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**HOWTEH TECHNOLOGY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTHS ENDED
MARCH 31, 2025 AND 2024**

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. IN the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Consolidated Financial Statements

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Independent Auditors' Review Report

To the Board of Directors and Shareholders of
HOWTEH TECHNOLOGY CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of HOWTEH TECHNOLOGY CO., LTD. (the “Company”) and its 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 significant 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 Opinion

As disclosed in Note 4(3) to the consolidated financial statements, the financial statements of some insignificant subsidiaries included in the consolidated financial statements were not reviewed. As of March 31, 2025 and 2024, the combined total assets of these insignificant subsidiaries were NT\$325,316 thousand and NT\$311,663 thousand, representing 13% and 12%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$18,143 thousand and NT\$21,519 thousand, representing 2% and 2%, respectively, of the consolidated total liabilities. For the three months ended March 31, 2025 and 2024, the combined comprehensive income of these subsidiaries amounted to NT\$5,002 thousand and NT\$3,068 thousand, representing 307% and 5%, respectively, of the consolidated total comprehensive income and loss. These amounts as well as the related financial information of the investees as disclosed in Note 13 to the consolidated financial statements were based on the aforementioned subsidiaries' unreviewed financial statements for the same reporting periods as those of the Company.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain joint ventures accounted for using equity method been reviewed by independent accountants, 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 Company and its subsidiaries as at March 31, 2025 and 2024, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Chiao-Ying Chang

Chih-Ming Chang

Ernst & Young, Taiwan

May 9, 2025

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

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

March 31, 2025, December 31 and March 31, 2024

Expressed in thousands of New Taiwan Dollars

			March 31, 2025		December 31, 2024		March 31, 2024	
CODE	ASSETS	NOTES	AMOUNT	%	AMOUNT	%	AMOUNT	%
	CURRENT ASSETS							
1100	Cash and cash equivalents	6,12	\$930,938	36	\$900,014	36	\$838,603	33
1150	Notes receivable, net	6,12	427	-	1,399	-	2,051	-
1170	Accounts receivable, net	6,7,12	860,860	33	895,439	36	823,222	33
1200	Other receivables	12	4,772	-	91	-	1,253	-
1220	Current tax assets		980	-	4,365	-	3,408	-
130x	Inventories	6	328,031	13	233,597	9	320,463	13
1410	Prepayments	6	18,099	1	10,977	-	50,003	2
11xx	Total current assets		<u>2,144,107</u>	<u>83</u>	<u>2,045,882</u>	<u>81</u>	<u>2,039,003</u>	<u>81</u>
	NONCURRENT ASSETS							
1517	Non-current financial assets at fair value through other comprehensive income	6,12	242,940	9	271,961	11	300,151	13
1600	Property, plant and equipment	6,8	109,065	5	109,364	5	109,211	4
1755	Right-of-use assets	6	8,511	-	10,967	-	17,436	-
1760	Investment property, net	6,12	8,409	-	8,437	-	8,521	-
1780	Intangible assets	6	494	-	553	-	758	-
1840	Deferred income tax assets		5,919	-	4,851	-	7,055	-
1920	Guarantee deposits paid	9,12	58,927	2	58,491	2	57,261	2
1990	Other non-current assets, others		14,358	1	14,319	1	8,959	-
15xx	Total noncurrent assets		<u>448,623</u>	<u>17</u>	<u>478,943</u>	<u>19</u>	<u>509,352</u>	<u>19</u>
1xxx	TOTAL ASSETS		<u>\$2,592,730</u>	<u>100</u>	<u>\$2,524,825</u>	<u>100</u>	<u>\$2,548,355</u>	<u>100</u>

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

March 31, 2025, December 31 and March 31, 2024

Expressed in thousands of New Taiwan Dollars

CODE	LIABILITIES AND EQUITY	NOTES	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	CURRENT LIABILITIES							
2100	Current borrowings	6,8,9,12	\$575,000	22	\$572,000	23	\$570,000	22
2130	Current contract liabilities	6	55,831	2	55,032	2	5,840	-
2170	Accounts payable	12	247,666	10	171,545	7	258,748	11
2200	Other payables	7,12	77,830	4	93,841	4	75,521	4
2230	Current tax liabilities		7,475	-	37	-	55	-
2280	Current lease liabilities	6,12	7,927	-	10,249	-	10,240	-
2399	Other current liabilities, others		736	-	1,088	-	1,270	-
21xx	Total current liabilities		<u>972,465</u>	<u>38</u>	<u>903,792</u>	<u>36</u>	<u>921,674</u>	<u>37</u>
	NONCURRENT LIABILITIES							
2570	Deferred tax liabilities		8,479	-	10,677	-	5,946	-
2580	Non-current lease liabilities	6,12	594	-	795	-	7,693	-
2645	Guarantee deposits received	12	517	-	517	-	349	-
2600	Other non-current liabilities, others		250	-	248	-	240	-
25xx	Total non-current liabilities		<u>9,840</u>	<u>-</u>	<u>12,237</u>	<u>-</u>	<u>14,228</u>	<u>-</u>
2xxx	TOTAL LIABILITIES		<u>982,305</u>	<u>38</u>	<u>916,029</u>	<u>36</u>	<u>935,902</u>	<u>37</u>
31xx	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							
3100	Share capital	6						
3110	Common stock		651,298	26	651,298	27	651,298	26
3200	Capital surplus	6	52,062	2	52,062	2	52,062	2
3300	Retained earnings	6						
3310	Legal reserve		235,751	9	235,751	9	225,647	9
3320	Special reserve		3,340	-	3,340	-	3,340	-
3350	Unappropriated retained earnings		<u>452,876</u>	<u>17</u>	<u>433,590</u>	<u>17</u>	<u>440,526</u>	<u>17</u>
	Total retained earnings		<u>691,967</u>	<u>26</u>	<u>672,681</u>	<u>26</u>	<u>669,513</u>	<u>26</u>
3400	Other equity interest		<u>215,098</u>	<u>8</u>	<u>232,755</u>	<u>9</u>	<u>239,580</u>	<u>9</u>
3xxx	TOTAL EQUITY		<u>1,610,425</u>	<u>62</u>	<u>1,608,796</u>	<u>64</u>	<u>1,612,453</u>	<u>63</u>
	TOTAL LIABILITIES AND EQUITY		<u>\$2,592,730</u>	<u>100</u>	<u>\$2,524,825</u>	<u>100</u>	<u>\$2,548,355</u>	<u>100</u>

