.

#### Sensitivity analysis

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 5% strengthening/weakening of the functional currency against U.S. dollars, the net income before tax for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$200,941 thousand and \$55,837 thousand, respectively.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

#### b) Interest rate risk

The Group was exposed to fair value and cash flow interest rate risk because the Group held both fixed-rate financial assets and financial liabilities. The Group's management monitors fluctuations in market interest rate regularly. If it is needed, the management performs necessary procedures to control significant interest rate risks from fluctuations in market interest rates.

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Fair value interest rate risk			
Financial assets	\$ 1,824,905	\$ 703,101	\$ 334,517
Financial liabilities	1,375,671	1,072,531	264,034
Cash flow interest rate risk			
Financial assets	1,991,964	2,073,089	694,616

#### Sensitivity analysis

The sensitivity analysis for interest rate risk was calculated based on the Group's floating-rate financial assets as of the reporting date. Assuming a 50 basis point increase in interest rates, with all other variables held constant, the Group's pretax profit would have increased by \$2,490 thousand and \$868 thousand for the three months ended March 31, 2025 and 2024, respectively. The increase is mainly attributable to the exposure arising from the Group's floating-rate assets.

#### c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes, the Group does not actively trade these investments. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

The changes in equity securities did not have significant influence on the Group, so there was no sensitivity analysis.

## 2) Credit risk

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

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

Except for the major customer, Company A, of the Group, the Group does not have a significant credit exposure to any single counterparty or any group of counterparties with similar characteristics.

The Group's concentration of credit risk was 42%, 59%, and 21% in total trade receivables as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

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

## 3) Liquidity risk

The Group manages liquidity risk by maintaining a level of cash and cash equivalents and bank loan facilities deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

### a) Liquidity for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the earliest date on which the Group can be required to pay.

#### March 31, 2025

	<b>On Demand or Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 2,377,302	\$ -	\$ -
Lease liabilities	20,716	148,451	-
Fixed interest rate liabilities	<u>297,299</u>	<u>940,908</u>	<u>-</u>
	<u>\$ 2,695,317</u>	<u>\$ 1,089,359</u>	<u>\$ -</u>

December 31, 2024

	<b>On Demand or Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 1,443,014	\$ -	\$ -
Lease liabilities	15,703	123,474	-
Fixed interest rate liabilities	<u>-</u>	<u>935,440</u>	<u>-</u>
	<u>\$ 1,458,717</u>	<u>\$ 1,058,914</u>	<u>\$ -</u>

March 31, 2024

	<b>On Demand or Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 491,467	\$ -	\$ -
Lease liabilities	7,803	6,607	-
Fixed interest rate liabilities	<u>250,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 749,270</u>	<u>\$ 6,607</u>	<u>\$ -</u>

b) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of the balance sheet date, the unused amounts of bank loan facilities were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Bank loan facilities			
Amounts unused	<u>\$ 1,525,698</u>	<u>\$ 1,653,218</u>	<u>\$ 1,400,409</u>

### 30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Besides the information disclosed elsewhere in the other notes, details of transactions between the Group and related parties are disclosed below.

a. Related party name and categories

<u>Related Party Name</u>	<u>Related Party Category</u>
AuthenX Inc.	Associate



b. Purchases

Related Party Category	For the Three Months Ended March 31	
	2025	2024
Associate	\$ <u>1,914</u>	\$ <u>3,311</u>

The purchase transactions between the Company and related parties were based on agreements; the purchase prices of the products could not be compared with those of unrelated parties.

c. Trade payables

Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Associate AuthenX Inc.	\$ <u>1,890</u>	\$ <u>-</u>	\$ <u>271</u>

d. Prepayments

Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Associate	\$ <u>-</u>	\$ <u>-</u>	\$ <u>140</u>

e. Others

Related Party Category	For the Three Months Ended March 31	
	2025	2024
Cost of goods sold Associate	\$ <u>-</u>	\$ <u>230</u>

f. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	\$ 49,408	\$ 22,372
Post-employment benefits	<u>233</u>	<u>264</u>
	\$ <u>49,641</u>	\$ <u>22,636</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

