

**ORIENT SEMICONDUCTOR  
ELECTRONICS, LIMITED AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
MARCH 31, 2025 AND 2024**

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

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Orient Semiconductor Electronics, Limited

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Orient Semiconductor Electronics, Limited and subsidiaries (the "Group") as at March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these 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" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of review***

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

### ***Basis for qualified conclusion***

As explained in Note 4(3) B, the financial statements of certain insignificant consolidated subsidiaries, and information disclosed in Note 13 were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$380,366 thousand and NT\$347,946 thousand, constituting 2% and 2% of the consolidated total assets as at March 31, 2025 and 2024, respectively, total liabilities amounted to NT\$66,517 thousand and NT\$71,410 thousand, constituting 1% and 1% of the consolidated total liabilities as at March 31, 2025 and 2024, respectively, and the total comprehensive income (loss) amounted to NT\$10,168 thousand and NT\$7,713 thousand, constituting 5% and 1% of the consolidated total comprehensive (loss) income for the three-month periods then ended,

respectively.

### ***Qualified conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and information disclosed in Note 13 been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Wang, Kuo-Hua

Chiang, Tsai-Yen

For and on behalf of PricewaterhouseCoopers, Taiwan

April 23, 2025

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024**  
(Expressed in thousands of New Taiwan dollars)

| Assets             |   | Notes      | March 31, 2025 |            | December 31, 2024 |    | March 31, 2024 |     |    |            |     |
|--------------------|---|------------|----------------|------------|-------------------|----|----------------|-----|----|------------|-----|
|                    |   |            | AMOUNT         | %          | AMOUNT            | %  | AMOUNT         | %   |    |            |     |
| Current assets     |   |            |                |            |                   |    |                |     |    |            |     |
| 1100               | Cash and cash equivalents   | 6(1)       | \$             | 3,963,243  | 21                | \$ | 4,445,344      | 23  | \$ | 4,281,821  | 22  |
| 1140               | Current contract assets   | 6(18)      |                | 371,228    | 2                 |    | 290,624        | 2   |    | 327,060    | 2   |
| 1170               | Accounts receivable, net  | 6(3)       |                | 3,871,391  | 20                |    | 4,194,879      | 22  |    | 4,626,305  | 24  |
| 1180               | Accounts receivable due from related parties, net                             | 6(3) and 7 |                | 422        | -                 |    | 241            | -   |    | 27         | -   |
| 1200               | Other receivables   |            |                | 73,904     | 1                 |    | 67,205         | -   |    | 99,651     | -   |
| 1210               | Other receivables due from related parties                                    | 7          |                | -          | -                 |    | -              | -   |    | 108        | -   |
| 1220               | Current tax assets  |            |                | 3,992      | -                 |    | 3,194          | -   |    | 3,818      | -   |
| 130X               | Inventories   | 6(4)       |                | 1,771,258  | 9                 |    | 1,571,803      | 8   |    | 1,571,064  | 8   |
| 1410               | Prepayments   |            |                | 101,240    | 1                 |    | 90,613         | -   |    | 106,051    | 1   |
| 1479               | Other current assets, others  |            |                | 23,053     | -                 |    | 27,842         | -   |    | 33,792     | -   |
| 11XX               | Current Assets  |            |                | 10,179,731 | 54                |    | 10,691,745     | 55  |    | 11,049,697 | 57  |
| Non-current assets |   |            |                |            |                   |    |                |     |    |            |     |
| 1517               | Non-current financial assets at fair value through other comprehensive income | 6(2)       |                | 1,755,000  | 9                 |    | 1,738,800      | 9   |    | 2,055,652  | 11  |
| 1600               | Property, plant and equipment   | 6(6) and 8 |                | 6,474,363  | 34                |    | 6,455,962      | 33  |    | 5,370,723  | 28  |
| 1755               | Right-of-use assets   | 6(7)       |                | 86,972     | 1                 |    | 90,287         | 1   |    | 121,221    | 1   |
| 1780               | Intangible assets   | 6(9)       |                | 56,142     | -                 |    | 51,556         | -   |    | 83,360     | -   |
| 1840               | Deferred tax assets   |            |                | 375,651    | 2                 |    | 420,459        | 2   |    | 513,569    | 3   |
| 1915               | Prepayments for business facilities   |            |                | 55,360     | -                 |    | 50,729         | -   |    | 26,155     | -   |
| 1920               | Guarantee deposits paid   | 8          |                | 5,103      | -                 |    | 7,627          | -   |    | 36,725     | -   |
| 1990               | Other non-current assets, others  |            |                | 26,964     | -                 |    | 28,552         | -   |    | 2,186      | -   |
| 15XX               | Non-current assets  |            |                | 8,835,555  | 46                |    | 8,843,972      | 45  |    | 8,209,591  | 43  |
| 1XXX               | Total assets  |            | \$             | 19,015,286 | 100               | \$ | 19,535,717     | 100 | \$ | 19,259,288 | 100 |

(Continued)

**ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024**  
(Expressed in thousands of New Taiwan dollars)

|      | Liabilities and Equity   | Notes       | March 31, 2025       |            | December 31, 2024    |            | March 31, 2024       |            |
|------|--|-------------|----------------------|------------|----------------------|------------|----------------------|------------|
|      |  |             | AMOUNT               | %          | AMOUNT               | %          | AMOUNT               | %          |
|      | <b>Current liabilities</b>   |             |                      |            |                      |            |                      |            |
| 2130 | Current contract liabilities   | 6(18)       | \$ 73,357            | -          | \$ 74,509            | -          | \$ 84,052            | 1          |
| 2170 | Accounts payable   |             | 4,345,119            | 23         | 4,653,433            | 24         | 4,253,328            | 22         |
| 2180 | Accounts payable to related parties                                      | 7           | 2,493                | -          | 1,284                | -          | 751                  | -          |
| 2200 | Other payables   | 6(10)       | 1,805,604            | 10         | 1,482,314            | 8          | 2,171,473            | 11         |
| 2220 | Other payables to related parties  | 7           | -                    | -          | -                    | -          | 19,781               | -          |
| 2230 | Current tax liabilities  |             | 37,244               | -          | 37,244               | -          | 214                  | -          |
| 2250 | Current provisions   | 6(14)       | 62,912               | -          | 64,554               | -          | 55,128               | -          |
| 2280 | Current lease liabilities  |             | 11,598               | -          | 12,287               | -          | 18,932               | -          |
| 2320 | Long-term liabilities, current portion                                   | 6(11) and 8 | 418,997              | 2          | 372,122              | 2          | 181,555              | 1          |
| 2365 | Current refund liabilities   |             | 21,997               | -          | 19,700               | -          | 1,615                | -          |
| 2399 | Other current liabilities, others  | 7           | 104,927              | 1          | 96,670               | 1          | 98,857               | 1          |
| 21XX | <b>Current Liabilities</b>   |             | <u>6,884,248</u>     | <u>36</u>  | <u>6,814,117</u>     | <u>35</u>  | <u>6,885,686</u>     | <u>36</u>  |
|      | <b>Non-current liabilities</b>   |             |                      |            |                      |            |                      |            |
| 2540 | Non-current borrowings   | 6(11) and 8 | 928,705              | 5          | 1,009,786            | 5          | 1,104,503            | 6          |
| 2580 | Non-current lease liabilities  |             | 80,096               | 1          | 82,660               | 1          | 88,058               | 1          |
| 2640 | Net defined benefit liability, non-current                               | 6(12)       | 25,015               | -          | 30,714               | -          | 80,950               | -          |
| 2645 | Guarantee deposits received  |             | 19,343               | -          | 28,387               | -          | 28,386               | -          |
| 25XX | <b>Non-current liabilities</b>   |             | <u>1,053,159</u>     | <u>6</u>   | <u>1,151,547</u>     | <u>6</u>   | <u>1,301,897</u>     | <u>7</u>   |
| 2XXX | <b>Total Liabilities</b>   |             | <u>7,937,407</u>     | <u>42</u>  | <u>7,965,664</u>     | <u>41</u>  | <u>8,187,583</u>     | <u>43</u>  |
|      | <b>Equity attributable to owners of parent</b>                           |             |                      |            |                      |            |                      |            |
|      | Share capital  | 6(13)(15)   |                      |            |                      |            |                      |            |
| 3110 | Share capital - common stock   |             | 5,602,283            | 29         | 5,603,083            | 29         | 5,553,083            | 29         |
| 3120 | Preference share   |             | 1,801,800            | 10         | 1,801,800            | 9          | 1,801,800            | 9          |
|      | Capital surplus  | 6(16)       |                      |            |                      |            |                      |            |
| 3200 | Capital surplus  |             | 477,003              | 2          | 476,203              | 2          | 238,387              | 1          |
|      | Retained earnings  | 6(17)       |                      |            |                      |            |                      |            |
| 3310 | Legal reserve  |             | 528,205              | 3          | 528,205              | 3          | 346,070              | 2          |
| 3320 | Special reserve  |             | 192,793              | 1          | 192,793              | 1          | 192,793              | 1          |
| 3350 | Unappropriated retained earnings   |             | 2,660,192            | 14         | 3,213,321            | 16         | 2,624,387            | 14         |
|      | Other equity interest  |             |                      |            |                      |            |                      |            |
| 3400 | Other equity interest  |             | ( 184,397)           | ( 1)       | ( 245,352)           | ( 1)       | 315,185              | 1          |
| 31XX | <b>Equity attributable to owners of the parent</b>                       |             | <u>11,077,879</u>    | <u>58</u>  | <u>11,570,053</u>    | <u>59</u>  | <u>11,071,705</u>    | <u>57</u>  |
| 3XXX | <b>Total equity</b>  |             | <u>11,077,879</u>    | <u>58</u>  | <u>11,570,053</u>    | <u>59</u>  | <u>11,071,705</u>    | <u>57</u>  |
|      | Significant contingent liabilities and unrecognised contract commitments | 9           |                      |            |                      |            |                      |            |
| 3X2X | <b>Total liabilities and equity</b>                                      |             | <u>\$ 19,015,286</u> | <u>100</u> | <u>\$ 19,535,717</u> | <u>100</u> | <u>\$ 19,259,288</u> | <u>100</u> |

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

**ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE MONTHS ENDED MARCH 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

|  |                       |  | Three months ended March 31 |           |                   |           |
|--|-----------------------|--|-----------------------------|-----------|-------------------|-----------|
|  |                       |  | 2025                        |           | 2024              |           |
| Items  | Notes                 |  | AMOUNT                      | %         | AMOUNT            | %         |
| 4000 Sales revenue   | 6(18) and 7           |  | \$ 4,077,476                | 100       | \$ 4,176,029      | 100       |
| 5000 Operating costs   | 6(4)(9)(23)(24) and 7 |  | ( 3,538,919)                | ( 87)     | ( 3,349,402)      | ( 80)     |
| 5900 Net operating margin  |                       |  | <u>538,557</u>              | <u>13</u> | <u>826,627</u>    | <u>20</u> |
| Operating expenses   | 6(9)(23)(24)          |  |                             |           |                   |           |
| 6100 Selling and administrative expenses   |                       |  | ( 236,509)                  | ( 6)      | ( 212,851)        | ( 5)      |
| 6300 Research and development expenses   |                       |  | ( 105,191)                  | ( 2)      | ( 95,666)         | ( 3)      |
| 6450 Impairment gain and reversal of impairment loss determined in accordance with IFRS 9                              | 12(2)                 |  | ( 95)                       | -         | 107               | -         |
| 6000 Total operating expenses  |                       |  | ( 341,795)                  | ( 8)      | ( 308,410)        | ( 8)      |
| 6900 Operating profit  |                       |  | <u>196,762</u>              | <u>5</u>  | <u>518,217</u>    | <u>12</u> |
| Non-operating income and expenses  |                       |  |                             |           |                   |           |
| 7100 Interest income   | 6(19)                 |  | 7,519                       | -         | 9,648             | -         |
| 7010 Other income  | 6(20) and 7           |  | 9,888                       | -         | 13,795            | 1         |
| 7020 Other gains and losses  | 6(21)                 |  | 21,309                      | 1         | 84,800            | 2         |
| 7050 Finance costs   | 6(22)                 |  | ( 4,121)                    | -         | ( 4,427)          | -         |
| 7000 Total non-operating revenue and expenses  |                       |  | <u>34,595</u>               | <u>1</u>  | <u>103,816</u>    | <u>3</u>  |
| 7900 <b>Profit before income tax</b>   |                       |  | <u>231,357</u>              | <u>6</u>  | <u>622,033</u>    | <u>15</u> |
| 7950 Income tax expense  | 6(25)                 |  | ( 44,078)                   | ( 1)      | ( 122,684)        | ( 3)      |
| 8200 <b>Profit for the year</b>  |                       |  | <u>\$ 187,279</u>           | <u>5</u>  | <u>\$ 499,349</u> | <u>12</u> |
| <b>Other comprehensive income</b>  |                       |  |                             |           |                   |           |
| <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>                        |                       |  |                             |           |                   |           |
| 8316 Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income | 6(2)                  |  | \$ 16,200                   | -         | \$ 174,866        | 4         |
| 8310 Components of other comprehensive income that will not be reclassified to profit or loss                          |                       |  | <u>16,200</u>               | <u>-</u>  | <u>174,866</u>    | <u>4</u>  |
| <b>Components of other comprehensive income that will be reclassified to profit or loss</b>                            |                       |  |                             |           |                   |           |
| 8361 Financial statements translation differences of foreign operations  |                       |  | 3,786                       | -         | 4,468             | -         |
| 8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss        | 6(25)                 |  | ( 757)                      | -         | 1,765             | -         |
| 8360 Components of other comprehensive income that will be reclassified to profit or loss                              |                       |  | <u>3,029</u>                | <u>-</u>  | <u>6,233</u>      | <u>-</u>  |
| 8300 <b>Total other comprehensive income for the year</b>  |                       |  | <u>\$ 19,229</u>            | <u>-</u>  | <u>\$ 181,099</u> | <u>4</u>  |
| 8500 <b>Total comprehensive income for the year</b>  |                       |  | <u>\$ 206,508</u>           | <u>5</u>  | <u>\$ 680,448</u> | <u>16</u> |
| Profit, attributable to:   |                       |  |                             |           |                   |           |
| 8610 Owners of parent  |                       |  | <u>\$ 187,279</u>           | <u>5</u>  | <u>\$ 499,349</u> | <u>12</u> |
| Comprehensive income attributable to:  |                       |  |                             |           |                   |           |
| 8710 Owners of parent  |                       |  | <u>\$ 206,508</u>           | <u>5</u>  | <u>\$ 680,448</u> | <u>16</u> |
| Basic earnings per share   | 6(26)                 |  |                             |           |                   |           |
| 9750 Basic   |                       |  | <u>\$ 0.27</u>              |           | <u>\$ 0.70</u>    |           |
| 9850 Diluted   |                       |  | <u>\$ 0.25</u>              |           | <u>\$ 0.68</u>    |           |