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended March 31, 2025 and 2024

Expressed in thousands of New Taiwan Dollars

CODE	ITEMS	NOTES	For the three months ended March 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6,7	\$637,270	100	\$631,645	100
5000	Operating costs	6	(583,258)	(92)	(573,037)	(91)
5900	Gross profit		54,012	8	58,608	9
6000	Operating expenses	6,7				
6100	Selling expenses		(27,708)	(4)	(27,852)	(4)
6200	Administrative expenses		(13,582)	(2)	(20,763)	(3)
6450	Reversal of credit loss (expected credit loss)		(3,666)	(1)	6,351	1
	Total operating expenses		(44,956)	(7)	(42,264)	(6)
6900	Operating income		9,056	1	16,344	3
7000	Non-operating income and expenses	6,12				
7100	Interest income		2,773	1	1,708	-
7010	Other income		2,187	-	2,928	-
7020	Other gains and losses		13,479	2	32,346	5
7050	Finance costs		(2,949)	-	(2,885)	-
	Total non-operating income and expense		15,490	3	34,097	5
7900	Income before income tax		24,546	4	50,441	8
7950	Income tax expense	6	(5,260)	(1)	(10,570)	(2)
8200	Net income		19,286	3	39,871	6
8300	Other comprehensive income (loss)	6				
8310	Items that will not be reclassified subsequently to profit or loss					
8316	Unrealize gains (losses) from equity instrument measured at fair value through other comprehensive income		(29,020)	(5)	1,243	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations		11,363	2	24,470	4
	Total other comprehensive income (loss), net of tax		(17,657)	(3)	25,713	4
8500	Total comprehensive income (loss)		\$1,629	-	\$65,584	10
8600	Net income attributable to:					
8610	Net income, attributable to owners of parent		\$19,286	3	\$39,871	6
8620	Comprehensive income, attributable to non-controlling interests		-	-	-	-
			\$19,286	3	\$39,871	6
8700	Comprehensive income attributable to:					
8710	Comprehensive income, attributable to owners of parent		\$1,629	-	\$65,584	10
8720	Comprehensive income, attributable to non-controlling interests		-	-	-	-
			\$1,629	-	\$65,584	10
	Earnings per share	6				
9750	Basic earnings per share (in NTD)		\$0.30		\$0.61	
9850	Diluted earnings per share (in NTD)		\$0.30		\$0.61	

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended March 31, 2025 and 2024

Expressed in thousands of New Taiwan Dollars

	ITEMS	Common Stock	Capital Surplus	Retained Earnings			Other Equity Interest		Total Equity
				Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange differences arising on translation of foreign operations	Unrealized gains/losses on financial assets at fair value through other comprehensive income	
Code		3100	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance, January 1, 2024	\$651,298	\$52,062	\$225,647	\$3,340	\$400,655	\$(13,034)	\$226,901	\$1,546,869
D1	Net income for the three months ended March 31, 2024	-	-	-	-	39,871	-	-	39,871
D3	Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	24,470	1,243	25,713
D5	Total comprehensive income	-	-	-	-	39,871	24,470	1,243	65,584
Z1	Balance, March 31, 2024	<u>\$651,298</u>	<u>\$52,062</u>	<u>\$225,647</u>	<u>\$3,340</u>	<u>\$440,526</u>	<u>\$11,436</u>	<u>\$228,144</u>	<u>\$1,612,453</u>
A1	Balance, January 1, 2025	\$651,298	\$52,062	\$235,751	\$3,340	\$433,590	\$32,801	\$199,954	\$1,608,796
D1	Net income for the three months ended March 31, 2025	-	-	-	-	19,286	-	-	19,286
D3	Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	11,363	(29,020)	(17,657)
D5	Total comprehensive income	-	-	-	-	19,286	11,363	(29,020)	1,629
Z1	Balance, March 31, 2025	<u>\$651,298</u>	<u>\$52,062</u>	<u>\$235,751</u>	<u>\$3,340</u>	<u>\$452,876</u>	<u>\$44,164</u>	<u>\$170,934</u>	<u>\$1,610,425</u>