### 31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral and guarantees for the tariff of imported raw materials and goods (see Notes 9 and 14):

	March 31, 2025	December 31, 2024	March 31, 2024
Pledged deposits (classified as financial assets at amortized cost)	\$ 36,564	\$ 3,343	\$ 3,309
Land	664,140	664,140	126,000
Buildings	<u>146,274</u>	<u>147,416</u>	<u>130,271</u>
	<u>\$ 846,978</u>	<u>\$ 814,899</u>	<u>\$ 259,580</u>

### 32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective the functional currencies were as follows:

March 31, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 113,693	33.2050 (USD:NTD)	\$ 3,775,192
JPY	26,235	0.2227 (JPY:NTD)	5,843
USD	24,872	7.7182 (USD:RMB)	825,878
RMB	5,714	4.6258 (RMB:NTD)	26,432
EUR	235	24.9719 (EUR:CZK)	8,463

Financial liabilities

Monetary items			
USD	16,952	33.2050 (USD:NTD)	562,888
USD	529	7.7182 (USD:RMB)	17,570

December 31, 2024

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 86,393	32.7850 (USD:NTD)	\$ 2,832,407
JPY	22,392	0.2099 (JPY:NTD)	4,700
USD	23,484	7.1844 (USD:RMB)	769,920
RMB	5,703	4.5608 (RMB:NTD)	26,011
EUR	176	25.2395 (EUR:CZK)	6,021
<u>Financial liabilities</u>			
Monetary items			
USD	18,905	32.7850 (USD:NTD)	619,789
USD	943	7.1844 (USD:RMB)	30,927
JPY	5,542	0.2099 (JPY:NTD)	1,163

March 31, 2024

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 32,509	32.0000 (USD:NTD)	\$ 1,040,283
JPY	74,431	0.2115 (JPY:NTD)	15,742
USD	15,104	7.095 (USD:RMB)	483,329
RMB	5,922	4.5102 (RMB:NTD)	26,709
EUR	255	25.1983 (EUR:CZK)	8,786
<u>Financial liabilities</u>			
Monetary items			
USD	12,651	32.0000 (USD:NTD)	404,832
USD	64	7.095 (USD:RMB)	2,049

The Group's gains of foreign currency translation for the three months ended March 31, 2025 and 2024 were net gains of \$59,130 thousand and \$36,167 thousand, respectively. Due to the wide variety of foreign currency transactions, it is not possible to disclose the gains and losses from the translation of each foreign currency on which the Group had a significant impact.

### 33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (Table 1)

- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 2)
  - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
  - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
  - 6) Intercompany relationships and significant intercompany transactions (Table 7)
- b. Information on investees (Table 5)
  - c. Information on investments in mainland China
    - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)
    - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 8)
      - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
      - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
      - c) The amount of property transactions and the amount of the resultant gains or losses.
      - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
      - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
      - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services.

### 34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments including radio frequency connector and optical fiber component.

## Segments, Revenues and Results

The following is an analysis of the Group's revenues and results from continuing operations by reportable segment:

	<b>Optical Fiber Component</b>	<b>Radio Frequency Connector</b>	<b>Total</b>
<u>For the three months ended March 31, 2025</u>			
Segment revenues	<u>\$ 1,895,290</u>	<u>\$ 209,433</u>	<u>\$ 2,104,723</u>
Segment income	<u>\$ 381,679</u>	<u>\$ 601</u>	\$ 382,280
Interest income			19,839
Other income			362
Other gains and losses			51,597
Finance costs			(7,700)
Share of associate's loss accounted for using the equity method			<u>(5,587)</u>
Profit before tax			<u>\$ 440,791</u>
<u>For the three months ended March 31, 2024</u>			
Segment revenues	<u>\$ 732,528</u>	<u>\$ 93,791</u>	<u>\$ 826,319</u>
Segment income (loss)	<u>\$ 151,321</u>	<u>\$ (29,901)</u>	\$ 121,420
Interest income			7,524
Other income			156
Other gains and losses			35,814
Finance costs			(3,662)
Share of associate's loss accounted for using the equity method			<u>(2,478)</u>
Profit before tax			<u>\$ 158,774</u>

The segment revenues were all generated from external customers. There were no intersegment transactions for the three months ended March 31, 2025 and 2024.