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

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
THREE MONTHS ENDED MARCH 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

|   |           | Equity attributable to owners of the parent |                  |                 |                   |                 |                                     |  |   |                          |               |
|---|-----------|---|------------------|-----------------|-------------------|-----------------|-------------------------------------|--|---|--------------------------|---------------|
|   |           | Share capital                               |                  |                 | Retained earnings |                 |                                     | Other equity interest  |   |                          |               |
|   |           |   |                  |                 |                   |                 |                                     | Exchange differences<br>on translation of<br>foreign financial<br>statements | Unrealised gains<br>(losses) from financial<br>assets measured at fair<br>value through other<br>comprehensive income | Unearned<br>compensation | Total equity  |
| Notes   |           | Ordinary share                              | Preference share | Capital surplus | Legal reserve     | Special reserve | Unappropriated<br>retained earnings |  |   |                          |               |
| <u>Three months ended March 31, 2024</u>                  |           |   |                  |                 |                   |                 |                                     |  |   |                          |               |
|   |           | \$ 5,553,083                                | \$ 1,801,800     | \$ 238,387      | \$ 346,070        | \$ 192,793      | \$ 3,007,624                        | ( \$ 562 )   | \$ 134,648  | \$ -                     | \$ 11,273,843 |
|   |           | -   | -                | -               | -                 | -               | 499,349                             | -  | -   | -                        | 499,349       |
|   |           | -   | -                | -               | -                 | -               | -                                   | 6,233  | 174,866   | -                        | 181,099       |
|   |           | -   | -                | -               | -                 | -               | 499,349                             | 6,233  | 174,866   | -                        | 680,448       |
| Appropriation and distribution of 2023 retained earnings: |           |   |                  |                 |                   |                 |                                     |  |   |                          |               |
|   | 6(17)     | -   | -                | -               | -                 | -               | ( 882,586 )                         | -  | -   | -                        | ( 882,586 )   |
|   |           | \$ 5,553,083                                | \$ 1,801,800     | \$ 238,387      | \$ 346,070        | \$ 192,793      | \$ 2,624,387                        | \$ 5,671   | \$ 309,514  | \$ -                     | \$ 11,071,705 |
| <u>Three months ended March 31, 2025</u>                  |           |   |                  |                 |                   |                 |                                     |  |   |                          |               |
|   |           | \$ 5,603,083                                | \$ 1,801,800     | \$ 476,203      | \$ 528,205        | \$ 192,793      | \$ 3,213,321                        | \$ 10,989  | ( \$ 72,333 )   | ( \$ 184,008 )           | \$ 11,570,053 |
|   |           | -   | -                | -               | -                 | -               | 187,279                             | -  | -   | -                        | 187,279       |
|   |           | -   | -                | -               | -                 | -               | -                                   | 3,029  | 16,200  | -                        | 19,229        |
|   |           | -   | -                | -               | -                 | -               | 187,279                             | 3,029  | 16,200  | -                        | 206,508       |
| Appropriation and distribution of 2024 retained earnings: |           |   |                  |                 |                   |                 |                                     |  |   |                          |               |
|   | 6(17)     | -   | -                | -               | -                 | -               | ( 740,408 )                         | -  | -   | -                        | ( 740,408 )   |
|   | 6(13)(15) | ( 800 )                                     | -                | 800             | -                 | -               | -                                   | -  | -   | 41,726                   | 41,726        |
|   |           | \$ 5,602,283                                | \$ 1,801,800     | \$ 477,003      | \$ 528,205        | \$ 192,793      | \$ 2,660,192                        | \$ 14,018  | ( \$ 56,133 )   | ( \$ 142,282 )           | \$ 11,077,879 |

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

**ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**THREE MONTHS ENDED MARCH 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

|   |             | Three months ended March 31 |             |
|---|-------------|-----------------------------|-------------|
|   | Notes       | 2025                        | 2024        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |             |                             |             |
| Profit before tax   |             | \$ 231,357                  | \$ 622,033  |
| Adjustments   |             |                             |             |
| Adjustments to reconcile profit (loss)  |             |                             |             |
| Compensation cost of share-based payment  |             | 41,726                      | -           |
| Depreciation expense  | 6(6)(7)(23) | 224,027                     | 202,004     |
| Amortization expense  | 6(9)(23)    | 14,180                      | 15,256      |
| Loss (gain) on expected credit impairment   | 12(2)       | 95                          | ( 107 )     |
| Interest expense  | 6(22)       | 4,121                       | 4,427       |
| Interest income   | 6(19)       | ( 7,519 )                   | ( 9,648 )   |
| Gain on disposal of property, plant and equipment   | 6(21)       | ( 43 )                      | ( 61 )      |
| Scrapping inventory and loss on decline in market value   | 6(4)        | -                           | 200         |
| Gain on reversal of decline in market value   | 6(4)        | ( 8,199 )                   | ( 7,565 )   |
| Reclassification of exchange differences on translation of foreign financial statement to foreign exchange losses |             | -                           | ( 14,395 )  |
| Changes in operating assets and liabilities   |             |                             |             |
| Changes in operating assets   |             |                             |             |
| (Increase) decrease in contract assets  | (           | 80,604 )                    | 82,126      |
| Decrease (increase) in accounts receivable  |             | 324,063                     | ( 161,898 ) |
| (Increase) decrease in accounts receivable due from related parties   | (           | 181 )                       | 243         |
| (Increase) decrease in other receivables  | (           | 7,231 )                     | 7,203       |
| Increase in other receivables due from related parties  |             | -                           | ( 108 )     |
| (Increase) decrease in inventories  | (           | 190,000 )                   | 46,213      |
| Increase in prepayments   | (           | 10,489 )                    | ( 12,602 )  |
| Decrease (increase) in other current assets, others   |             | 4,801                       | ( 2,998 )   |
| Decrease in other non-current assets, others  |             | 1,601                       | 169         |
| Changes in operating liabilities  |             |                             |             |
| Decrease in contract liabilities  | (           | 1,152 )                     | ( 3,135 )   |
| (Decrease) increase in accounts payable   | (           | 308,774 )                   | 285,398     |
| Increase (decrease) in accounts payable to related parties  |             | 1,209                       | ( 723 )     |
| Decrease in other payables  | (           | 72,137 )                    | ( 163,323 ) |
| (Decrease) increase in current provisions   | (           | 1,642 )                     | 8,651       |
| Increase in other current liabilities   |             | 10,503                      | 12,049      |
| Decrease in net defined benefit liability   | (           | 5,699 )                     | ( 97,096 )  |
| Cash inflow generated from operations   |             | 164,013                     | 812,313     |
| Interest received   |             | 8,051                       | 9,538       |
| Income tax paid   | (           | 798 )                       | ( 624 )     |
| Net cash flows from operating activities  |             | 171,266                     | 821,227     |

(Continued)

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THREE MONTHS ENDED MARCH 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

|   | Notes | Three months ended March 31 |              |
|---|-------|-----------------------------|--------------|
|   |       | 2025                        | 2024         |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>             |       |                             |              |
| Increase in non-current financial assets at fair value  |       |                             |              |
| through other comprehensive income                      |       | \$ -                        | (\$ 41,573 ) |
| Acquisition of property, plant and equipment (including | 6(27) |                             |              |
| prepayment for equipment)                               |       | ( 589,950 )                 | ( 432,470 )  |
| Proceeds from disposal of property, plant and equipment |       | 43                          | 1,147        |
| Decrease (increase) in refundable deposits              |       | 2,559                       | ( 20 )       |
| Acquisition of intangible assets                        | 6(9)  | ( 17,409 )                  | ( 17,941 )   |
| Increase in other non-current assets, others            |       | -                           | ( 33 )       |
| Net cash flows used in investing activities             |       | ( 604,757 )                 | ( 490,890 )  |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>             |       |                             |              |
| Proceeds from long-term borrowings                      | 6(28) | 43,200                      | 50,000       |
| Repayments of long-term borrowings                      | 6(28) | ( 77,406 )                  | ( 2,904 )    |
| Decrease in guarantee deposits received                 | 6(28) | ( 9,045 )                   | ( 7,105 )    |
| Payments of lease liabilities                           | 6(28) | ( 3,253 )                   | ( 6,728 )    |
| Interest paid   |       | ( 4,165 )                   | ( 4,388 )    |
| Net cash flows (used in) from financing activities      |       | ( 50,669 )                  | 28,875       |
| Effect of exchange rate changes on cash and cash        |       |                             |              |
| equivalents   |       | 2,059                       | 12,881       |
| Net (decrease) increase in cash and cash equivalents    |       | ( 482,101 )                 | 372,093      |
| Cash and cash equivalents at beginning of period        |       | 4,445,344                   | 3,909,728    |
| Cash and cash equivalents at end of period              |       | \$ 3,963,243                | \$ 4,281,821 |

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

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. History and Organisation

(1) Orient Semiconductor Electronics Limited (the “Company”) was incorporated in Kaohsiung City in June 1971 under the provisions of the Company Act of the Republic of China (R.O.C.). The address of the Company’s registered office is at No. 9, Central 3rd Street, Nanzih District, Kaohsiung City. The Company and its subsidiaries (collectively referred herein as the “Group”), were primarily engaged in various types of integrated circuits, semiconductor components, computer motherboards, various types of electronic inventory, manufacturing, combination, processing and export of computer and communication circuit boards.

(2) The Company was listed on the Taiwan Stock Exchange starting from April 1994.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These financial statements were authorised for issuance by the Board of Directors on April 23, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

| New Standards, Interpretations and Amendments   | Effective date by<br>International Accounting<br>Standards Board |
|---|--|
| Amendments to IAS 21, ‘Lack of exchangeability’ | January 1, 2025  |

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

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

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

| New Standards, Interpretations and Amendments   | Effective date by<br>International Accounting<br>Standards Board |
|---|--|
| Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’ | January 1, 2026  |

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

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

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

| New Standards, Interpretations and Amendments   | Effective date by<br>International Accounting<br>Standards Board   |
|---|--|
| Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments' | January 1, 2026  |
| Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'   | January 1, 2026  |
| Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'           | To be determined by<br>International Accounting<br>Standards Board |
| IFRS 17, 'Insurance contracts'  | January 1, 2023  |
| Amendments to IFRS 17, 'Insurance contracts'  | January 1, 2023  |
| Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'   | January 1, 2023  |
| IFRS 18, 'Presentation and disclosure in financial statements'  | January 1, 2027  |
| IFRS 19, 'Subsidiaries without public accountability: disclosures'  | January 1, 2027  |
| Annual Improvements to IFRS Accounting Standards—Volume 11  | January 1, 2026  |

Except for the related impacts of the following standards and interpretations are yet to be assessed, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment:

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

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

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

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

#### 4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

##### (2) Basis of preparation

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

##### (3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements are consistent with those of the year ended December 31, 2024.

**B. Subsidiaries included in the consolidated financial statements:**

| Investor                                 | Name of subsidiary                                       | Main business activities   | Ownership(%)      |                      |                   | Description |
|--|--|--|-------------------|----------------------|-------------------|-------------|
|  |  |  | March 31,<br>2025 | December 31,<br>2024 | March 31,<br>2024 |             |
| Orient Semiconductor Electronics Limited | Coreplus (HK) Limited (“COREPLUS”)                       | Accepted orders, purchased materials and outsourcing processing of components combination business.  | 100%              | 100%                 | 100%              | Note        |
| Orient Semiconductor Electronics Limited | Hua-Cheng Investment Co. (“Hua-Cheng”)                   | Reinvestments in various business.   | 100%              | 100%                 | 100%              | -           |
| Coreplus (HK) Limited                    | Value-Plus Technology (Suzhou) Co. (Value-Plus (Suzhou)) | Adhesive processing, plug-in welding processing and related test, combination processing, technique maintenance and after-sale service of the surface of base plate of electronic components | 100%              | 100%                 | 100%              | Note        |

Note: The financial statements of the entity as of and for the three months ended March 31, 2025 and 2024 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

**(4) Employee benefits**

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

**(5) Income taxes**

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

**5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty**

There have been no significant changes as of March 31, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

## 6. Details of Significant Accounts

### (1) Cash and cash equivalents

|                                       | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---------------------------------------|-----------------------|--------------------------|-----------------------|
| Cash:                                 |                       |                          |                       |
| Cash on hand and petty cash           | \$ 150                | \$ 150                   | \$ 149                |
| Checking accounts and demand deposits | 2,210,657             | 2,875,715                | 2,481,672             |
| Cash equivalents:                     |                       |                          |                       |
| Time deposits                         | 1,202,950             | 1,170,000                | 1,800,000             |
| Commercial paper (II)                 | 549,486               | 399,479                  | -                     |
|                                       | <u>\$ 3,963,243</u>   | <u>\$ 4,445,344</u>      | <u>\$ 4,281,821</u>   |

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

B. Aforementioned time deposits and commercial paper (II) had maturities not exceeding three months and were not pledged as collateral, and were classified as cash equivalents according to its nature.

### (2) Financial assets at fair value through other comprehensive income

| <u>Items</u>       | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|--------------------|-----------------------|--------------------------|-----------------------|
| Non-current items: |                       |                          |                       |
| Unlisted stocks    | \$ -                  | \$ -                     | \$ 4,022              |
| Listed stocks      | 1,755,000             | 1,738,800                | 2,051,630             |
|                    | <u>\$ 1,755,000</u>   | <u>\$ 1,738,800</u>      | <u>\$ 2,055,652</u>   |

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,755,000, \$1,738,800 and \$2,055,652 as at March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

B. For the three months ended March 31, 2025 and 2024, the Group has financial assets at fair value through other comprehensive income recognised in comprehensive income due to changes of fair value in the amounts of \$16,200 and \$174,866, respectively.

C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(3) Accounts receivable (including related parties)

|  | March 31, 2025      | December 31, 2024   | March 31, 2024      |
|--|---------------------|---------------------|---------------------|
| Accounts receivable                          | \$ 3,875,364        | \$ 4,198,758        | \$ 4,632,814        |
| Less: Loss allowance                         | ( 3,973)            | ( 3,879)            | ( 6,509)            |
|  | <u>\$ 3,871,391</u> | <u>\$ 4,194,879</u> | <u>\$ 4,626,305</u> |
| Accounts receivable due from related parties | \$ 423              | \$ 241              | \$ 27               |
| Less: Loss allowance                         | ( 1)                | -                   | -                   |
|  | <u>\$ 422</u>       | <u>\$ 241</u>       | <u>\$ 27</u>        |

A. For details of the aging analysis of notes and accounts receivable which were based on the dates past due and information relating to credit risk, please refer to Note 12(2).

B. As of March 31, 2025, December 31, 2024 and March 31, 2024, accounts and notes receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$4,469,596.

C. The Group has no notes and accounts receivable pledged to others as collateral.

D. As at March 31, 2025, December 31, 2024 and March 31, 2024, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was \$3,871,813, \$4,195,120 and \$4,626,332, respectively.