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2025 and 2024

Expressed in thousands of New Taiwan Dollars

Code	ITEMS	Three months ended March 31	
		2025	2024
		AMOUNT	AMOUNT
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES:		
A10000	Income before income tax	\$24,546	\$50,441
A20000	Adjustments for:		
A20010	Income and expenses having no effect on cash flows		
A20100	Depreciation expense	3,507	3,334
A20200	Amortization expense	59	82
A20300	Reversal of expected credit loss(gain)	3,666	(6,351)
A29900	Gain from lease modification	(3)	-
A20900	Finance costs	2,949	2,885
A21200	Interest income	(2,773)	(1,708)
A30000	Changes in operating assets and liabilities:		
A31130	Decrease (increase) in notes receivable	955	(1,716)
A31150	Decrease (increase) in accounts receivable	39,241	65,984
A31180	Decrease (increase) in other receivables	(4,681)	(1,207)
A31200	Decrease (increase) in inventories	(94,434)	(62,866)
A31230	Decrease (increase) in prepayments	(7,122)	(40,253)
A32125	Increase (decrease) in contract liabilities	799	3,939
A32150	Increase (decrease) in accounts payables	76,121	(6,505)
A32180	Increase (decrease) in other payables	(16,011)	(10,218)
A32230	Increase (decrease) in other current liabilities	(352)	182
A33000	Cash generated from operations	26,467	(3,977)
A33100	Interest received	2,773	1,708
A33500	Income tax paid	2,297	(735)
AAAA	Net cash (used in) generated from operating activities	31,537	(3,004)
BBBB	CASH FLOWS FROM INVESTING ACTIVITIES:		
B02700	Acquisition of property, plant and equipment	(112)	(110)
BBBB	Net cash used in investing activities	(112)	(110)
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loan	575,000	590,000
C00200	Decrease in short-term loan	(572,000)	(610,000)
C03100	Decrease in guarantee deposit received	-	(2,960)
C04020	Payment of the principal portion of lease liabilities	(3,964)	(3,848)
C05600	Interest paid	(2,847)	(2,694)
CCCC	Net cash used in financing activities	(3,811)	(29,502)
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	3,310	22,238
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,924	(10,378)
E00100	CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	900,014	848,981
E00200	CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$930,938	\$838,603

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. HISTORY AND ORGANIZATION

Howtech Technology Co., Ltd. (referred to “the Company”) which was formally known as Howtech Enterprise Co., Ltd, has applied to change its name to Howtech Technology Co., Ltd. on December 28, 2000, and was incorporated on September 23, 1978. The Company is engaged mainly in trading and agency business in passive electronic components, active electronic components, integrated circuit carrier board equipment, chemicals and raw materials, semiconductors and optical equipment. The Company’s common shares were publicly listed on the Taipei Exchange (TPEx) on March 25, 2004. The Company’s registered office and the main business location is at 6F, No. 25, Section 1, Dunhua South Road, Taipei City, Republic of China (R.O.C.).

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements of Howtech Technology Co., Ltd. and subsidiaries (referred to “the Group”) were authorized for issuance by the Board of Directors on May 9, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

- (1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2025. The adoption of these new standards and amendments had no material impact on the Group.

- (2) As of the date the financial statements were approved and authorized for issue, the Group has not adopted the amendments included in the Questions and Answers (Q&A) issued by FSC regarding the optional early adoption of certain revisions to IFRS 9 and IFRS 7: "Amendments to the Classification and Measurement of Financial Instruments."

The Q&A allows entities to early adopt only Section 4.1 (Classification of Financial Assets) and the related application guidance starting from January 1, 2025. Entities that choose early adoption must also simultaneously apply the provisions of paragraphs 20B, 20C, and 20D of IFRS 7, and disclose in the financial statements the fact of early adoption of these amendments.

- (3) Standards or interpretations issued, revised or amended, International Accounting Standard Board “IASB” which are not endorsed by FSC, and not yet adopted by the Group as at the

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

date when the Group's financial statements were authorized for issue are listed below.

	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures.	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	January 1, 2023
c	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
f	Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026
g	Contracts Referencing Nature dependent Electricity –Amendments to IFRS 9 and IFRS 7	January 1, 2026

- (a) IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures.

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation, and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2022. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(c) IFRS 18 “Presentation and Disclosure in Financial Statements” (IFRS 18)

IFRS 18 replace IAS 1 Presentation of Financial statements. The main changes are as below:

(i) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(ii) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(iii) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative –Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(e) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

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The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(g) Contracts Referencing Nature dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify the requirements for "own use".

(2) When a contract is used as a hedging vehicle, hedging accounting is allowed.

(3) Added note disclosure requirements to help investors understand the impact of such contracts on the financial performance and cash flow of enterprises.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Group assesses all standards and interpretations have no material impact on the Group.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements of the Group for the three months ended March 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 “Interim Financial Reporting” as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars (“NT\$”) unless otherwise specified.