Segment profit represented the profit before tax earned by each segment without interest income, other income, other gains and losses and finance costs. This was the measure reported to the chief operating decision maker for resource allocation and assessment of segment performance.

However, the measure of segment assets was not provided to the chief operating decision maker.

TABLE 1

EZCONN CORPORATION AND SUBSIDIARIES

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

No.	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Notes 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 6)	Actual Amount Borrowed (Note 6)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 4)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
0	EZconn Corporation	EZconn Technology Corporation	b	\$ 713,680	\$ 166,025 (US\$ 5,000 thousand)	\$ 166,025 (US\$ 5,000 thousand)	\$ 33,205	\$ 166,025	4.65	\$ 1,784,200	Y	N	N	

Note 1: Relationship between endorser/guarantor and endorsee/guarantee are categorized as follows:

- a. A company that the Corporation has business relationship with.
- b. The Corporation owns directly or indirectly over 50% ownership of the investee company.
- c. The Company that owns directly or indirectly hold over 50% ownership of the Corporation.
- d. In between companies that were held over 90% of voting shares directly or indirectly by an entity.
- e. The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.
- f. Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.
- g. According to Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

Note 2: The total amount of endorsements and guarantees provided by the Company to any single entity shall not exceed 20% of the Company's net worth as stated in its latest financial statements.

Note 3: The total amount of endorsements and guarantees provided by the Company and its subsidiaries for external parties shall not exceed 50% of the Company's net worth as stated in its latest financial statements.

Note 4: The amount is calculated based on the highest average exchange rate during the first quarter of 2025.

Note 5: The amount is calculated based on the exchange rate as of March 31, 2025.

**TABLE 2**

**EZCONN CORPORATION AND SUBSIDIARIES**

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

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
EZconn Corporation	Lightel Technologies Inc. - ordinary shares	-	Financial assets at FVTOCI - non-current	1,250	\$ 74,577	5.79	\$ 74,577	-
	OpXion Tech. Incorporation	-	As above	6,000	11,004	12.22	11,004	-
	TrueLight Corporation	-	As above	617	24,032	0.55	24,032	-
	TMY TECHNOLOGY INC.	-	As above	5,200	485,992	8.66	485,992	-
	BKS Tec Corp. - Convertible Bonds	-	Financial assets at FVTPL - non-current	-	30,000	-	30,000	-

Note: The marketable securities were not pledged.

**TABLE 3**

**EZCONN CORPORATION AND SUBSIDIARIES**

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount (Foreign Currencies in Thousands) (Note)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currencies in Thousands) (Note)	% to Total	
EZconn Corporation	Light Master Technology (Ningbo) Inc.	Sub-subsidiary	Purchase	\$ 304,948 (US\$ 9,270 thousand)	38	T/T 90 days	\$ -	-	\$ (486,868) (US\$ 14,662 thousand)	66	

Note: All intercompany transactions have been eliminated in consolidation.



**TABLE 4**

**EZCONN CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
MARCH 31, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Notes 2 and 3)	Allowance for Impairment Loss
					Amount	Actions Taken		
Light Master Technology (Ningbo) Inc.	EZconn Corporation	Parent company	Trade receivables from related parties   \$   486,868 (US\$ 14,662 thousand)	-	\$       -	-	\$   120,370	Note 1

Note 1: No impairment loss was recognized on trade receivables from related parties.

Note 2: Subsequent period was from April 1, 2025 to May 7, 2025.