(4) Inventories

|                                    | March 31, 2025      | December 31, 2024   | March 31, 2024      |
|------------------------------------|---------------------|---------------------|---------------------|
| Raw materials                      | \$ 1,237,815        | \$ 1,251,892        | \$ 1,287,374        |
| Supplies                           | 121,902             | 119,230             | 147,536             |
| Work in progress                   | 755,640             | 504,761             | 536,805             |
| Finished goods                     | <u>44,791</u>       | <u>92,566</u>       | <u>48,447</u>       |
|                                    | 2,160,148           | 1,968,449           | 2,020,162           |
| Less: Allowance for valuation loss | ( 388,890)          | ( 396,646)          | ( 449,098)          |
|                                    | <u>\$ 1,771,258</u> | <u>\$ 1,571,803</u> | <u>\$ 1,571,064</u> |

A. The cost of inventories recognised as expense for the period:

|   | Three months ended March 31 |                     |
|---|-----------------------------|---------------------|
|   | 2025                        | 2024                |
| Cost of goods sold                          | \$ 3,553,823                | \$ 3,365,076        |
| Gain on reversal of decline in market value | ( 8,199)                    | ( 7,565)            |
| Loss on scrapping inventory                 | -                           | 200                 |
| Others                                      | ( 6,705)                    | ( 8,309)            |
|   | <u>\$ 3,538,919</u>         | <u>\$ 3,349,402</u> |

For the three months ended March 31, 2025 and 2024, the Group reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because the inventories which were previously provided with allowance for inventory valuation losses were subsequently scrapped or sold.

B. As of March 31, 2025, December 31, 2024 and March 31, 2024, the fire insurance amounts of inventories were \$17,583,244, \$17,580,756 and \$14,385,206, respectively.

(5) Investments accounted for using equity method

|                   | <u>March 31, 2025</u> |                           | <u>December 31, 2024</u> |                           | <u>March 31, 2024</u> |                           |
|-------------------|-----------------------|---------------------------|--------------------------|---------------------------|-----------------------|---------------------------|
|                   | <u>Amount</u>         | <u>Shareholding ratio</u> | <u>Amount</u>            | <u>Shareholding ratio</u> | <u>Amount</u>         | <u>Shareholding ratio</u> |
| Associates:       |                       |                           |                          |                           |                       |                           |
| SCS HIGHTECH INC. | \$ <u>-</u>           | 18.17%                    | \$ <u>-</u>              | 18.17%                    | \$ <u>-</u>           | 18.17%                    |

A. The carrying amount of the Group's investment in SCS HIGHTECH, INC. has been recognised as nil, and there is no further legal or constructive obligation to accrue additional losses. The company has been approved to nullify the registration in 2004 and is still pending liquidation.

B. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had no significant associate.

(6) Property, plant and equipment

|                               | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|-------------------------------|-----------------------|--------------------------|-----------------------|
| Property, plant and equipment |                       |                          |                       |
| - Owner-occupied              | \$ 6,473,833          | \$ 6,455,398             | \$ 5,370,060          |
| - Operating leases            | <u>530</u>            | <u>564</u>               | <u>663</u>            |
|                               | <u>\$ 6,474,363</u>   | <u>\$ 6,455,962</u>      | <u>\$ 5,370,723</u>   |

## A. Property, plant and equipment for self-use

|  | <u>Buildings and<br/>structures</u> | <u>Machinery and<br/>equipment</u> | <u>Transportation<br/>equipment</u> | <u>Office<br/>equipment</u> | <u>Other<br/>equipment</u> | <u>Construction in progress and<br/>equipment under installation</u> | <u>Total</u>         |
|--|-------------------------------------|------------------------------------|-------------------------------------|-----------------------------|----------------------------|--|----------------------|
| Cost and revaluation increment:            |                                     |                                    |                                     |                             |                            |  |                      |
| January 1, 2025                            | \$ 7,379,527                        | \$ 15,739,674                      | \$ 1,760                            | \$ 57,527                   | \$ 399,726                 | \$ 2,030,226   | \$ 25,608,440        |
| Additions                                  | -                                   | 171                                | -                                   | 51                          | 22                         | 238,543  | 238,787              |
| Disposals                                  | ( 3,525)                            | ( 506)                             | -                                   | -                           | ( 20)                      | -  | ( 4,051)             |
| Transfers                                  | 9,310                               | 785,325                            | -                                   | -                           | 1,040                      | ( 795,675)   | -                    |
| Impact of changes in foreign exchange rate | <u>-</u>                            | <u>1,079</u>                       | <u>23</u>                           | <u>34</u>                   | <u>232</u>                 | <u>10</u>  | <u>1,378</u>         |
| March 31, 2025                             | <u>\$ 7,385,312</u>                 | <u>\$ 16,525,743</u>               | <u>\$ 1,783</u>                     | <u>\$ 57,612</u>            | <u>\$ 401,000</u>          | <u>\$ 1,473,104</u>  | <u>\$ 25,844,554</u> |
| Depreciation and impairment:               |                                     |                                    |                                     |                             |                            |  |                      |
| January 1, 2025                            | \$ 5,174,775                        | \$ 13,586,627                      | \$ 798                              | \$ 56,591                   | \$ 334,251                 | \$ -   | \$ 19,153,042        |
| Depreciation expense                       | 42,013                              | 172,707                            | 63                                  | 56                          | 5,839                      | -  | 220,678              |
| Disposals                                  | ( 3,525)                            | ( 506)                             | -                                   | -                           | ( 20)                      | -  | ( 4,051)             |
| Impact of changes in foreign exchange rate | <u>( 127)</u>                       | <u>551</u>                         | <u>10</u>                           | <u>151</u>                  | <u>467</u>                 | <u>-</u>   | <u>1,052</u>         |
| March 31, 2025                             | <u>\$ 5,213,136</u>                 | <u>\$ 13,759,379</u>               | <u>\$ 871</u>                       | <u>\$ 56,798</u>            | <u>\$ 340,537</u>          | <u>\$ -</u>  | <u>\$ 19,370,721</u> |

|  | <u>Buildings and<br/>structures</u> | <u>Machinery and<br/>equipment</u> | <u>Transportation<br/>equipment</u> | <u>Office<br/>equipment</u> | <u>Other<br/>equipment</u> | <u>Construction in progress and<br/>equipment under installation</u> | <u>Total</u>         |
|--|-------------------------------------|------------------------------------|-------------------------------------|-----------------------------|----------------------------|--|----------------------|
| Cost and revaluation increment:            |                                     |                                    |                                     |                             |                            |  |                      |
| January 1, 2024                            | \$ 7,350,068                        | \$ 16,071,508                      | \$ 2,054                            | \$ 58,536                   | \$ 396,378                 | \$ 422,662   | \$ 24,301,206        |
| Additions                                  | -                                   | -                                  | -                                   | -                           | 60                         | 486,022  | 486,082              |
| Disposals                                  | -                                   | ( 484,035)                         | -                                   | -                           | ( 246)                     | -  | ( 484,281)           |
| Transfers                                  | 16,468                              | 112,846                            | -                                   | -                           | 15,744                     | ( 145,058)   | -                    |
| Impact of changes in foreign exchange rate | -                                   | 5,664                              | 80                                  | 139                         | 668                        | -  | 6,551                |
| March 31, 2024                             | <u>\$ 7,366,536</u>                 | <u>\$ 15,705,983</u>               | <u>\$ 2,134</u>                     | <u>\$ 58,675</u>            | <u>\$ 412,604</u>          | <u>\$ 763,626</u>  | <u>\$ 24,309,558</u> |
| Depreciation and impairment:               |                                     |                                    |                                     |                             |                            |  |                      |
| January 1, 2024                            | \$ 5,066,002                        | \$ 13,756,295                      | \$ 1,858                            | \$ 57,386                   | \$ 338,812                 | \$ -   | \$ 19,220,353        |
| Depreciation expense                       | 41,453                              | 150,901                            | -                                   | 55                          | 4,617                      | -  | 197,026              |
| Disposals                                  | -                                   | ( 482,949)                         | -                                   | -                           | ( 246)                     | -  | ( 483,195)           |
| Impact of changes in foreign exchange rate | -                                   | 4,556                              | 73                                  | 129                         | 556                        | -  | 5,314                |
| March 31, 2024                             | <u>\$ 5,107,455</u>                 | <u>\$ 13,428,803</u>               | <u>\$ 1,931</u>                     | <u>\$ 57,570</u>            | <u>\$ 343,739</u>          | <u>\$ -</u>  | <u>\$ 18,939,498</u> |
| Carrying amount, net:                      |                                     |                                    |                                     |                             |                            |  |                      |
| March 31, 2025                             | <u>\$ 2,172,176</u>                 | <u>\$ 2,766,364</u>                | <u>\$ 912</u>                       | <u>\$ 814</u>               | <u>\$ 60,463</u>           | <u>\$ 1,473,104</u>  | <u>\$ 6,473,833</u>  |
| December 31, 2024                          | <u>\$ 2,204,752</u>                 | <u>\$ 2,153,047</u>                | <u>\$ 962</u>                       | <u>\$ 936</u>               | <u>\$ 65,475</u>           | <u>\$ 2,030,226</u>  | <u>\$ 6,455,398</u>  |
| March 31, 2024                             | <u>\$ 2,259,081</u>                 | <u>\$ 2,277,180</u>                | <u>\$ 203</u>                       | <u>\$ 1,105</u>             | <u>\$ 68,865</u>           | <u>\$ 763,626</u>  | <u>\$ 5,370,060</u>  |

B. Property, plant and equipment for operating lease

|                        |  | Buildings and structures |           |
|------------------------|--|--------------------------|-----------|
|                        |  | 2025                     | 2024      |
| <b>Cost:</b>           |  |                          |           |
| January 1 and March 31 |  | \$ 10,721                | \$ 10,721 |
| <b>Depreciation:</b>   |  |                          |           |
| At January 1           |  | \$ 10,157                | \$ 10,024 |
| Additions              |  | 34                       | 34        |
| At March 31            |  | \$ 10,191                | \$ 10,058 |
| Carrying amount, net:  |  |                          |           |
| At March 31            |  | \$ 530                   | \$ 663    |

C. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

|  |  | Three months ended March 31 |        |
|--|--|-----------------------------|--------|
|  |  | 2025                        | 2024   |
| Amount capitalised                             |  | \$ 1,577                    | \$ 399 |
| Range of the interest rates for capitalisation |  | 1.9%                        | 1.775% |

D. The significant components of buildings and equipment include main plants and each improvement construction, which are depreciated over 3~51 and 3~21 years, respectively.

E. As of March 31, 2025, December 31, 2024 and March 31, 2024, the insured amount of fire insurance of property, plant and equipment were \$10,937,955, \$10,955,627 and \$10,539,424, respectively.

F. Refer to Note 8 for further information on property, plant and equipment pledged to others as collateral.

(7) Leasing arrangements — lessee

A. The Group leased various assets, including property (land, building and structures), machinery and equipment and transportation equipment. The lease period of each contract was between 3 to 51 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be subleased, sublet, subtenant to others, transfer the lease right to others and pledged as collaterals.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

|                          | March 31, 2025  | December 31, 2024 | March 31, 2024  |
|--------------------------|-----------------|-------------------|-----------------|
|                          | Carrying amount | Carrying amount   | Carrying amount |
| Land                     | \$ 79,397       | \$ 81,708         | \$ 91,114       |
| Machinery and equipment  | 1,970           | 2,047             | 26,487          |
| Transportation equipment | 5,605           | 6,532             | 3,620           |
|                          | \$ 86,972       | \$ 90,287         | \$ 121,221      |

|                          | Three months ended March 31 |                      |
|--------------------------|-----------------------------|----------------------|
|                          | 2025                        | 2024                 |
|                          | Depreciation expense        | Depreciation expense |
| Land                     | \$ 2,311                    | \$ 2,564             |
| Machinery and equipment  | 77                          | 1,445                |
| Transportation equipment | 927                         | 935                  |
|                          | <u>\$ 3,315</u>             | <u>\$ 4,944</u>      |

C. For the three months ended March 31, 2025 and 2024, there were no additions to right-of-use assets. For the three months ended March 31, 2025, due to the lease modification, the right-of-use assets and lease liabilities decreased by \$20,142 and \$20,142, respectively. For the three months ended March 31, 2024, there were no such transactions.

D. Information on profit or loss in relation to lease contracts is as follows:

|   | Three months ended March 31 |        |
|---|-----------------------------|--------|
|   | 2025                        | 2024   |
| <u>Items affecting profit or loss</u>                                 |                             |        |
| Interest expense on lease liabilities                                 | \$ 407                      | \$ 512 |
| Expense on short-term lease contracts                                 | 2,273                       | 5,445  |
| Expense on leases of low-value assets                                 | 1,259                       | 1,056  |
| (excluding expense on leases of low-value assets of short-term lease) |                             |        |

E. For the three months ended March 31, 2025 and 2024, the total amounts of the Group's cash outflow from leasing were \$7,192 and \$13,741, respectively.

(8) Leasing arrangements - lessor

A. The Group leases various assets including plant and office. Rental contracts are typically made for periods of 2 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To secure the use of the leased assets, the leased assets may not be subleased, transferred or provided to others in other ways.

B. Gain arising from operating lease agreements are as follows:

|   | Three months ended March 31 |          |
|---|-----------------------------|----------|
|   | 2025                        | 2024     |
| Related revenue from fixed lease payments | \$ 2,407                    | \$ 2,421 |

C. The maturity analysis of the lease payments under the operating leases is as follows:

|  | March 31, 2025  | December 31, 2024 | March 31, 2024  |
|--|-----------------|-------------------|-----------------|
| Within 1 year  | \$ 3,718        | \$ 4,982          | \$ 2,856        |
| Later than one year but not later than two years     | 703             | 703               | 722             |
| Later than two years but not later than three years  | 703             | 703               | 703             |
| Later than three years but not later than four years | 703             | 703               | 703             |
| Later than four years but not later than five years  | 703             | 703               | 703             |
| Later than five years                                | 1,347           | 1,523             | 2,050           |
|  | <u>\$ 7,877</u> | <u>\$ 9,317</u>   | <u>\$ 7,737</u> |

D. For disclosures of property, plant and equipment leased under operating lease and within the scope of IAS 16, please refer to Note 6(6).