(3) Basis of consolidation

The preparation principles of the Group’s consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended 2024. Please refer to the Group’s 2024 consolidated financial statements for further details.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main business	Percentage of Ownership (%) , As of		
			Mach 31, 2025	December 31, 2024	Mach 31, 2024
The Company	Giteh Electronic Industries Co.,Ltd.	Buy and Sale	100%	100%	100%
The Company	Howteh International Inc.	Buy and Sale and Investment	100%	100%	100%
The Company	KunShan Howteh International Trading Inc.	Buy and Sale	100%	100%	100%
Giteh Electronic Industries Co.,Ltd.	ShenZhen Howteh Technology Co., Ltd.	Buy and Sale	100%	100%	100%
Howteh International Inc.	ShangHai Howteh International Trading Inc.	Buy and Sale	100%	100%	100%
Howteh International Inc.	Howteh Vietnam Co., Ltd.	Buy and Sale	100%	100%	100%

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The financial statements of certain consolidated subsidiaries listed above had not been reviewed by auditors. As of March 31, 2025 and March 31, 2024, the related total assets of the subsidiaries which were not reviewed by auditors amounted to NT\$325,316 thousand and NT\$311,663 thousand, respectively, and the related total liabilities amounted to NT\$18,143 thousand and NT\$21,519 thousand, respectively. The comprehensive income (loss) of these subsidiaries amounted to NT\$5,002 thousand and NT\$3,068 thousand for the three months ended March 31, 2025 and 2024 respectively.

(4) Except for the accounting policies stated below, the accounting policies adopted in these consolidated financial statements are consistent with those applied in the Group's consolidated financial statements for the year ended 2024. For a summary of significant accounting policies, please refer to Note 4 to the Group's consolidated financial statements for the year 2024.

(A) Pension costs incurred during the interim period are calculated based on the pension cost rate determined by actuarial valuation as of the end of the prior financial year. The calculation is applied from the beginning of the year to the end of the interim reporting period and is adjusted and disclosed to reflect any significant market fluctuations or material curtailments, settlements, or other one-time events that occurred after the end of the prior financial year.

(B) Income tax expense for the interim period is accrued and disclosed based on the tax rate expected to be applicable to the total annual earnings of the current year. In other words, the estimated annual average effective tax rate is applied to the pre-tax income of the interim period. The estimation of the annual average effective tax rate includes only current income tax expenses. Deferred income tax is recognized and measured in a manner consistent with the annual financial statements, in accordance with IAS 12 "Income Taxes." Any impact of changes in tax rates during the interim period on deferred income tax is recognized in full in profit or loss, other comprehensive income, or directly in equity, depending on the original recognition of the related item.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The significant accounting judgments, estimates, and sources of estimation uncertainty applied in these consolidated financial statements are consistent with those applied in the Group's consolidated financial statements for the year ended 2024. For details regarding the Group's significant accounting judgments, estimates, and sources of estimation uncertainty, please refer to Note 5 of the Group's consolidated financial statements for the year 2024.

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6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and petty cash	\$428	\$339	\$335
Checking accounts	61,095	64,370	73,661
Demand deposits	630,821	632,874	567,184
Time deposits (Note)	238,594	202,431	197,423
Total	<u>\$930,938</u>	<u>\$900,014</u>	<u>\$838,603</u>

Note: Refers to time deposits with original maturities of 1 to 3 months, which are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

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

	March 31, 2025	December 31, 2024	March 31, 2024
Equity instrument investments measured at fair value through other comprehensive income – noncurrent:			
Listed companies stocks	<u>\$242,940</u>	<u>\$271,961</u>	<u>\$300,151</u>

The Group's financial assets at fair value through other comprehensive income were not pledged.

The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the three months ended March 31, 2025 and 2024 were both calculated and assessed at NT\$ 0.

(3) Notes receivables

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivables arising from operating activities	\$444	\$1,431	\$2,130
Less: loss allowance	(17)	(32)	(79)
Total	<u>\$427</u>	<u>\$1,399</u>	<u>\$2,051</u>

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The Group's notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(14) for more details on loss allowance and Note 12 for details on credit risk.

(4) Accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivables	\$871,032	\$901,918	\$834,742
Less: loss allowance	(10,172)	(6,479)	(11,520)
Total	<u>\$860,860</u>	<u>\$895,439</u>	<u>\$823,222</u>

The Group's accounts receivables were not pledged.

Accounts receivable are generally on 30 to 120 days terms. The total carrying amount as of March 31, 2025, December 31, 2024, and March 31, 2024 were NT\$871,032 thousand, NT\$901,918 thousand and NT\$834,742 thousand, respectively. Please refer to Note 6(14) for more details on loss allowance of accounts receivables for the three months ended March 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

(5) Inventories

(A) Net of inventories include:

	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise inventories	<u>\$328,031</u>	<u>\$233,597</u>	<u>\$320,463</u>

(B) Operating costs details recognized by the Group: :

	Three months ended March 31	
	2025	2024
Cost of inventories sold	\$579,612	\$573,709
Gain on inventory valuation	3,614	(696)
Others	32	24
Total	<u>\$583,258</u>	<u>\$573,037</u>

The reversal of inventory write-downs recognized by the Group for the three months ended March 31, 2024 was mainly due to the continued clearance of substandard products and a partial recovery in selling prices, which eliminated the factors that had previously caused the net realizable value of inventory to fall below cost.

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(C) The Group's inventories were not pledged.