Note 3: All intercompany transactions have been eliminated in consolidation.

TABLE 5

EZCONN CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount (Note 1)		As of March 31, 2025 (Note 1)			Net Income (Loss) of the Investee (Foreign Currencies in Thousands) (Note 2)	Share of Profits (Loss) (Note 2)	Note
				March 31, 2025 (Foreign Currencies in Thousands)	December 31, 2024 (Foreign Currencies in Thousands)	Shares (In Thousands)	%	Carrying Amount (Foreign Currencies in Thousands)			
EZconn Corporation	EC-Link Technology Inc.	Samoa Islands	Investment	\$ 679,543	\$ 679,543	21,417	100.00	\$ 1,105,252	\$ 68,387 (US\$ 2,079)	\$ 44,216	4
	EZconn Europe GmbH	Germany	Manufacture and sale of precision metal components and optical fiber components of various electronic products	185,143	185,143	-	100.00	77,578	2,523 (US\$ 77)	2,523	4
	AuthenX Inc.	Taiwan	Manufacture of electronic products	101,015	101,015	9,625	26.71	82,677	(16,647)	(5,587)	5
	EZConn USA Inc.	USA	Sale of precision metal components and optical fiber components of various electronic products	19,535	19,535	-	80.00	5,862	(2,311)	(1,849)	4
	EZconn Technology Corporation	Philippines	Manufacture of electronic products	96,579	96,579	172,500	100.00	89,237	(7,350) (PHP - 12,950)	(7,350)	4
EC-Link Technology Inc.	Light Master Technology Inc.	Samoa Islands	Investment	759,631 (US\$ 22,877)	750,022 (US\$ 22,877)	-	100.00	1,109,038 (US\$ 33,400)	68,387 (US\$ 2,080)		
EZconn Europe GmbH	EZconn Czech a.s.	Czech	Manufacture of various optical communication components	68,703 (EUR 1,910)	65,207 (EUR 1,910)	-	100.00	83,385 (EUR 2,318)	3,430 (EUR 99)		
EZconn Czech a.s.	EZconn technologies CZ s.r.o.	Czech	Manufacturing and research of optical communication components	14,404 (CZK 10,000)	13,526 (CZK 10,000)	-	100.00	8,097 (CZK 5,621)	(79) (CZK -57)		

Note 1: The calculation was based on amounts as of March 31, 2025.

Note 2: The calculation was based on the average rate for the period from January 1, 2025 to March 31, 2025.

Note 3: For information on investments in mainland China, refer to Table 5.

Note 4: All intercompany transactions have been eliminated in consolidation.

Note 5: Refer to Note 13 for more information.

TABLE 6

EZCONN CORPORATION AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital (Foreign Currencies in Thousands) (Note 3)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025 (Foreign Currencies in Thousands) (Note 3)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2025 (Foreign Currencies in Thousands) (Note 3)	Net Income (Loss) of the Investee (Foreign Currencies in Thousands) (Notes 4 and 6)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Foreign Currencies in Thousands) (Notes 4, 6, 7 and 8)	Carrying Amount as of March 31, 2025 (Foreign Currencies in Thousands) (Notes 3, 6 and 8)	Accumulated Repatriation of Investment Income as of March 31, 2025 (Note 2)
					Outflow	Inflow						
Light Master Technology (Ningbo) Inc.	Manufacture and sale of optical fiber components and cable connector	\$ 498,075 (US\$ 15,000)	Note 1	\$ 701,854 (US\$ 21,137)	\$ -	\$ -	\$ 701,854 (US\$ 21,137)	\$ 68,435 (US\$ 2,080)	100	\$ 68,387 (US\$ 2,079)	\$ 1,106,218 (US\$ 33,315)	\$ 588,542

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2025 (Foreign Currencies in Thousands) (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Foreign Currencies in Thousands) (Notes 1 and 3)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$701,854 (US\$21,137)	\$757,971 (US\$22,827)	\$2,141,918 (Note 5)

Note 1: The Company indirectly invested in Light Master Technology (Ningbo) Inc. through EC-Link Technology Inc. by investing via 3rd region. The amount included capital surplus of US\$1,690 thousand of Light Master Technology (Ningbo) Inc.