(9) Intangible assets

|                                 | Computer software |                   |
|---------------------------------|-------------------|-------------------|
|                                 | 2025              | 2024              |
| <u>Cost</u>                     |                   |                   |
| At January 1                    | \$ 593,891        | \$ 563,137        |
| Additions — acquired separately | 17,409            | 17,941            |
| Reclassifications               | 1,356 (           | 5)                |
| Net exchange differences        | 1                 | 10                |
| At March 31                     | <u>\$ 612,657</u> | <u>\$ 581,083</u> |
| <u>Accumulated amortisation</u> |                   |                   |
| At January 1                    | \$ 542,335        | \$ 482,467        |
| Amortisation charge             | 14,180            | 15,256            |
| Net exchange differences        | -                 | -                 |
| At March 31                     | <u>\$ 556,515</u> | <u>\$ 497,723</u> |
| Book value                      | <u>\$ 56,142</u>  | <u>\$ 83,360</u>  |

A. Details of amortisation on intangible assets are as follows:

|                                     | Three months ended March 31 |                 |
|-------------------------------------|-----------------------------|-----------------|
|                                     | 2025                        | 2024            |
| Operating costs                     | <u>\$ 5,160</u>             | <u>\$ 5,738</u> |
| Selling and administrative expenses | <u>\$ 6,426</u>             | <u>\$ 6,228</u> |
| Research and development expenses   | <u>\$ 2,594</u>             | <u>\$ 3,290</u> |

B. There was no intangible asset held by the Group that was pledged to others.

(10) Other payables

|   | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---|-----------------------|--------------------------|-----------------------|
| Salary and bonus payable  | \$ 412,430            | \$ 490,483               | \$ 355,953            |
| Pension payable   | 33,201                | 38,920                   | 40,703                |
| Employees' compensation<br>and directors' remuneration<br>payable | 211,070               | 203,896                  | 351,089               |
| Payables on equipment and<br>construction                         | 189,083               | 534,253                  | 324,200               |
| Insurance premiums payable  | 71,660                | 64,822                   | 81,026                |
| Utilities expense payable   | 56,795                | 51,803                   | 43,336                |
| Employment Stability Fund payable                                 | 16,440                | 15,587                   | 16,051                |
| Dividends payable   | 740,408               | -                        | 882,586               |
| Other payables  | 74,517                | 82,550                   | 76,529                |
|   | <u>\$ 1,805,604</u>   | <u>\$ 1,482,314</u>      | <u>\$ 2,171,473</u>   |

(11) Long-term borrowings

| <u>Type of Borrowings</u> | <u>Borrowing period and repayment term</u>  | <u>Interest rate range</u> | <u>Collateral</u> | <u>March 31, 2025</u>    |
|---------------------------|---|----------------------------|-------------------|--------------------------|
| Long-term bank borrowings |   |                            |                   |                          |
| Unsecured borrowings      | Borrowing period is from August 2021 to September 2030;<br>interest is payable monthly; principal is repayable at maturity. | 1.475%~1.9%<br>(Note)      | None              | \$ 1,347,702             |
| Less: Current portion     |   |                            |                   | ( 418,997)               |
|                           |   |                            |                   | <u>\$ 928,705</u>        |
| <u>Type of Borrowings</u> | <u>Borrowing period and repayment term</u>  | <u>Interest rate range</u> | <u>Collateral</u> | <u>December 31, 2024</u> |
| Long-term bank borrowings |   |                            |                   |                          |
| Unsecured borrowings      | Borrowing period is from August 2021 to September 2030;<br>interest is payable monthly; principal is repayable at maturity. | 1.475%~1.9%<br>(Note)      | None              | \$ 1,381,908             |
| Less: Current portion     |   |                            |                   | ( 372,122)               |
|                           |   |                            |                   | <u>\$ 1,009,786</u>      |
| <u>Type of Borrowings</u> | <u>Borrowing period and repayment term</u>  | <u>Interest rate range</u> | <u>Collateral</u> | <u>March 31, 2024</u>    |
| Long-term bank borrowings |   |                            |                   |                          |
| Unsecured borrowings      | Borrowing period is from August 2021 to September 2030;<br>interest is payable monthly; principal is repayable at maturity  | 1.475%~1.9%<br>(Note)      | None              | \$ 1,286,058             |
| Less: Current portion     |   |                            |                   | ( 181,555)               |
|                           |   |                            |                   | <u>\$ 1,104,503</u>      |

Note: Some of the Group's loans were granted in accordance with the 'Guidelines of Project Loans for Returning Overseas Taiwanese Businesses' of National Development Fund, Executive Yuan. The interest rate of the loans for the first 5 years is the floating interest rate on a 2-year time deposit offered by the Directorate General of the Postal Remittances and Savings Bank less 0.245% of annual interest. In the event of failure to meet the requirements of the aforementioned Guidelines of Project Loans during the loan period, the interest rate will be changed to the floating interest rate on a 2-year time deposit offered by the Directorate General of the Postal Remittances and Savings Bank plus 0.255% of annual interest.

- A. For the three months ended March 31, 2025 and 2024, the amounts of interest expense recognised in profit or loss were \$5,263 and \$4,312, respectively.
- B. Under the credit contract with certain banks, the Group is required to review financial ratios or values such as current ratio, net tangible assets, interest coverage ratio, and debt ratio in the latest consolidated financial statements at certain times during the credit period. As of the reporting date, the Group did not violate any of the related financial conditions.
- C. Information about the assets that were pledged for long-term borrowings as collateral is provided in Note 8.

(12) Pensions

- A.(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. For the Company's domestic employees who are applicable to the Labor Pension Act, the Company and its domestic subsidiaries contribute monthly an amount equal to 10% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (b) For the three months ended March 31, 2025 and 2024, the Company recognised pension costs in the amounts of \$2,216 and \$2,450, respectively.
- (c) The Company expects to pay contributions for the pension plan in the amount of \$47,100 in the succeeding one year.
- B.(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company's mainland China subsidiary, Value-Plus Technology (Suzhou) Co. (Value-Plus (Suzhou)), has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Company has no further obligations. Other foreign subsidiaries contributed to related pension management plans according to local regulations.

(c) The pension costs under the defined contribution pension plan of the Company for the three months ended March 31, 2025 and 2024 were \$34,303 and \$33,130, respectively.

(13) Share-based payment

- A. For the three months ended March 31, 2024: There were no such transactions.
- B. For the three months ended March 31, 2025, the Group's share-based payment arrangements were as follows:

| Type of arrangement            | Grant date | Quantity Granted      | Contract period | Vesting conditions |
|--------------------------------|------------|-----------------------|-----------------|--------------------|
| Restricted stocks to employees | 2024.5.15  | 5,000 thousand shares | 3 years         | Note               |

Note: The service time limit and performance conditions were as follows:

- (a) After employees obtain employee restricted shares, starting from the effective date of capital increase, if employees are on-the-job when the vested period has expired, also, did not violate service contract of the Company, working rules and be penalized, the employees can receive employee restricted shares proportionally based on the following length of services and performance conditions.
- Service for one year after distribution and score over "A" rating in the last performance evaluation before the maturity of period, 30% of the distributed shares;
  - Service for two years after distribution and score over "A" rating in the last performance evaluation before the maturity of period, 30% of the distributed shares;
  - Service for three years after distribution and score over "A" rating in the last performance evaluation before the maturity of period, 40% of the distributed shares.

Restrictions on the rights and vesting conditions of restricted shares for employees were as follows:

- The restricted shares which the employees will obtain shall be directly kept in the designated trust institution when the restricted shares were granted to the employees, which the employee cannot request to return the restricted shares for any reasons or ways before reaching the vesting conditions.
- Before accomplishing the vesting conditions when the restricted shares were granted to the employees, except for inheritance, the employee cannot sell, pledge, transfer, gift, set or dispose the restricted shares in other ways.
- Before the employee accomplishes the vesting conditions when the restricted shares were granted to the employees, the attendance, proposal, speaking, right of voting, election, and other matters associated with shareholders' meeting are similar with the ordinary shares that has been issued and are executed based on the trust custody contracts.
- Before the employee accomplishes the vesting conditions, other rights including but not limited to dividends, bonus, the distribution rights of legal reserve and capital surplus, and share options of cash capital, etc., are the same as the Company's issued ordinary shares. The related procedures are executed based on the trust custody contracts.

- (e) From the book closure date of issuance of bonus shares, cash dividends, issuance of common stock for cash and shareholders' meeting are regulated by Article 165-3 of the Company Law, or other facts that has occurred to the date of rights allocation. The unrestricted shares of the employees that have achieved the vesting conditions during the aforementioned period still have no rights to obtain dividends or allotment. The time and procedures of rescinding restrictions on the vested shares are executed based on the trust custody contracts or related regulations.

C. Details of the share-based payment arrangements are as follows: (unit: thousand share)

|                           | 2025  |
|---------------------------|-------|
| At January 1              | 4,920 |
| Options vested            | -     |
| Called back in the period | -     |
| At March 31               | 4,920 |

D. On May 15, 2024, the fair value of share-based payments transaction which was given by the Group was \$59.1 per share.

E. For the three months ended March 31, 2025, the Group recognised expenses due to share-based payment transactions in the amount of \$41,726.

(14) Current provisions

|                              | Warranty  |           |
|------------------------------|-----------|-----------|
|                              | 2025      | 2024      |
| At January 1                 | \$ 64,554 | \$ 46,477 |
| Provisions during the period | 10,630    | 14,318    |
| Used during the period       | ( 9,333)  | ( 3,647)  |
| Unused amounts reversed      | ( 2,939)  | ( 2,020)  |
| At March 31                  | \$ 62,912 | \$ 55,128 |

The Group gives warranties on the products sold. Provision for warranty is estimated based on historical warranty data of the products.

(15) Share capital

A. On March 31, 2025, the Company's authorised capital was \$20,000,000, consisting of 2,000,000 thousand shares (including the number of option certificates which can be purchased), and will be issued in several times. The shares which were not issued can be issued in common shares and preference shares in several times based on the Company's business requirement, 90,000 thousand shares will be retained for option certificates. As of March 31, 2025, the Company's paid-in capital was \$7,404,083, consisting of 560,228 thousand common shares and 180,180 thousand class C preferred shares in private placement, with a par value of NT\$10 (in dollars) per share. All proceeds from shares issued have been collected. The Company's outstanding number of preference shares in the beginning and ending of the period were the same.

Movements in the number of the Company's ordinary shares outstanding are as follows: (thousand shares)

|  | 2025           | 2024           |
|--|----------------|----------------|
| Shares outstanding at January 1  | 555,308        | 555,308        |
| Restricted shares not yet vested at the beginning of the period                    | 4,920          | -              |
| Restricted shares called back but not yet cancelled at the beginning of the period | 80             | -              |
| Shares issued at January 1   | 560,308        | 555,308        |
| Cancellation of employee restricted shares (Note)                                  | ( 80)          | -              |
| Shares issued at March 31  | 560,228        | 555,308        |
| Restricted shares not yet vested at the end of the period                          | ( 4,920)       | -              |
| Shares outstanding at March 31   | <u>555,308</u> | <u>555,308</u> |

Note: For the year ended December 31, 2024, the Company redeemed the issued restricted shares of 80 thousand shares with a par value of \$10 (in dollars). On February 26, 2025, the Board of Directors approved the effective date for the retirement of shares due to the capital reduction, and the registration procedures has been completed.

- B. On October 25, 2023, the Board of Directors resolved that the Company's class B preferred shares, which was issued on December 21, 2023, on the day after 3 years of the issuance date, may be withdrawn at the actual issuance price in cash at any time in accordance with the Company's Articles of Incorporation. On December 27, 2023, the Company repurchased shares at a repurchase price of \$11.1 per share and decreased capital by cancelling 90,090 thousand, and the total amount was \$999,999. Accordingly, the Company recognised a gain on recovery of preference share liabilities amounting to \$2,570, which was shown as other income. The record date for the capital reduction was set on December 27, 2023, and the registration was completed on January 11, 2024.
- C. On December 3, 2020, the Company's shareholders in the extraordinary meeting approved to issue 180,180 thousand class C preferred shares in private placement with a par value of \$10 and issued at \$11.1 per share. The paid-in capital was \$1,801,800 thousand. The effective date of capital increase was set on December 21, 2020 in accordance with the Securities and Exchange Act Article 43-6.

According to the Company's Articles of Incorporation, the rights and obligations of preferred share were as follows:

- (a) The distribution of earnings was based on the Company's Articles of Incorporation, current year or current quarter and accumulated undistributable dividend shall be appropriated to class B preferred shares in the first priority, then, appropriated to class C preferred shares in the second priority.
- (b) The annual dividend rate of class C preferred shares was 2% which was calculated at the issuance price per share and paid in cash, the ex-dividend date of preferred dividend was authorised to be determined by the Board of Directors. The issuance number in issuance year or quarter and recovered year or quarter were calculated at the actual issuance number of days.

- (c) If the expected dividend distribution amount of common share exceeds the dividend amount of class C preferred shares in the current year or quarter, the shareholders of class C preferred shares can participate in the distribution until the dividend amount of class C preferred shares are the same as common share per share.
- (d) The Company has discretion in dividend distribution of Class C preferred shares. If the Company has no or has insufficient current year's earnings for distribution or has other necessary considerations, the Company can resolve not to distribute dividend to class C preferred shares and it will not default, and the shareholders of class C preferred shares cannot object. Class C preferred shares are non-cumulative, and the amount of dividends which were not distributed or insufficient will not be made up in the profitable year or quarter thereafter.
- (e) Starting from the next day of five years after issuance, the shareholders of class C preferred shares can transfer the preferred share to common share at a transfer ratio of 1:1. After the transfer of preferred share to common share, the rights and obligations (excluding the transfer restriction by regulation and not listed) were the same as other outstanding common share of the Company. For class C preferred shares which have been transferred into common shares before the ex-right (ex-dividend) date in the current year or quarter can participate in the common share distribution of earnings or reserves in the current year or quarter and cannot participate in the dividend distribution of preferred shares in the current year or quarter. For class C preferred shares which have been transferred into common shares after the ex-right (ex-dividend) date in the current year or quarter can participate in the dividend distribution of preferred share in the current year or quarter and cannot participate in the dividend distribution of earnings or capital reserves in the current year or quarter. Preferred dividends will not be repeatedly appropriated if it is distributed in the same year or quarter with common stock dividends.
- (f) The shareholders of class C preferred shares have no voting right in the common shareholders' meeting and cannot be elected as directors (including independent directors). However, the shareholders of class C preferred shares have voting right in preferred shareholders' meeting and matters of preferred shareholders' right.
- (g) When it comes to appropriating residual assets of Company, class C preferred shares have priority over common shares and next to class B preferred shares. However, the amount was limited to the issuance price plus total amount of unpaid dividend.
- (h) Class C preferred shares have no expiry date, and the shareholders of class C preferred shares have no right to require the Company to call back class C preferred shares or transfer the class C preferred share into common share in advance. However, the Company can call back in cash at actual issuance price, mandatorily transfer by issuing new shares or call back all or some class C preferred shares in other ways permitted by regulations on the next day after three years. The rights and obligations of class C preferred shares which have not been called will continue until the Company calls back. In the current year of calling back the class C preferred shares, if the Company's shareholders resolve to appropriate dividends, the amount of dividends which have to be distributed as of the date of call back will be calculated according to the actual days of issuance in the current year.
- (i) The preemptive rights for stockholders of class C preferred shares are the same as of common shares when the Company increases its capital by issuing shares.

(j) Class C preferred shares were not listed and traded in the issuance period, however, if all or some were transferred into common shares, the Board of Directors was authorised to apply for public offering and listing to the authorisation according to the current situation and related regulations.

D. On June 9, 2023, the shareholders of the Company resolved to issue employee restricted shares of 5,000 thousand shares with a par value of NT\$10 per share, amounting to \$50,000 thousand, has been applied for effectiveness through FSC on August 25, 2023. The effective date was May 15, 2024 and the registration of changes has been completed on May 28, 2024.