(6) Prepayments

	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments for merchandise purchase	\$10,966	\$4,521	\$42,582
Others	7,133	6,456	7,421
Total	<u>\$18,099</u>	<u>\$10,977</u>	<u>\$50,003</u>

(7) Property, plant and equipment

	March 31, 2025	December 31, 2024	March 31, 2024
Owner occupied property, plant and equipment	<u>\$109,065</u>	<u>\$109,364</u>	<u>\$109,211</u>

	Land	Buildings	Office equipment	Transportation equipment	Other Equipment	Total
Cost :						
At January 1, 2025	\$89,203	\$41,677	\$2,635	\$2,533	\$94	\$136,142
Additions	-	-	112	-	-	112
Exchange differences	-	412	18	54	-	484
At March 31, 2025	<u>\$89,203</u>	<u>\$42,089</u>	<u>\$2,765</u>	<u>\$2,587</u>	<u>\$94</u>	<u>\$136,738</u>
At January 1, 2024	\$89,203	\$41,020	\$3,745	\$1,909	\$94	\$135,971
Additions	-	-	110	-	-	110
Disposals	-	-	(912)	-	-	(912)
Exchange differences	-	352	28	36	-	416
At March 31, 2024	<u>\$89,203</u>	<u>\$41,372</u>	<u>\$2,971</u>	<u>\$1,945</u>	<u>\$94</u>	<u>\$135,585</u>
Depreciation and impairment :						
At January 1, 2025	\$-	\$23,687	\$1,568	\$1,450	\$73	\$26,778
Depreciation	-	312	161	58	8	539
Exchange differences	-	306	19	31	-	356
At March 31, 2025	<u>\$-</u>	<u>\$24,305</u>	<u>\$1,748</u>	<u>\$1,539</u>	<u>\$81</u>	<u>\$27,673</u>
At January 1, 2024	\$-	\$21,991	\$2,516	\$1,909	\$42	\$26,458
Depreciation	-	305	213	-	7	525
Disposals	-	-	(912)	-	-	(912)

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	Land	Buildings	Office equipment	Transportation equipment	Other Equipment	Total
Exchange differences	-	245	22	36	-	303
At March 31, 2024	\$-	\$22,541	\$1,839	\$1,945	\$49	\$26,374
Net carrying amount as of:						
March 31, 2025	\$89,203	\$17,784	\$1,017	\$1,048	\$13	\$109,065
December 31, 2024	\$89,203	\$17,990	\$1,067	\$1,084	\$21	\$109,364
March 31, 2024	\$89,203	\$18,831	\$1,132	\$-	\$45	\$109,211

“Significant components” of buildings primarily comprised the main buildings which are depreciated based on their useful economic life of 60 years.

Please refer to Note 8 for more details on property, plant and equipment pledged as collaterals.

(8) Investment property

The Group’s investment properties include owned investment properties. The Group has entered into commercial property leases on its owned investment properties with terms of between 7 and 8 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Land	Buildings	Total
Cost :			
At January 1, 2025	\$6,816	\$4,249	\$11,065
Additions from subsequent expenditure	-	-	-
At March 31, 2025	\$6,816	\$4,249	\$11,065
At January 1, 2024	\$6,816	\$4,249	\$11,065
Additions from subsequent expenditure	-	-	-
At March 31, 2024	\$6,816	\$4,249	\$11,065
Depreciation and impairment :			
At January 1, 2025	\$-	\$2,628	\$2,628
Depreciation	-	28	28
At March 31, 2025	\$-	\$2,656	\$2,656
At January 1, 2024	\$-	\$2,517	\$2,517
Depreciation	-	27	27
At March 31, 2024	\$-	\$2,544	\$2,544

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	Land	Buildings	Total
Net carrying amount as of :			
March 31, 2025	\$6,816	\$1,593	\$8,409
December 31, 2024	\$6,816	\$1,621	\$8,437
March 31, 2024	\$6,816	\$1,705	\$8,521

	Three months ended March 31	
	2025	2024
Rental income from investment property	\$739	\$499
Less: Direct operating expenses arising from investment property that generated rental income	(38)	(37)
Total	\$701	\$462

The Group's investment properties were not pledged during the period.

Investment properties held by the Group are not measured at fair value; however, their fair values are disclosed. The fair value measurements of the investment properties are categorized within Level 3 of the fair value hierarchy.

Investment properties held by the Group are mainly located in Zhongshan area and Nangang districts of Taipei City. The fair value of investment properties was NT\$151,445 thousand upon the valuation performed by an independent appraiser in the first quarter of 2013. The valuation methods used are Comparative approach and Income Capitalization approach and Comparative approach and Land Development Analysis approach. By considering the nature of the subject property, condition of use, development scope and the credibility of the baseline data, the price per square foot is estimated using a weighted average calculated according to one of the two methods listed below:

- (a) 60% Comparative approach + 40% Income Capitalization approach
- (b) 40% Comparative approach + 60% Land Development Analysis approach.

Calculations used within the valuation methods:

- (A) The main evaluation parameter used in the comparative approach is derived from investigating and analyzing the transaction cases of properties located near the subject property.
- (B) The main parameter in the income capitalization approach is the price per square foot,

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calculated based on the annual rental income obtained through market surveys, and then capitalized at a rate of 1.85%.