Note 2: The board of directors of Light Master Technology (Ningbo) Inc. adopt a resolution to distribute dividends in cash of \$118,359 thousand (RMB27,301 thousand), \$81,943 thousand (RMB19,074 thousand), \$119,269 thousand (RMB28,528 thousand), \$117,566 thousand (RMB27,063 thousand) and \$151,405 thousand (RMB34,201 thousand) on November 2018, November 2019, September 2020, October 2021, and August 2023, respectively. The Company repatriated of Investment Income through EC-Link Technology Inc. on December 2019, March and December 2021 and August 2023, respectively. The accumulated repatriation of investment income as of March 31, 2025 was \$588,542 thousand.

Note 3: The calculation was based on the spot exchange rate of March 31, 2025.

Note 4: The calculation was based on the average exchange rate from January 1, 2024 to March 31, 2025.

Note 5: The calculation was based on 60% of the Company’s net worth on March 31, 2025.

Note 6: The basis for investment income (loss) recognition is the financial statements reviewed and attested by parent company’s CPA in the ROC.

Note 7: The share of profits/losses of investee included the effect of unrealized gross profit on intercompany transaction.

Note 8: All intercompany transactions have been eliminated in consolidation.

**TABLE 7**

**EZCONN CORPORATION AND SUBSIDIARIES**

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
0	EZconn Corporation	Light Master Technology (Ningbo) Inc.	a	Trade payables to related parties	\$ 486,868	No significant difference to others	6.00
		Light Master Technology (Ningbo) Inc.	a	Cost of goods sold	304,948	No significant difference to others	14.49
		EZconn Czech a.s.	a	Trade payables to related parties	677	No significant difference to others	0.01
		Ezconn Technology Corporation	a	Trade receivables from related parties	20,098	No significant difference to others	0.25
		Ezconn Technology Corporation	a	Sales revenue	13,228	No significant difference to others	0.63
1	EZconn Europe GmbH	EZconn Czech a.s.	c	Other income	620	No significant difference to others	0.03
2	EZconn Czech a.s.	EZconn Technologies CZ s.r.o.	c	Trade payables to related parties	553	No significant difference to others	0.01
		EZconn Technologies CZ s.r.o.	c	Cost of goods sold	1,441	No significant difference to others	0.07
3	Light Master Technology (Ningbo) Inc.	EZconn Czech a.s.	c	Sales revenue	440	No significant difference to others	0.02

Note 1: The information about the transactions between the Company and the subsidiaries are marked in the note column as follows:

- a. The Company: 0.
- b. The subsidiaries were marked in numerical order from 1.

Note 2: Investment types as follows:

- a. The Company to the subsidiaries.
- b. The subsidiaries to the Company.
- c. Between the subsidiaries.

Note 3: All intercompany transactions have been eliminated upon consolidation.

Note 4: The ratio of transaction amounts to total sales revenue or assets is calculated as follows: (1) asset or liability: The ratio was calculated based on the ending balance over the total consolidated assets; (2) income or loss: The ratio was calculated based on the midterm accumulated amounts over the total consolidated sales revenue.

**TABLE 8**

**EZCONN CORPORATION AND SUBSIDIARIES**

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES  
FOR THE THREE MONTHS ENDED MARCH 31, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	% to Total		Payment Term	Comparison with Normal Transaction	Ending Balance	% to Total		
Light Master Technology (Ningbo) Inc.	Purchases	\$ 304,984	38	No significant difference to others	No significant difference from others	No significant difference to others	\$ (468,868)	66	\$ 35,047	Note

Note: All intercompany transactions have been eliminatedi in consolidation.