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

|   | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---|-----------------------|--------------------------|-----------------------|
| Premium on issuance of common shares  | \$ 17,417             | \$ 17,417                | \$ 17,417             |
| Premium on issuance of preferred shares   | 198,198               | 198,198                  | 198,198               |
| Changes in ownership interests in subsidiaries  | 4,708                 | 4,708                    | 5,832                 |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | 16,940                | 16,940                   | 16,940                |
| Employee restricted shares  | <u>239,740</u>        | <u>238,940</u>           | <u>-</u>              |
|   | <u>\$ 477,003</u>     | <u>\$ 476,203</u>        | <u>\$ 238,387</u>     |

(17) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. For setting aside or reversal for special reserve in accordance with related laws or Competent Authority's regulations, if any, the Board of Directors should propose the distribution of the remaining earnings along with prior accumulated undistributed earnings for the approval of the shareholders. The shareholders resolved for earnings which were appropriated in the form of cash, it shall be resolved by the Board of Directors and reported to shareholders in accordance with the Company Act, Article 228-1 and paragraph 5 of Article 240.

- B. The industry environment of the Company is constantly changing and the enterprise is in the growth stage of its life cycle. Considering the Company's capital requirement in the future and long-term financial plan and satisfying shareholders' demand of cash inflow, the expected appropriation amount in the current year shall not be lower than 10% of accumulated distributable amount. However, if the accumulated distributable earnings is lower than 1% of paid-in capital, the earnings cannot be appropriated, and the cash dividend shall not be lower than 10% of total dividend.
- C. According to Company Act, the distribution to legal reserve shall continue until the total amount equals to total capital. Legal reserve is used to offset accumulated deficit. If the Company has no deficits, 25% of the part of legal reserve exceeding the paid-in capital can be used to issue new stocks or cash to shareholders in proportion to their share ownership.
- D. Following the adoption of TIFRS, the FSC on April 6, 2012 issued Order No. Financial-Supervisory- Securities-Corporate-1010012865, which sets out the following provisions for compliance: On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that a company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. Following a company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.
- E. On March 27, 2024, the Board of Directors resolved the earnings appropriation for the year ended December 31, 2023 with a common share dividend of 1.2 per share and the total amount was \$666,370; and with Class C preferred stock dividend of 1.2 per share. The total dividends amounted to \$216,216. On June 7, 2024, the earnings appropriation for the year ended December 31, 2023 were reported to shareholders.
- F. On February 26, 2025, the Board of Directors resolved the earnings appropriation for the year ended December 31, 2024 with a common share dividend of 1 per share and the total amount was \$560,228; and with Class C preferred stock dividend of 1 per share. The total dividends amounted to \$180,180.

(18) Operating revenue

|   | Three months ended March 31 |                     |
|---|-----------------------------|---------------------|
|   | 2025                        | 2024                |
| Revenue from contracts with customers     |                             |                     |
| IC packaging and testing service revenue  | \$ 2,321,939                | \$ 2,567,109        |
| Electronics manufacturing service revenue | 1,718,761                   | 1,576,268           |
| Other operating revenue                   | 36,776                      | 32,652              |
|   | <u>\$ 4,077,476</u>         | <u>\$ 4,176,029</u> |

A. Disaggregation of revenue from contracts with customers

|  | Semiconductor       |                     |                     |
|--|---------------------|---------------------|---------------------|
| <u>Three months ended March 31, 2025</u> | <u>Group</u>        | <u>EMS Group</u>    | <u>Total</u>        |
| IC packaging and testing service revenue | \$ 2,321,939        | \$ -                | \$ 2,321,939        |
| Manufacture of electronic products       | -                   | 1,718,761           | 1,718,761           |
| Others                                   | 10,686              | 26,090              | 36,776              |
|  | <u>\$ 2,332,625</u> | <u>\$ 1,744,851</u> | <u>\$ 4,077,476</u> |

Timing of revenue recognition:

|                    |                     |                     |                     |
|--------------------|---------------------|---------------------|---------------------|
| Over time          | \$ 2,321,939        | \$ -                | \$ 2,321,939        |
| At a point in time | 10,686              | 1,744,851           | 1,755,537           |
|                    | <u>\$ 2,332,625</u> | <u>\$ 1,744,851</u> | <u>\$ 4,077,476</u> |

|  | Semiconductor       |                     |                     |
|--|---------------------|---------------------|---------------------|
| <u>Three months ended March 31, 2024</u> | <u>Group</u>        | <u>EMS Group</u>    | <u>Total</u>        |
| IC packaging and testing service revenue | \$ 2,567,109        | \$ -                | \$ 2,567,109        |
| Manufacture of electronic products       | -                   | 1,576,268           | 1,576,268           |
| Others                                   | 20,985              | 11,667              | 32,652              |
|  | <u>\$ 2,588,094</u> | <u>\$ 1,587,935</u> | <u>\$ 4,176,029</u> |

Timing of revenue recognition:

|                    |                     |                     |                     |
|--------------------|---------------------|---------------------|---------------------|
| Over time          | \$ 2,567,109        | \$ -                | \$ 2,567,109        |
| At a point in time | 20,985              | 1,587,935           | 1,608,920           |
|                    | <u>\$ 2,588,094</u> | <u>\$ 1,587,935</u> | <u>\$ 4,176,029</u> |

B. Contract assets and liabilities

(a) The Group has recognised the following revenue-related contract assets and liabilities:

|                                    | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|------------------------------------|-----------------------|--------------------------|-----------------------|
| Current contract assets            |                       |                          |                       |
| IC packaging and testing service   | <u>\$ 371,228</u>     | <u>\$ 290,624</u>        | <u>\$ 327,060</u>     |
| Current contract liabilities       |                       |                          |                       |
| IC packaging and testing service   | \$ 61,169             | \$ 61,422                | \$ 66,517             |
| Manufacture of electronic products | <u>12,188</u>         | <u>13,087</u>            | <u>17,535</u>         |
|                                    | <u>\$ 73,357</u>      | <u>\$ 74,509</u>         | <u>\$ 84,052</u>      |

Note: As of January 1, 2024, the Group recognised current contract liabilities in the amount of \$87,187.

(b) Information relating to credit risk of contract assets is provided in Note 12(2).

(c) For the three months ended March 31, 2025 and 2024, revenue recognised that was included in the contract liability balance at the beginning of the period amounted to \$1,793 and \$3,135, respectively.

(19) Interest income

|                                    | <u>Three months ended March 31</u> |                 |
|------------------------------------|------------------------------------|-----------------|
|                                    | <u>2025</u>                        | <u>2024</u>     |
| Interest income from bank deposits | <u>\$ 7,519</u>                    | <u>\$ 9,648</u> |

(20) Other income

|                 | <u>Three months ended March 31</u> |                  |
|-----------------|------------------------------------|------------------|
|                 | <u>2025</u>                        | <u>2024</u>      |
| Service revenue | \$ 3,807                           | \$ 6,113         |
| Rental revenue  | 2,409                              | 2,421            |
| Other income    | <u>3,672</u>                       | <u>5,261</u>     |
|                 | <u>\$ 9,888</u>                    | <u>\$ 13,795</u> |

(21) Other gains and losses

|   | Three months ended March 31 |                  |
|---|-----------------------------|------------------|
|   | 2025                        | 2024             |
| Gains on disposals of property, plant and equipment | \$ 43                       | \$ 61            |
| Net currency exchange gains                         | 21,266                      | 84,730           |
| Others  | -                           | 9                |
|   | <u>\$ 21,309</u>            | <u>\$ 84,800</u> |

(22) Finance costs

|  | Three months ended March 31 |                 |
|--|-----------------------------|-----------------|
|  | 2025                        | 2024            |
| Interest expense on borrowings from financial institutions | \$ 5,289                    | \$ 4,312        |
| Interest expense on lease liability                        | 407                         | 512             |
| Others   | <u>2</u>                    | <u>2</u>        |
|  | 5,698                       | 4,826           |
| Less: Capitalisation of qualifying assets                  | ( 1,577)                    | ( 399)          |
|  | <u>\$ 4,121</u>             | <u>\$ 4,427</u> |

(23) Expenses by nature

|   | Three months ended March 31 |              |
|---|-----------------------------|--------------|
|   | 2025                        | 2024         |
| Employee benefit expense                              | \$ 1,161,517                | \$ 1,061,055 |
| Depreciation charges on property, plant and equipment | 220,712                     | 197,060      |
| Depreciation expense on right-of-use assets           | 3,315                       | 4,944        |
| Amortisation charges on intangible assets             | 14,180                      | 15,256       |

(24) Employee benefit expense

|   | Three months ended March 31 |                     |
|---|-----------------------------|---------------------|
|   | 2025                        | 2024                |
| Salary expenses                                 | \$ 901,007                  | \$ 841,571          |
| Labour and health insurance fees                | 95,971                      | 93,245              |
| Pension costs                                   | 36,519                      | 35,580              |
| Directors' remuneration                         | 3,620                       | 7,710               |
| Compensation cost of employee restricted shares | 41,726                      | -                   |
| Other personnel expenses                        | <u>82,674</u>               | <u>82,949</u>       |
|   | <u>\$ 1,161,517</u>         | <u>\$ 1,061,055</u> |

Under the Company's Articles of Incorporation, the current year's pre-tax profit, net of employees' compensation and directors' remuneration, shall be first used to offset accumulated deficits, than appropriate over 10%~15% for employees' compensation and under 1% for remuneration to directors.

A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, has the determination of distribution ratios of employees' compensation and directors' remuneration and the abovementioned employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting. The profit distributable as employees' compensation distributed can be in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation.

For the three months ended March 31, 2025 and 2024, the employees' compensation and directors' remuneration were estimated and accrued based on certain proportion of distributable profit of current year amounting to \$26,100 and \$70,000; as well as \$2,600 and \$6,990 respectively.

Employees' compensation of \$165,800 and directors' remuneration of \$16,570 of 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

|   | Three months ended March 31 |            |
|---|-----------------------------|------------|
|   | 2025                        | 2024       |
| Deferred tax:                                     |                             |            |
| Origination and reversal of temporary differences | \$ 44,078                   | \$ 122,684 |
| Total deferred tax                                | \$ 44,078                   | \$ 122,684 |
| Income tax expense                                | \$ 44,078                   | \$ 122,684 |

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

|                                  | Three months ended March 31 |            |
|----------------------------------|-----------------------------|------------|
|                                  | 2025                        | 2024       |
| Currency translation differences | \$ 757                      | (\$ 1,765) |

B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(26) Earnings per share

| Three months ended March 31, 2025   |                     |  |                                       |
|---|---------------------|--|---------------------------------------|
|   | Amount<br>after tax | Weighted average<br>number of ordinary<br>shares outstanding<br>(share in thousands) | Earnings<br>per share<br>(in dollars) |
| <u>Basic earnings per share</u>   |                     |  |                                       |
| Profit attributable to the parent   | \$ 187,279          |  |                                       |
| Less: Dividends on class C preferred shares   | ( 40,000)           |  |                                       |
| Profit attributable to ordinary shareholders of the parent (Note 1)   | <u>\$ 147,279</u>   | <u>555,308</u>   | <u>\$ 0.27</u>                        |
| <u>Diluted earnings per share</u>   |                     |  |                                       |
| Profit attributable to the parent   | \$ 187,279          | 555,308  |                                       |
| Less: Dividends on class C preferred shares   | ( 40,000)           |  |                                       |
| Assumed conversion of all dilutive potential ordinary shares  |                     |  |                                       |
| Employees' compensation   | -                   | 3,635  |                                       |
| Convertible preferred stock   | <u>40,000</u>       | <u>180,180</u>   |                                       |
| Profit attributable to ordinary shareholders of the parent plus<br>assumed conversion of all dilutive potential ordinary shares | <u>\$ 187,279</u>   | <u>739,123</u>   | <u>\$ 0.25</u>                        |
| Three months ended March 31, 2024   |                     |  |                                       |
|   | Amount<br>after tax | Weighted average<br>number of ordinary<br>shares outstanding<br>(share in thousands) | Earnings<br>per share<br>(in dollars) |
| <u>Basic earnings per share</u>   |                     |  |                                       |
| Profit attributable to the parent   | \$ 499,349          |  |                                       |
| Less: Dividends on class C preferred shares   | ( 110,097)          |  |                                       |
| Profit attributable to ordinary shareholders of the parent (Note 1)   | <u>\$ 389,252</u>   | <u>555,308</u>   | <u>\$ 0.70</u>                        |
| <u>Diluted earnings per share</u>   |                     |  |                                       |
| Profit attributable to the parent   | \$ 499,349          | 555,308  |                                       |
| Less: Dividends on class C preferred shares   | ( 110,097)          |  |                                       |
| Assumed conversion of all dilutive potential ordinary shares  |                     |  |                                       |
| Employees' compensation   | -                   | 2,404  |                                       |
| Convertible preferred stock   | <u>110,097</u>      | <u>180,180</u>   |                                       |
| Profit attributable to ordinary shareholders of the parent plus<br>assumed conversion of all dilutive potential ordinary shares | <u>\$ 499,349</u>   | <u>737,892</u>   | <u>\$ 0.68</u>                        |

Note 1: The Company issued three classes of equity instruments, including ordinary shares, class B preferred shares and class C preferred shares. Since class C preferred shares are non-cumulative and participating equity instruments (refer to Note 6(15)C. (c) for the related terms of issuance), the Company assumed that ordinary shares and participating equity instruments would share in earnings until all of the profit or loss for the period had been distributed when calculating the profit or loss attributable to ordinary shareholders of the parent.

Note 2: For the three months ended March 31, 2025, the employee restricted shares were excluded from the calculation of diluted earnings per share since such shares were anti-dilutive.

(27) Supplemental cash flow information

A. Investing activities with partial cash payments:

|   | Three months ended March 31 |                   |
|---|-----------------------------|-------------------|
|   | 2025                        | 2024              |
| Purchase of property, plant and equipment                     | \$ 238,787                  | \$ 486,082        |
| Increase in prepayments for business facilities               | 5,993                       | 879               |
| Add: Opening balance of payable on equipment and construction | 534,253                     | 269,709           |
| Less: Ending balance of payable on equipment and construction | ( 189,083)                  | ( 324,200)        |
| Cash paid during the period                                   | <u>\$ 589,950</u>           | <u>\$ 432,470</u> |

Note : Payable on equipment and construction was shown as 'other payables'.