- (C) The land development analysis approach involves estimating the reasonable acquisition cost of the development land.

Considering that the income capitalization rate in the domestic real estate market during the most recent year is comparable to the valuation dates mentioned above, the Group has adopted the valuation results and the recent real estate market data as the fair value of investment properties as of each financial reporting cut-off date.

The Group assessed the fair value of its investment properties on March 31, 2025, December 31, 2024, and March 31, 2024, respectively. The valuation results were based on actual transaction prices for each respective year and market prices of similar nearby properties, including data from the Ministry of the Interior's Actual Price Registration System and major real estate brokerage websites. These valuations were consistent with the aforementioned appraisal results.

(9) Intangible assets

	Computer Software
Cost :	
At January 1, 2025	\$1,185
Additions	-
At March 31, 2025	\$1,185
At January 1, 2024	\$1,633
Additions	-
At March 31, 2024	\$1,633
Amortization and impairment :	
At January 1, 2025	\$632
Amortization	59
At March 31, 2025	\$691
At January 1, 2024	\$793
Amortization	82
At March 31, 2024	\$875

Net carrying amount as of :

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	Computer Software
At March 31, 2025	\$494
At December 31, 2024	\$553
At March 31, 2024	\$758

Amounts of amortization recognized under the statement of comprehensive income are as follows:

	Three months ended March 31	
	2025	2024
Selling expense	\$33	\$45
Administrative expense	26	37
Total	\$59	\$82

(10) Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	\$383,000	\$398,000	\$426,000
Secured bank loans	192,000	174,000	144,000
Total	\$575,000	\$572,000	\$570,000

The Group's annual interest rates for unsecured bank loans are 1.900%~2.080%, 1.900%~2.120%, and 1.850%~2.000%, as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

The Group's annual interest rates for secured bank loans are 1.835%, 1.835%, and 1.710%, as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

The Group's unused short-term lines of credits amount to NT\$1,174,534 thousand, NT\$1,101,570 thousand, and NT\$1,134,000 thousand, as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

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(11) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three months ended March 31, 2025 and 2024 were NT\$1,164 thousand and NT\$1,185 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three months ended March 31, 2025 and 2024 were NT\$15 thousand and NT\$15 thousand, respectively.

(12) Equity

(A) Common stock

As of March 31, 2025, December 31, 2024, March 31, 2024, and January 1, 2024, the Company's authorized capital was 800,000 thousand shares, with a par value of NT\$10 per share. The issued and outstanding capital consisted of 651,298 thousand shares, equivalent to NT\$6,512,980 thousand in paid-in capital. Each common share entitles the holder to one voting right and the right to receive dividends.

(B) Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-in capital	\$45,647	\$45,647	\$45,647
Gain on disposal of assets	834	834	834
Employee stock option	5,581	5,581	5,581
Total	<u>\$52,062</u>	<u>\$52,062</u>	<u>\$52,062</u>

According to the Company Act, capital surplus may not be used for any purpose other than to offset the Company's accumulated deficit. When there is no accumulated deficit, the capital surplus arising from the issuance of shares in excess of par value or from donations received may be capitalized each year up to a certain percentage of paid-in capital, as prescribed by regulations. Such capital surplus may also be distributed in cash to shareholders in proportion to their shareholding.

(C) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any,

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shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors (contribution of at least 30% should be made for the Unappropriated retained earnings portions) and resolved in the shareholders' meeting. For cash dividends issued, the amount should be at least 20% but not above 100% of the shareholders' bonus, after deducting the cash dividend the remaining amount should be issued as stock dividends.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to offset the deficit of the Company. When the Company has no accumulated deficit, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company 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 in the first-time adoption of the IFRS, 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 from the special reserve.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution. The amount for Special reserve

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appropriated as of March 31, 2025, December 31, 2024, and March 31, 2024 are NT\$3,340 thousand.

Details of the 2024 and 2023 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting and shareholders' meeting on March 12, 2025 and June 19, 2024, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$12,120	\$10,104		
Common stock-cash dividend	78,156	78,156	\$1.2	\$1.2
Total	<u>\$90,276</u>	<u>\$88,260</u>		

Please refer to Note 6(16) for details on employees' compensation and remuneration to directors and supervisors.

(13) Operating revenue

	Three months ended March 31	
	2025	2024
Revenue from customer contracts		
Sales of goods	\$637,125	\$631,581
Service revenues	145	64
Total	<u>\$637,270</u>	<u>\$631,645</u>

Analysis of revenue from contracts with customers during the three months periods ended March 31, 2025 and 2024 are as follows:

(A) Disaggregation of revenue

Three months ended March 31, 2025

	Taiwan Dept.	Republic of China and Southeast	Group Total
		Asia Dept.	
Sales of goods	\$437,065	\$200,060	\$637,125
Service revenues	145	-	145
Total	<u>\$437,210</u>	<u>\$200,060</u>	<u>\$637,270</u>

Timing of revenue recognition:

At a point in time	<u>\$437,210</u>	<u>\$200,060</u>	<u>\$637,270</u>
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Three months ended March 31, 2024

	Taiwan Dept.	Republic of China and Southeast Asia Dept.	Group Total
Sales of goods	\$415,022	\$216,559	\$631,581
Service revenues	64	-	64
Total	<u>\$415,086</u>	<u>\$216,559</u>	<u>\$631,645</u>
Timing of revenue recognition :			
At a point in time	<u>\$415,086</u>	<u>\$216,559</u>	<u>\$631,645</u>
(B) Contract balances			

Contract liabilities - current

	March 31, 2025	December 31, 2024	March 31, 2024	January 31, 2024
Sales of goods	<u>\$55,831</u>	<u>\$55,032</u>	<u>\$5,840</u>	<u>\$1,901</u>

The significant changes in the Group's balances of contract liabilities three months ended March 31, 2025 and 2024 are as follows:

	Three months ended March 31	
	2025	2024
The opening balance transferred to revenue	\$(3,374)	\$(1,771)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	4,118	5,710
Exchange differences	55	-

(14) Expected credit loss (reversal of credit loss)

	Three months ended March 31	
	2025	2024
Operating expenses –(reversal of credit loss) expected credit loss		
Accounts receivable	<u>\$3,666</u>	<u>\$(6,351)</u>

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance for receivables (including notes and accounts receivable) based on lifetime expected credit losses. As of March 31, 2025, December 31, 2024, and March 31, 2024, the related explanations of the assessed loss allowance are as follows:

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Based on the Group's historical credit loss experience, there are no significant differences in loss patterns among different customer groups. Therefore, the Group does not distinguish between customer segments when measuring the allowance, and applies a provision matrix approach to assess expected credit losses. Details are as follows:

As of March 31, 2025

	Aging schedule					Total
	<=90 days	91-120 days	121-150 days	151-180 days	>=181 days	
Notes receivable	\$444	\$-	\$-	\$-	\$-	\$444
Accounts receivable	584,863	195,344	80,309	9,982	534	871,032
Carrying amount	\$585,307	\$195,344	\$80,309	\$9,982	\$534	\$871,476
Loss ratio	0~5%	0~2%	0~7%	0~27%	0~100%	
Lifetime expected credit losses	(17)	(3,380)	(4,760)	(1,609)	(423)	(10,189)
Total	\$585,290	\$191,964	\$75,549	\$8,373	\$111	\$861,287

As of December 31, 2024

	Aging schedule					Total
	<=90 days	91-120 days	121-150 days	151-180 days	>=181 days	
Notes receivable	\$1,431	\$-	\$-	\$-	\$-	\$1,431
Accounts receivable	696,140	144,847	58,205	1,674	1,052	901,918
Carrying amount	\$697,571	\$144,847	\$58,205	\$1,674	\$1,052	\$903,349
Loss ratio	0~5%	0~2%	0~7%	0~27%	0~100%	
Lifetime expected credit losses	(32)	(2,349)	(3,367)	(81)	(682)	(6,511)
Total	\$697,539	\$142,498	\$54,838	\$1,593	\$370	\$896,838

As of March 31, 2024

	Aging schedule					Total
	<=90 days	91-120 days	121-150 days	151-180 days	>=181 days	
Notes receivable	\$2,130	\$-	\$-	\$-	\$-	\$2,130
Accounts receivable	592,326	164,424	68,711	5,304	3,977	834,742
Carrying amount	\$594,456	\$164,424	\$68,711	\$5,304	\$3,977	\$836,872
Loss ratio	0~5%	0~2%	0~7%	0~27%	0~100%	
Lifetime expected credit losses	(79)	(2,873)	(3,963)	(1,096)	(3,588)	(11,599)
Total	\$594,377	\$161,551	\$64,748	\$4,208	\$389	\$825,273

The movements in the allowance for impairment of notes receivable and accounts receivable for the three-month periods ended March 31, 2025 and 2024 are as follows:

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	Notes receivable	Accounts receivable	Total
As at January 1, 2025	\$32	\$6,479	\$6,511
Addition/(reversal) for the current period	(15)	3,681	3,666
Exchange differences	-	12	12
As at March 31, 2025	\$17	\$10,172	\$10,189
Bal. as at January 1, 2024	\$-	\$17,874	\$17,874
Addition/(reversal) for the current period	78	(6,429)	(6,351)
Exchange differences	1	75	76
As at March 31, 2024	\$79	\$11,520	\$11,599

(15) Leases

(A) Group as a lessee

The Group leases assets including real estate (buildings and structures) and movable property (transportation equipment). The lease terms range from 2 to 4 years.

The effects of leases on the Group's consolidated financial position, financial performance, and cash flows are as follows:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	\$6,908	\$8,837	\$14,108
Transportation equipment	1,603	2,130	3,328
Total	\$8,511	\$10,967	\$17,436

During the periods ended March 31, 2025 and 2024, the Group's additions to right-of-use assets of the group amounting to NT\$711 thousand and NT\$92 thousand, respectively.