B. Investing and financing activities with no cash flow effects:

|  | Three months ended March 31 |                   |
|--|-----------------------------|-------------------|
|  | 2025                        | 2024              |
| Decrease in lease liabilities due to remeasurement                               | \$ -                        | \$ 20,142         |
| Less: Decrease in right-of-use assets  | -                           | ( 20,142)         |
|  | <u>\$ -</u>                 | <u>\$ -</u>       |
| Prepayments for business facilities transferred to property, plant and equipment | <u>\$ 92,946</u>            | <u>\$ 155,692</u> |
| Prepayments for business facilities transferred to intangible assets             | <u>\$ 1,362</u>             | <u>\$ -</u>       |
| Intangible assets transferred to other current assets                            | <u>\$ 6</u>                 | <u>\$ -</u>       |
| Long-term borrowings, current portion  | <u>\$ 418,997</u>           | <u>\$ 181,555</u> |
| Cash dividends declared but yet to be received                                   | <u>\$ 740,408</u>           | <u>\$ 882,586</u> |
| Write-off of capital surplus due to retirement of share capital                  | <u>\$ 800</u>               | <u>\$ -</u>       |

(28) Changes in liabilities from financing activities

|                             | January 1, 2025 | Cash flows  | Changes in foreign |           | March 31, 2025 |
|-----------------------------|-----------------|-------------|--------------------|-----------|----------------|
|                             |                 |             | exchange rate      | Others    |                |
| Long-term borrowings        | \$ 1,381,908    | (\$ 34,206) | \$ -               | \$ -      | \$ 1,347,702   |
| Lease liabilities           | 94,947          | ( 3,253)    | -                  | -         | 91,694         |
| Guarantee deposits received | 28,387          | ( 9,045)    | 1                  | -         | 19,343         |
| Dividends payable           | -               | -           | -                  | 740,408   | 740,408        |
|                             | January 1, 2024 | Cash flows  | Changes in foreign |           | March 31, 2024 |
|                             |                 |             | exchange rate      | Others    |                |
| Long-term borrowings        | \$ 1,238,962    | \$ 47,096   | \$ -               | \$ -      | \$ 1,286,058   |
| Lease liabilities           | 133,860         | ( 6,728)    | -                  | ( 20,142) | 106,990        |
| Guarantee deposits received | 35,487          | ( 7,105)    | 4                  | -         | 28,386         |
| Dividends payable           | -               | -           | -                  | 882,586   | 882,586        |

## 7. Related Party Transactions

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

| <u>Names of related parties</u>            | <u>Relationship with the Group</u>               |
|--|--|
| Chipbond Technology Corporation (Chipbond) | Entities with significant influence to the Group |

### (2) Significant related party transactions

#### A. Sales

|  | <u>Three months ended March 31</u> |              |
|--|------------------------------------|--------------|
|  | <u>2025</u>                        | <u>2024</u>  |
| Entities with significant influence to the Group | <u>\$ 170</u>                      | <u>\$ 26</u> |

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection term is available to third parties.

#### B. Purchases

|  | <u>Three months ended March 31</u> |               |
|--|------------------------------------|---------------|
|  | <u>2025</u>                        | <u>2024</u>   |
| Entities with significant influence to the Group | <u>\$ 2,216</u>                    | <u>\$ 463</u> |

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment term is available to third parties.

#### C. Receivables from related parties

|  | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|--|-----------------------|--------------------------|-----------------------|
| Accounts receivable:                             |                       |                          |                       |
| Entities with significant influence to the Group | \$ 423                | \$ 241                   | \$ 27                 |
| Less: Loss allowance                             | ( 1)                  | -                        | -                     |
|  | <u>\$ 422</u>         | <u>\$ 241</u>            | <u>\$ 27</u>          |
| Other receivables:                               |                       |                          |                       |
| Entities with significant influence to the Group | <u>\$ -</u>           | <u>\$ -</u>              | <u>\$ 108</u>         |

Receivables from related parties mainly arose from sales and payments on behalf of others. The terms for receivables from sales are 60 days after monthly billings. The receivables are unsecured in nature and bear no interest.

D. Payables to related parties

|  | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|--|-----------------------|--------------------------|-----------------------|
| Accounts payable:                                |                       |                          |                       |
| Entities with significant influence to the Group | \$ <u>2,493</u>       | \$ <u>1,284</u>          | \$ <u>751</u>         |
| Other payables:                                  |                       |                          |                       |
| Entities with significant influence to the Group | \$ <u>-</u>           | \$ <u>-</u>              | \$ <u>19,781</u>      |

Payables to related parties pertain to purchase of materials and dividends on preference share liabilities. The payment terms are 60 days after monthly billings. The payables bear no interest.

E. Lease transactions — lessor

|  | <u>Three months ended March 31</u> |                 |
|--|------------------------------------|-----------------|
|  | <u>2025</u>                        | <u>2024</u>     |
| Rental income:                                   |                                    |                 |
| Entities with significant influence to the Group | \$ <u>1,116</u>                    | \$ <u>1,067</u> |

Leasing transactions are made under mutual agreement, and the collection term is available to third parties. As of March 31, 2025, December 31, 2024 and March 31, 2024, advance rent receipts amounted to \$3,348, \$4,464 and \$3,202, respectively, and were shown as ‘other current liabilities, others’.

F. Lease transactions — lessee

|  | <u>Three months ended March 31</u> |             |
|--|------------------------------------|-------------|
|  | <u>2025</u>                        | <u>2024</u> |
| Rental expense:                                  |                                    |             |
| Entities with significant influence to the Group | \$ <u>540</u>                      | \$ <u>-</u> |

Leasing transactions are made under mutual agreement, and the payment term is available to third parties.

G. Others

Details of the Company’s class B preferred shares held by the entities with significant influence to the Group are provided in Note 6(15).

(3) Key management compensation

|                              | <u>Three months ended March 31</u> |                  |
|------------------------------|------------------------------------|------------------|
|                              | <u>2025</u>                        | <u>2024</u>      |
| Short-term employee benefits | \$ 9,098                           | \$ 11,970        |
| Post-employment benefits     | 135                                | 108              |
| Share-based payment          | <u>13,960</u>                      | <u>-</u>         |
|                              | <u>\$ 23,193</u>                   | <u>\$ 12,078</u> |

## 8. Pledged Assets

| Pledged asset                 | Book value        |                   |                   | Purpose                              |
|-------------------------------|-------------------|-------------------|-------------------|--------------------------------------|
|                               | March 31, 2025    | December 31, 2024 | March 31, 2024    |                                      |
| Property, plant and equipment |                   |                   |                   |                                      |
| - Buildings and structures    | \$ 690,105        | \$ 696,915        | \$ 717,347        | Credit line for long-term-borrowings |
| - Machinery and equipment     | -                 | -                 | 68,020            | Credit line for long-term-borrowings |
| Guarantee deposits paid       | 780               | 3,192             | 14,097            | Customs guarantee or others          |
|                               | <u>\$ 690,885</u> | <u>\$ 700,107</u> | <u>\$ 799,464</u> |                                      |

## 9. Significant Contingent Liabilities and Unrecognised Contract Commitments

### (1) Contingencies

None.

### (2) Commitments

A. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Company issued promissory notes of \$8,806,208, \$8,791,968 and \$7,963,844, respectively, as guarantees for bank loans.

B. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Company issued promissory notes of \$1,201, \$1,201 and \$14,242, respectively, as guarantees for payments of raw materials and machineries purchased.

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

|                               | March 31, 2025      | December 31, 2024   | March 31, 2024      |
|-------------------------------|---------------------|---------------------|---------------------|
| Property, plant and equipment | <u>\$ 2,433,185</u> | <u>\$ 1,767,616</u> | <u>\$ 2,285,203</u> |

D. Details of the commitments on financial terms under credit contracts with certain banks are provided in Note 6(11) B.

## 10. Significant Disaster Loss

None.

## 11. Significant Events after the Balance Sheet Date

None.

## 12. Others

### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During the three months ended March 31, 2025, the Group's strategy, which was unchanged from 2024, was to balance overall capital structure. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's gearing ratio is as follows:

|                   | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------|----------------|-------------------|----------------|
| Total liabilities | \$ 7,937,407   | \$ 7,965,664      | \$ 8,187,583   |
| Total assets      | \$ 19,015,286  | \$ 19,535,717     | \$ 19,259,288  |
| Gearing ratio     | 42%            | 41%               | 43%            |

## (2) Financial instruments

### A. Financial instruments by category

|  | March 31, 2025      | December 31, 2024   | March 31, 2024      |
|--|---------------------|---------------------|---------------------|
| <u>Financial assets</u>  |                     |                     |                     |
| Financial assets measured at fair value through other comprehensive income |                     |                     |                     |
| Designation of equity instrument   | \$ 1,755,000        | \$ 1,738,800        | \$ 2,055,652        |
| Financial assets at amortised cost   |                     |                     |                     |
| Cash and cash equivalents (excluding cash on hand)                         | \$ 3,963,093        | \$ 4,445,194        | \$ 4,281,672        |
| Accounts receivable (including related parties)                            | 3,871,813           | 4,195,120           | 4,626,332           |
| Other receivables (including related parties)                              | 73,904              | 67,205              | 99,759              |
| Guarantee deposits paid  | 5,103               | 7,627               | 36,725              |
|  | <u>\$ 7,913,913</u> | <u>\$ 8,715,146</u> | <u>\$ 9,044,488</u> |
| <u>Financial liabilities</u>   |                     |                     |                     |
| Financial liabilities at amortised cost                                    |                     |                     |                     |
| Accounts payable (including related parties)                               | \$ 4,347,612        | \$ 4,654,717        | \$ 4,254,079        |
| Other payables (including related parties)                                 | 1,805,604           | 1,482,314           | 2,191,254           |
| Long-term borrowings (including current portion)                           | 1,347,702           | 1,381,908           | 1,286,058           |
|  | <u>\$ 7,500,918</u> | <u>\$ 7,518,939</u> | <u>\$ 7,731,391</u> |
| Lease liability (including current and non-current)                        | <u>\$ 91,694</u>    | <u>\$ 94,947</u>    | <u>\$ 106,990</u>   |

### B. Financial risk management policies

- The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- The Group has established appropriate policies, procedures and internal controls in accordance with the relevant regulations to manage the aforementioned financial risks. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on the relevant regulations and internal control procedures. The Group complies with its financial risk management policies at all times.

### C. Significant financial risks and degrees of financial risks

#### (a) Market risk

##### Foreign exchange risk

- The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.

- ii. The Group's management hedges foreign exchange risk through natural hedges or derivative financial instruments (including forward foreign exchange contracts) to prevent decreases in value of assets denominated in foreign currencies and fluctuations in future cash flows. The use of these derivative financial instruments assists in decreasing the effect of foreign currency fluctuations but cannot eliminate the impact entirely. The Group's purpose to hold certain investments in foreign operations is for strategic investments; thus, the Group does not hedge those investments.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

| March 31, 2025                          |    |               |            |                     |                          |                                      |    |        |    |       |
|---|----|---------------|------------|---------------------|--------------------------|--------------------------------------|----|--------|----|-------|
| Sensitivity analysis                    |    |               |            |                     |                          |                                      |    |        |    |       |
| Foreign currency amount                 |    | Exchange rate | Book value | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |    |        |    |       |
| (In thousands)                          |    |               |            |                     |                          |                                      |    | (NTD)  |    |       |
| (Foreign currency: functional currency) |    |               |            |                     |                          |                                      |    |        |    |       |
| Financial assets                        |    |               |            |                     |                          |                                      |    |        |    |       |
| Monetary items                          |    |               |            |                     |                          |                                      |    |        |    |       |
| USD:NTD                                 | \$ | 117,905       | 33.18      | \$                  | 3,912,088                | 1%                                   | \$ | 39,121 | \$ | -     |
| JPY:NTD                                 |    | 1,368,208     | 0.2226     |                     | 304,563                  | 1%                                   |    | 3,046  |    | -     |
| Non-monetary items                      |    |               |            |                     |                          |                                      |    |        |    |       |
| USD:NTD                                 |    | 9,459         | 33.18      |                     | 313,845                  | 1%                                   |    | -      |    | 3,138 |
| Financial liabilities                   |    |               |            |                     |                          |                                      |    |        |    |       |
| Monetary items                          |    |               |            |                     |                          |                                      |    |        |    |       |
| USD:NTD                                 |    | 103,318       | 33.18      |                     | 3,428,091                | 1%                                   |    | 34,281 |    | -     |
| JPY:NTD                                 |    | 238,478       | 0.2226     |                     | 53,085                   | 1%                                   |    | 531    |    | -     |
| December 31, 2024                       |    |               |            |                     |                          |                                      |    |        |    |       |
| Sensitivity analysis                    |    |               |            |                     |                          |                                      |    |        |    |       |
| Foreign currency amount                 |    | Exchange rate | Book value | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |    |        |    |       |
| (In thousands)                          |    |               |            |                     |                          |                                      |    | (NTD)  |    |       |
| (Foreign currency: functional currency) |    |               |            |                     |                          |                                      |    |        |    |       |
| Financial assets                        |    |               |            |                     |                          |                                      |    |        |    |       |
| Monetary items                          |    |               |            |                     |                          |                                      |    |        |    |       |
| USD:NTD                                 | \$ | 130,786       | 32.78      | \$                  | 4,287,165                | 1%                                   | \$ | 42,872 | \$ | -     |
| JPY:NTD                                 |    | 1,196,816     | 0.21       |                     | 251,331                  | 1%                                   |    | 2,513  |    | -     |
| Non-monetary items                      |    |               |            |                     |                          |                                      |    |        |    |       |
| USD:NTD                                 |    | 9,148         | 32.78      |                     | 299,886                  | 1%                                   |    | -      |    | 2,999 |
| Financial liabilities                   |    |               |            |                     |                          |                                      |    |        |    |       |
| Monetary items                          |    |               |            |                     |                          |                                      |    |        |    |       |
| USD:NTD                                 |    | 112,345       | 32.78      |                     | 3,682,669                | 1%                                   |    | 36,827 |    | -     |
| JPY:NTD                                 |    | 1,139,814     | 0.21       |                     | 239,361                  | 1%                                   |    | 2,394  |    | -     |

| March 31, 2024                          |                         |               |            |                      |                          |                                      |
|---|-------------------------|---------------|------------|----------------------|--------------------------|--------------------------------------|
| (Foreign currency: functional currency) | Foreign currency amount | Exchange rate | Book value | Sensitivity analysis |                          |                                      |
|   | (In thousands)          |               | (NTD)      | Degree of variation  | Effect on profit or loss | Effect on other comprehensive income |
|   | <u>Financial assets</u> |               |            |                      |                          |                                      |
|   | <u>Monetary items</u>   |               |            |                      |                          |                                      |
|   | USD:NTD                 | \$ 136,548    | 31.99      | \$ 4,368,171         | 1%                       | \$ 43,682                            |
| JPY:NTD                                 | 620,805                 | 0.2115        | 131,300    | 1%                   | 1,313                    | -                                    |
| <u>Non-monetary items</u>               |                         |               |            |                      |                          |                                      |
| USD:NTD                                 | 8,644                   | 31.99         | 276,513    | 1%                   | -                        | 2,765                                |
| <u>Financial liabilities</u>            |                         |               |            |                      |                          |                                      |
| <u>Monetary items</u>                   |                         |               |            |                      |                          |                                      |
| USD:NTD                                 | 95,930                  | 31.99         | 3,068,801  | 1%                   | 30,688                   | -                                    |
| JPY:NTD                                 | 377,709                 | 0.2115        | 79,885     | 1%                   | 799                      | -                                    |

- iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2025 and 2024 amounted to \$21,266 and \$84,730, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.
- ii. The Group's investments in equity securities comprise shares issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$17,550 and \$20,557, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's long-term borrowings are floating-rate debts; therefore, the effective interest rate of its long-term borrowings will vary according to changes in market interest rates. If the market interest rate had increased/decreased by 25 basis points with all other variables held constant, post-tax profit for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$674 and \$643, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the counterparties of financial instruments on the contract obligations. The Group is exposed to credit risk from its operating activities (mainly accounts receivable and notes receivable) and from its financing activities (mainly bank deposits and various financial instruments). The maximum exposure to aforementioned credit risk was the carrying amount of financial assets recognised in the consolidated balance sheet.
- ii. Customer credit risk is managed by each business unit in accordance with the Group's policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria, etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

- iii. As of March 31, 2025, December 31, 2024 and March 31, 2024, the amounts of accounts and notes receivable from top ten customers constitute 89%, 88% and 90%, respectively, of the Group's total accounts receivable. The credit concentration risk of the remaining accounts and notes receivable is immaterial.
- iv. The Group's treasury manages the credit risks of bank deposits and other financial instruments based on the Group's credit policy. Because the Group's counterparties are determined based on the Group's internal control, only banks and companies with good credit rating and with no significant default risk are accepted. Consequently, there is no significant credit risk.
- v. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. The default occurs when the contract payments are past due over 90 days.
- vi. The Group classifies customers' contract assets and notes and accounts receivable in accordance with credit rating of customer, geographic area and industry sector. The Group applies the simplified approach using a provision matrix to estimate the expected credit loss.
- vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On March 31, 2025, December 31, 2024 and March 31, 2024, the provision matrix classified by customers is as follows:

| <u>March 31, 2025</u>                    |                     | <u>Overdue</u>       |                      |                      |                       |                      |                     |
|--|---------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|---------------------|
|  | <u>Not past due</u> | <u>Up to 30 days</u> | <u>31 to 60 days</u> | <u>61 to 90 days</u> | <u>91 to 180 days</u> | <u>Over 180 days</u> | <u>Total</u>        |
| IC semiconductor group                   |                     |                      |                      |                      |                       |                      |                     |
| Gross carrying amount (Note)             | \$ 1,963,511        | \$ 83,054            | \$ 14,337            | \$ 209               | \$ 48                 | \$ 145               | \$ 2,061,304        |
| Lifetime expected credit losses          | ( 1,674)            | ( 150)               | ( 39)                | ( 3)                 | -                     | ( 145)               | ( 2,011)            |
| Carrying amount                          | <u>\$ 1,961,837</u> | <u>\$ 82,904</u>     | <u>\$ 14,298</u>     | <u>\$ 206</u>        | <u>\$ 48</u>          | <u>\$ -</u>          | <u>\$ 2,059,293</u> |
| Loss ratio                               | 0.09%               | 0.18%                | 0.27%                | 0.36%~3.21%          | 0.54%~31.41%          | 100%                 |                     |
|  |                     | <u>Overdue</u>       |                      |                      |                       |                      |                     |
|  | <u>Not past due</u> | <u>Up to 30 days</u> | <u>31 to 60 days</u> | <u>61 to 90 days</u> | <u>91 to 180 days</u> | <u>Over 180 days</u> | <u>Total</u>        |
| Electronics manufacturing services group |                     |                      |                      |                      |                       |                      |                     |
| Gross carrying amount                    | \$ 2,060,196        | \$ 108,923           | \$ 14,539            | \$ 413               | \$ 1,640              | \$ -                 | \$ 2,185,711        |
| Lifetime expected credit losses          | ( 1,666)            | ( 163)               | ( 124)               | ( 1)                 | ( 9)                  | -                    | ( 1,963)            |
| Carrying amount                          | <u>\$ 2,058,530</u> | <u>\$ 108,760</u>    | <u>\$ 14,415</u>     | <u>\$ 412</u>        | <u>\$ 1,631</u>       | <u>\$ -</u>          | <u>\$ 2,183,748</u> |
| Loss ratio                               | 0%~0.09%            | 0%~0.18%             | 0%~0.27%             | 0%~0.36%             | 0%~0.54%              | 100%                 |                     |
| <u>December 31, 2024</u>                 |                     | <u>Overdue</u>       |                      |                      |                       |                      |                     |
|  | <u>Not past due</u> | <u>Up to 30 days</u> | <u>31 to 60 days</u> | <u>61 to 90 days</u> | <u>91 to 180 days</u> | <u>Over 180 days</u> | <u>Total</u>        |
| IC semiconductor group                   |                     |                      |                      |                      |                       |                      |                     |
| Gross carrying amount (Note)             | \$ 1,752,939        | \$ 40,033            | \$ 4,783             | \$ 140               | \$ 112                | \$ 145               | \$ 1,798,152        |
| Lifetime expected credit losses          | ( 1,804)            | ( 84)                | ( 15)                | ( 1)                 | ( 1)                  | ( 145)               | ( 2,050)            |
| Carrying amount                          | <u>\$ 1,751,135</u> | <u>\$ 39,949</u>     | <u>\$ 4,768</u>      | <u>\$ 139</u>        | <u>\$ 111</u>         | <u>\$ -</u>          | <u>\$ 1,796,102</u> |
| Loss ratio                               | 0.08%~0.11%         | 0.16%~0.23%          | 0.24%~0.34%          | 0.32%~3.21%          | 0.48%~16.63%          | 100%                 |                     |
|  |                     | <u>Overdue</u>       |                      |                      |                       |                      |                     |
|  | <u>Not past due</u> | <u>Up to 30 days</u> | <u>31 to 60 days</u> | <u>61 to 90 days</u> | <u>91 to 180 days</u> | <u>Over 180 days</u> | <u>Total</u>        |
| Electronics manufacturing services group |                     |                      |                      |                      |                       |                      |                     |
| Gross carrying amount                    | \$ 2,564,059        | \$ 95,487            | \$ 28,471            | \$ 3,454             | \$ -                  | \$ -                 | \$ 2,691,471        |
| Lifetime expected credit losses          | ( 1,647)            | ( 119)               | ( 52)                | ( 11)                | -                     | -                    | ( 1,829)            |
| Carrying amount                          | <u>\$ 2,562,412</u> | <u>\$ 95,368</u>     | <u>\$ 28,419</u>     | <u>\$ 3,443</u>      | <u>\$ -</u>           | <u>\$ -</u>          | <u>\$ 2,689,642</u> |
| Loss ratio                               | 0%~0.08%            | 0%~0.16%             | 0%~0.24%             | 0%~0.32%             | 0%~0.48%              | 100%                 |                     |

| March 31, 2024                           | Overdue             |                   |                   |                 |                 |               |                     |
|--|---------------------|-------------------|-------------------|-----------------|-----------------|---------------|---------------------|
|  | Not past due        | Up to 30 days     | 31 to 60 days     | 61 to 90 days   | 91 to 180 days  | Over 180 days | Total               |
| IC semiconductor group                   |                     |                   |                   |                 |                 |               |                     |
| Gross carrying amount (Note)             | \$ 2,562,122        | \$ 128,009        | \$ 110,069        | \$ 3,632        | \$ 4,965        | \$ 35         | \$ 2,808,832        |
| Lifetime expected credit losses          | ( 2,911)            | ( 308)            | ( 396)            | ( 174)          | ( 243)          | ( 35)         | ( 4,067)            |
| Carrying amount                          | <u>\$ 2,559,211</u> | <u>\$ 127,701</u> | <u>\$ 109,673</u> | <u>\$ 3,458</u> | <u>\$ 4,722</u> | <u>\$ -</u>   | <u>\$ 2,804,765</u> |
| Loss ratio                               | 0.12%               | 0.24%             | 0.36%             | 0.48%~4.9%      | 0.72%~10.22%    | 100%          |                     |
| Overdue                                  |                     |                   |                   |                 |                 |               |                     |
| Electronics manufacturing services group |                     |                   |                   |                 |                 |               |                     |
| Gross carrying amount                    | \$ 2,039,608        | \$ 88,502         | \$ 19,564         | \$ 3,195        | \$ 200          | \$ -          | \$ 2,151,069        |
| Lifetime expected credit losses          | ( 2,169)            | ( 178)            | ( 68)             | ( 11)           | ( 16)           | -             | ( 2,442)            |
| Carrying amount                          | <u>\$ 2,037,439</u> | <u>\$ 88,324</u>  | <u>\$ 19,496</u>  | <u>\$ 3,184</u> | <u>\$ 184</u>   | <u>\$ -</u>   | <u>\$ 2,148,627</u> |
| Loss ratio                               | 0%~0.12%            | 0%~0.24%          | 0%~0.36%          | 0%~0.48%        | 0.72%~8.33%     | 100%          |                     |

Note: Including the total amount of current contract assets and accounts receivable.

- viii. Movements in relation to the Group applying the modified approach to provide loss allowance for contract assets, accounts receivable (including related parties) and other receivables are as follows:

|                             | 2025                | 2024                |
|-----------------------------|---------------------|---------------------|
|                             | Accounts receivable | Accounts receivable |
| At January 1                | \$ 3,879            | \$ 6,610            |
| Provision for impairment    | 95                  | -                   |
| Reversal of impairment loss | - (                 | 107)                |
| Effect of foreign exchange  | -                   | 6                   |
| At March 31                 | <u>\$ 3,974</u>     | <u>\$ 6,509</u>     |

For provisioned loss for the three months ended March 31, 2025 and 2024, there were no impairment losses arising from the contract assets and other receivables.

(c) Liquidity risk

- The Group's objective on liquidity risk management is to ensure the sufficiency of financial flexibility by maintaining cash and bank deposits for operations and adequate bank financing quota.
- As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's total unused amounts of short-term borrowings was \$4,275,783, \$3,975,783 and \$3,475,783, respectively. The Group's total unused amounts of long-term borrowings was \$4,316,800, \$4,360,000 and \$4,500,000, respectively.
- The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

|   | Less than<br>1 year | Between 2<br>and 3 years | Between 4<br>and 5 years | Over 5 years | Total        |
|---|---------------------|--------------------------|--------------------------|--------------|--------------|
| <u>March 31, 2025</u>                               |                     |                          |                          |              |              |
| Non-derivative financial liabilities:               |                     |                          |                          |              |              |
| Accounts payable<br>(including related parties)     | \$ 4,347,612        | \$ -                     | \$ -                     | \$ -         | \$ 4,347,612 |
| Other payables<br>(including related parties)       | 1,805,604           | -                        | -                        | -            | 1,805,604    |
| Long-term borrowings<br>(including current portion) | 437,987             | 707,097                  | 245,060                  | -            | 1,390,144    |
| Lease liabilities                                   | 13,106              | 21,137                   | 16,293                   | 56,240       | 106,776      |
|   | Less than<br>1 year | Between 2<br>and 3 years | Between 4<br>and 5 years | Over 5 years | Total        |
| <u>December 31, 2024</u>                            |                     |                          |                          |              |              |
| Non-derivative financial liabilities:               |                     |                          |                          |              |              |
| Accounts payable<br>(including related parties)     | \$ 4,654,717        | \$ -                     | \$ -                     | \$ -         | \$ 4,654,717 |
| Other payables<br>(including related parties)       | 1,482,314           | -                        | -                        | -            | 1,482,314    |
| Long-term borrowings<br>(including current portion) | 385,254             | 959,440                  | 60,265                   | -            | 1,404,959    |
| Lease liabilities                                   | 13,843              | 21,770                   | 17,725                   | 57,100       | 110,438      |
|   | Less than<br>1 year | Between 2<br>and 3 years | Between 4<br>and 5 years | Over 5 years | Total        |
| <u>March 31, 2024</u>                               |                     |                          |                          |              |              |
| Non-derivative financial liabilities:               |                     |                          |                          |              |              |
| Accounts payable<br>(including related parties)     | \$ 4,254,079        | \$ -                     | \$ -                     | \$ -         | \$ 4,254,079 |
| Other payables<br>(including related parties)       | 2,191,254           | -                        | -                        | -            | 2,191,254    |
| Long-term borrowings<br>(including current portion) | 197,227             | 798,925                  | 324,901                  | -            | 1,321,053    |
| Lease liabilities                                   | 20,591              | 20,441                   | 19,164                   | 63,514       | 123,710      |

### (3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value, including cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid, accounts payable (including related parties), other payables (including related parties), lease liabilities, preference share liabilities, long-term borrowings (including current portion) and guarantee deposits received, are approximate to their fair values.

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets at March 31, 2025, December 31, 2024 and March 31, 2024 are as follows:

(a) The related information of nature of the asset and liabilities is as follows:

| <u>March 31, 2025</u>   | <u>Level 1</u>     | <u>Level 2</u> | <u>Level 3</u>  | <u>Total</u>        |
|---|--------------------|----------------|-----------------|---------------------|
| Assets  |                    |                |                 |                     |
| <u>Recurring fair value measurements</u>                          |                    |                |                 |                     |
| Financial assets at fair value through other comprehensive income |                    |                |                 |                     |
| Equity securities   | <u>\$1,755,000</u> | <u>\$ -</u>    | <u>\$ -</u>     | <u>\$ 1,755,000</u> |
| <u>December 31, 2024</u>  | <u>Level 1</u>     | <u>Level 2</u> | <u>Level 3</u>  | <u>Total</u>        |
| Assets  |                    |                |                 |                     |
| <u>Recurring fair value measurements</u>                          |                    |                |                 |                     |
| Financial assets at fair value through other comprehensive income |                    |                |                 |                     |
| Equity securities   | <u>\$1,738,800</u> | <u>\$ -</u>    | <u>\$ -</u>     | <u>\$ 1,738,800</u> |
| <u>March 31, 2024</u>   | <u>Level 1</u>     | <u>Level 2</u> | <u>Level 3</u>  | <u>Total</u>        |
| Assets  |                    |                |                 |                     |
| <u>Recurring fair value measurements</u>                          |                    |                |                 |                     |
| Financial assets at fair value through other comprehensive income |                    |                |                 |                     |
| Equity securities   | <u>\$2,051,630</u> | <u>\$ -</u>    | <u>\$ 4,022</u> | <u>\$ 2,055,652</u> |

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

- i. The fair value of equity instruments without active market (such as unlisted shares) was measured by applying a market approach based on the prices and other relevant information (such as the discount for lack of marketability and inputs like price to earnings ratio or price to book ratio) arising from the market transactions of the Company's same or comparable equity instruments. Additionally, for equity instruments that lack sufficient or appropriate observable market information and comparable counterparties, net asset value is used to measure the profitability of underlying investments.
- ii. The fair value of derivative financial instrument options that do not have a quoted market price in an active market was measured by applying a binary tree valuation model.
- iii. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)VIII.

D. For the three months ended March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

E. For the three months ended March 31, 2025 and 2024, there was no transfer into or out from Level 3.

- F. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to frequently evaluate and measure fair value of financial instruments.
- G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

|                                   | Fair value at<br>March 31, 2025    | Valuation technique | Significant<br>unobservable input | Range<br>(weighted average) | Relationship of<br>inputs to fair value |
|-----------------------------------|------------------------------------|---------------------|-----------------------------------|-----------------------------|---|
| Non-derivative equity instrument: |                                    |                     |                                   |                             |   |
| Unlisted shares                   | \$ -                               | Net assets value    | N/A                               | N/A                         | N/A                                     |
|                                   | Fair value at<br>December 31, 2024 | Valuation technique | Significant<br>unobservable input | Range<br>(weighted average) | Relationship of<br>inputs to fair value |
| Non-derivative equity instrument: |                                    |                     |                                   |                             |   |
| Unlisted shares                   | \$ -                               | Net assets value    | N/A                               | N/A                         | N/A                                     |
|                                   | Fair value at<br>March 31, 2024    | Valuation technique | Significant<br>unobservable input | Range<br>(weighted average) | Relationship of<br>inputs to fair value |
| Non-derivative equity instrument: |                                    |                     |                                   |                             |   |
| Unlisted shares                   | \$ 4,022                           | Net assets value    | N/A                               | N/A                         | N/A                                     |

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None
- F. Significant inter-company transactions during the reporting period: Please refer to table 3.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

#### (3) Information on investments in Mainland China

- A. Basic information: Please refer to table 5.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

### 14. Segment Information

#### (1) General information

For management purpose, the Group separated operating units based on business which operates individually from the main business in each region. The Group was divided into the following two reportable segments:

- A. IC semiconductor group: This segment mainly provides IC packaging and testing services.
- B. Electronics manufacturing services group: This segment provides professional electronics manufacturing services.

## (2) Segment information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, finance costs, finance income and income taxes in the consolidated financial statements are managed on a group basis and are not allocated to operating segments.

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

| Three months ended March 31, 2025 |                           |   |                       |   |                     |
|-----------------------------------|---------------------------|---|-----------------------|---|---------------------|
|                                   | IC semiconductor<br>group | Electronics manufacturing<br>services group | All other<br>segments | Reconciliation and<br>write-offs<br>(Notes 1 and 2) | Total               |
| Revenue                           |                           |   |                       |   |                     |
| Revenue from external customers   | \$ 2,332,625              | \$ 1,744,851                                | \$ -                  | \$ -  | \$ 4,077,476        |
| Inter-segment revenue             | -                         | 22,296                                      | -                     | ( 22,296)   | -                   |
| Total revenue                     | <u>\$ 2,332,625</u>       | <u>\$ 1,767,147</u>                         | <u>\$ -</u>           | <u>(\$ 22,296)</u>                                  | <u>\$ 4,077,476</u> |
| Segment income                    | <u>\$ 158,874</u>         | <u>\$ 71,690</u>                            | <u>\$ 793</u>         | <u>\$ -</u>   | <u>\$ 231,357</u>   |
| Three months ended March 31, 2024 |                           |   |                       |   |                     |
|                                   | IC semiconductor<br>group | Electronics manufacturing<br>services group | All other<br>segments | Reconciliation and<br>write-offs<br>(Notes 1 and 2) | Total               |
| Revenue                           |                           |   |                       |   |                     |
| Revenue from external customers   | \$ 2,588,094              | \$ 1,587,935                                | \$ -                  | \$ -  | \$ 4,176,029        |
| Inter-segment revenue             | -                         | 4,263                                       | -                     | ( 4,263)  | -                   |
| Total revenue                     | <u>\$ 2,588,094</u>       | <u>\$ 1,592,198</u>                         | <u>\$ -</u>           | <u>(\$ 4,263)</u>                                   | <u>\$ 4,176,029</u> |
| Segment income                    | <u>\$ 505,414</u>         | <u>\$ 115,726</u>                           | <u>\$ 893</u>         | <u>\$ -</u>   | <u>\$ 622,033</u>   |

Note 1: Inter-segment revenue has been written-off when preparing the consolidated financial statements.

Note 2: Income or loss for each operating segment does not include income tax expense.

## (3) Reconciliation for segment income (loss)

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

## Orient Semiconductor Electronics, Limited and Subsidiaries

## Loans to others

Three months ended March 31, 2025

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

| No. | Creditor              | Borrower                           | General ledger account                     | Is a related party | Maximum outstanding balance during the three months ended March 31, 2025 | Balance at March 31, 2025 | Actual amount drawn down | Interest rate range | Nature of loan       | Amount of transactions with the borrower | Reason for short-term financing                                     | Allowance for doubtful accounts | Collateral |       | Limit on loans granted to a single party (Note) | Ceiling on total loans granted (Note) | Footnote |
|-----|-----------------------|------------------------------------|--|--------------------|--|---------------------------|--------------------------|---------------------|----------------------|--|---|---------------------------------|------------|-------|---|---------------------------------------|----------|
|     |                       |                                    |  |                    |  |                           |                          |                     |                      |  |   |                                 | Item       | Value |   |                                       |          |
|     |                       |                                    |  |                    |  |                           |                          |                     |                      |  |   |                                 |            |       |   |                                       |          |
| 2   | COREPLUS (HK) LIMITED | Value-Plus Technology (Suzhou) Co. | Other receivables due from related parties | Y                  | 33,180 (USD 1,000)   | 33,180 (USD 1,000)        | 33,180 (USD 1,000)       | -                   | Short-term financing | -  | Short-term capital requirements for operating and business purposes | -                               | -          | -     | 627,698 (USD 18,918)                            | 627,698 (USD 18,918)                  | -        |

Note: In accordance with the Company's "Procedures for Provision of Loans", limit on loans to others is 40% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.

However, limit on loans to direct or indirect wholly-owned foreign subsidiaries of the Company is 200% of the Company's net asset. Limit on endorsements to a single party is 30% of the Company's net asset based on the latest audited or reviewed financial statements.

Orient Semiconductor Electronics, Limited and Subsidiaries

Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2025

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

|  |  |                                   |  | As of March 31, 2025  |                  |            |               |            |          |
|--|--|-----------------------------------|--|---|------------------|------------|---------------|------------|----------|
| Securities held by                       | Marketable securities                  | Relationship with the securities  |  | General ledger account  | Number of shares | Book value | Ownership (%) | Fair value | Footnote |
|  |  | issuer                            |  |   |                  |            |               |            |          |
| Orient Semiconductor Electronics,Limited | STRATEDGE’s stocks - common shares     | None                              |  | Financial assets at fair value through other comprehensive income - non-current | 5,135            | \$ -       | -             | \$ -       | -        |
| Orient Semiconductor Electronics,Limited | SPINERGY’s stocks - common shares      | None                              |  | Financial assets at fair value through other comprehensive income - non-current | 999,641          | -          | -             | -          | -        |
| Orient Semiconductor Electronics,Limited | Golfware’s stocks - common shares      | None                              |  | Financial assets at fair value through other comprehensive income - non-current | 4,687            | -          | -             | -          | -        |
| Orient Semiconductor Electronics,Limited | SCREENBEAM’s stocks - common shares    | None                              |  | Financial assets at fair value through other comprehensive income - non-current | 2,141,176        | -          | -             | -          | -        |
| Orient Semiconductor Electronics,Limited | SCREENBEAM’s stocks - preference share | None                              |  | Financial assets at fair value through other comprehensive income - non-current | 2,352,941        | -          | -             | -          | -        |
| Hua-Cheng Investment Co.                 | Chipbond Technology Corporation        | Entity with significant influence |  | Financial assets at fair value through other comprehensive income - non-current | 27,000,000       | 1,755,000  | 3.63%         | 1,755,000  | -        |

Orient Semiconductor Electronics, Limited and Subsidiaries  
Significant inter-company transactions during the reporting period  
Three months ended March 31, 2025

Table 3

Expressed in thousands of NTD

Transactions amount between the parent company and subsidiaries or between subsidiaries reaching \$10 million is provided below:

(Except as otherwise indicated)

|                    |  |                                    |                          | Transaction            |           |                                     |  |
|--------------------|--|------------------------------------|--------------------------|------------------------|-----------|-------------------------------------|--|
| Number<br>(Note 1) | Company name                             | Counterparty                       | Relationship<br>(Note 2) | General ledger account | Amount    | Transaction terms                   | Percentage of consolidated total<br>operating revenues or total assets |
| 0                  | Orient Semiconductor Electronics,Limited | COREPLUS (HK) LIMITED              | 1                        | Accounts receivable    | \$ 13,748 | -                                   | 0.07%  |
| 0                  | Orient Semiconductor Electronics,Limited | COREPLUS (HK) LIMITED              | 1                        | Sales revenue          | 12,584    | Same with general transaction terms | 0.31%  |
| 1                  | COREPLUS (HK) LIMITED                    | Value-Plus Technology (Suzhou) Co. | 3                        | Other receivable       | 33,180    | -                                   | 0.17%  |
| 2                  | Value-Plus Technology (Suzhou) Co.       | COREPLUS (HK) LIMITED              | 3                        | Sales revenue          | 23,571    | Same with general transaction terms | 0.58%  |
| 2                  | Value-Plus Technology (Suzhou) Co.       | COREPLUS (HK) LIMITED              | 3                        | Accounts receivable    | 35,057    | -                                   | 0.18%  |

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

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

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

Orient Semiconductor Electronics, Limited and Subsidiaries  
Information on investees  
Three months ended March 31, 2025

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Investor                                  | Investee                 | Location  | Main business activities   | Initial investment amount    |                                 | Shares held as at March 31, 2025 |               |            | Net profit (loss) of the investee for the three months ended March 31, 2025 | Investment income (loss) recognised by the Company for the three months ended March 31, 2025 | Footnote |
|---|--------------------------|-----------|--|------------------------------|---------------------------------|----------------------------------|---------------|------------|---|--|----------|
|   |                          |           |  | Balance as at March 31, 2025 | Balance as at December 31, 2024 | Number of shares                 | Ownership (%) | Book value |   |  |          |
| Orient Semiconductor Electronics, Limited | SCS HIGHTECH INC.        | Taiwan    | Manufacture of data storage and processing equipment and providing information software and data processing services | 256,000                      | 256,000                         | 25,600,000                       | 18.17%        | -          | -   | -  | Note 2   |
| Orient Semiconductor Electronics, Limited | COREPLUS (HK) LIMITED    | Hong Kong | Procure to order and components assembly outsourcing   | 245,850<br>(USD 7,500,000)   | 245,850<br>(USD 7,500,000)      | 7,500,000                        | 100%          | 313,845    | 10,168  | 10,168   | Note 1、3 |
| Orient Semiconductor Electronics, Limited | HUA-CHENG INVESTMENT CO. | Taiwan    | Reinvestments in various business  | 1,999,920                    | 1,999,920                       | 194,487,557                      | 100%          | 2,342,619  | 793   | 793  | Note 3   |

Note 1: Initial investment amount of the reinvestee which use foreign currencies to prepare financial statements is translated to NTD at the spot rate at the period end.

Note 2: The investee was abolished on March 8, 2007.

Note 3: Inter-company transactions between companies within the Group are eliminated

Orient Semiconductor Electronics, Limited and Subsidiaries  
Information on investments in Mainland China  
Three months ended March 31, 2025

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Investee in Mainland<br>China   | Main business activities   | Paid-in capital            | Investment<br>method<br>(Note 1)  | Accumulated amount<br>of remittance from<br>Taiwan to Mainland<br>China as of<br>January 1, 2025 | Amount remitted from<br>Taiwan to Mainland China/<br>Amount remitted back to<br>Taiwan for the three months<br>ended March 31, 2025 |                            | Accumulated amount<br>of remittance from<br>Taiwan to Mainland<br>China as of<br>March 31, 2025 | Net income of<br>investee for the<br>three months<br>ended March<br>31, 2025 | Ownership held by<br>the Company<br>(direct or indirect) | Investment<br>income (loss)<br>recognised by<br>the Company<br>for the three<br>months ended<br>March 31,<br>2025 | Book value of<br>investments in<br>Mainland China<br>as of March 31,<br>2025 | Accumulated<br>amount of<br>investment income<br>remitted back to<br>Taiwan as of<br>March 31, 2025 | Footnote |
|---|--|----------------------------|---|--|---|----------------------------|---|--|--|---|--|---|----------|
|   |  |                            |   |  | Remitted to<br>Mainland China   | Remitted back<br>to Taiwan |   |  |  |   |  |   |          |
| Value-Plus<br>Technology<br>(Suzhou) Co.  | Adhesive processing, plug-in<br>welding processing and related<br>test, combination processing<br>of the surface of base plate<br>of electronic and sales of its<br>products, and providing<br>technique maintenance and<br>after-sale service accordingly | 178,791<br>(USD 5,388,522) | Investment and<br>establishment in<br>COREPLUS,<br>and then<br>reinvestment (2) | \$ 158,328   | \$ -  | \$ -                       | \$ 158,328  | \$ 1,568   | 100%   | \$ 1,568  | \$ 32,992  | \$ -  | Note 3   |
| <div> <div>Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)</div> <div>Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA</div> </div> |  |                            |   |  |   |                            |   |  |  |   |  |   |          |
| Company name  | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025  |                            |   |  |   |                            |   |  |  |   |  |   | Footnote |
| Orient Semiconductor Electronics,Limited  | \$ 158,328   | \$ 175,495                 | \$ 6,646,727  |  |   |                            |   |  |  |   |  |   | Note 3   |

Note 1: Investment methods are classified into the following three categories;

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: Limit amount prescribed by the Jing-Shen-Zi Letter No. 09704604680 of Ministry of Economic Affairs, dated August 29, 2008, and is calculated based on 60% of the Company's consolidated net assets.

Note 3: Paid-in capital was translated to NTD at the spot rate at the period end.

Orient Semiconductor Electronics, Limited and Subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Three months ended March 31, 2025

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Investee in<br>Mainland<br>China      | Sale (purchase) |   | Service revenue |      | Accounts receivable<br>(payable) |      | Other receivables            |         | Provision of<br>endorsements/guarantees or<br>collaterals |         | Financing  |                              |               | Other   |  |
|---------------------------------------|-----------------|---|-----------------|------|----------------------------------|------|------------------------------|---------|---|---------|--|------------------------------|---------------|---|--|
|                                       | Amount          | % | Amount          | %    | Balance at<br>March 31, 2025     | %    | Balance at<br>March 31, 2025 | Purpose | Balance at<br>March 31, 2025                              | Purpose | Maximum balance<br>during the three months<br>ended March 31, 2025 | Balance at<br>March 31, 2025 | Interest rate | Interest during the<br>three months ended<br>March 31, 2025 |  |
| Value-Plus Technology<br>(Suzhou) Co. | \$ -            | - | \$ 23,571       | 100% | \$ 35,057                        | 100% | \$ 419                       | 100%    | \$ -  | -       | \$ 33,180  | \$ 33,180                    | -             | \$ -  |  |