(b) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Lease liabilities	\$8,521	\$11,044	\$17,933
Current	\$7,927	\$10,249	\$10,240

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Non-current	<u>\$594</u>	<u>\$795</u>	<u>\$7,693</u>
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Please refer to Note 6(17)(D) for the interest on lease liabilities recognized during the three months ended March 31, 2025 and 2024 and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	Three months ended March 31	
	2025	2024
Buildings	\$2,477	\$2,382
Transportation equipment	463	400
Total	<u>\$2,940</u>	<u>\$2,782</u>

C. Income and costs relating to leasing activities

	Three months ended March 31	
	2025	2024
The expenses relating to short-term leases	\$1,718	\$1,858
Gain on lease modification	(3)	-
Total	<u>\$1,715</u>	<u>\$1,858</u>

D. Cash outflow relating to leasing activities

During the three months ended March 31, 2025 and 2024, the Group's total cash outflows for leases amounting to NT\$5,682 thousand and NT\$5,706 thousand, respectively.

E. Other information relating to leasing activities

(a) Variable lease payments

Some of the Group's printer rental agreements contain variable payment terms that are linked to certain percentages of the usage amount generated from the leased printer, which is very common in the industry of the Group.

As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities.

(b) Extension and termination options

Some of the Group's property rental agreement contain extension and

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termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(B) Group as lessor

Please refer to Note 6(8) for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	Three months ended March 31	
	2025	2024
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$739	\$499

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of March 31, 2025, December 31, 2024, and March 31, 2024 are as follow:

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Not later than one year	\$2,957	\$2,957	\$1,996
Later than one year but not later than two years	492	1,231	1,996
Later than two years but not later than three years	-	-	498
Total	\$3,449	\$4,188	\$4,490

(16) Summary statement of employee benefits, depreciation and amortization is as follows:

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Capability For the three months ended March 31						
	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Nature						
Employee benefits expense						
Salaries	\$-	\$14,859	\$14,859	\$-	\$21,559	\$21,559
Labor and health insurance	-	1,815	1,815	-	1,663	1,663
Pension	-	1,179	1,179	-	1,200	1,200
Other employee benefits expense	-	1,477	1,477	-	2,026	2,026
Depreciation	-	3,507	3,507	-	3,334	3,334
Amortization	-	59	59	-	82	82

In accordance with the Company's original Articles of Incorporation, no less than 3% of annual profit shall be allocated as employee remuneration, and no more than 3% shall be allocated as remuneration to directors. On June 21, 2024, the shareholders resolved to amend the Articles of Incorporation. Following the amendment, starting from fiscal year 2024, the Company shall allocate no less than 3% of annual profit as employee remuneration, and no more than 5% as remuneration to directors. In the event of an accumulated deficit, the amount shall first be reserved to offset the deficit. Employee remuneration may be distributed in the form of shares or cash, as resolved by the Board of Directors with the attendance of at least two-thirds of all directors and approval by a majority of directors present. Such resolutions shall be reported to the shareholders' meeting. Information regarding the Board's resolution on the remuneration to employees and directors is available on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

For the three months ended March 31, 2025, the Company accrued NT\$800 thousand and NT\$1,125 thousand for employee remuneration and director remuneration, respectively. These amounts were recognized under salary expenses.

For the three months ended March 31, 2024, the Company accrued NT\$1,600 thousand and NT\$1,000 thousand for employee remuneration and director remuneration, respectively. These amounts were also recognized under salary expenses.

On March 12, 2025, the Board of Directors resolved to distribute NT\$4,500 thousand in cash each to employees and directors as remuneration for fiscal year 2024. The distributed amounts were consistent with those previously accrued in the 2024 financial statements.

On March 14, 2024, the Board of Directors resolved to distribute NT\$4,000 thousand and NT\$3,000 thousand in cash to employees and directors, respectively, as remuneration for fiscal year 2023. The distributed amounts were also consistent with the amounts accrued in the 2023 financial statements.

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(17) Non-operating income and expenses

(A) Interest income

	Three months ended March 31	
	2025	2024
Interest income		
Financial assets at amortized cost	\$2,773	\$1,708

(B) Other income

	Three months ended March 31	
	2025	2024
Rental income	\$739	\$499
Others	1,448	2,429
Total	\$2,187	\$2,928

(C) Other gains and losses

	Three months ended March 31	
	2025	2024
Foreign exchange gains (losses), net	\$14,349	\$32,436
Other losses- Other	(870)	(90)
Total	\$13,479	\$32,346

(D) Finance costs

	For the three months ended March 31	
	2025	2024
Interests on borrowings from bank	\$(2,846)	\$(2,694)
Interests on lease liabilities	(103)	(191)
Total	\$(2,949)	\$(2,885)

(18) Components of other comprehensive income

For the three months ended March 31, 2025

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified subsequently to profit or loss :					
Unrealized gains from equity instruments	\$(29,020)	\$-	\$(29,020)	\$-	\$(29,020)
investments measured at fair value through other comprehensive income					
Items that may be reclassified subsequently to profit or loss :					

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	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Exchange differences arising from translation of foreign operations	11,363	-	11,363	-	11,363
Total	<u>\$(17,657)</u>	<u>\$-</u>	<u>\$(17,657)</u>	<u>\$-</u>	<u>\$(17,657)</u>

For the three months ended March 31, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified subsequently to profit or loss :					
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	\$1,243	\$-	\$1,243	\$-	\$1,243
Items that may be reclassified subsequently to profit or loss :					
Exchange differences arising from translation of foreign operations	24,470	-	24,470	-	24,470
Total	<u>\$25,713</u>	<u>\$-</u>	<u>\$25,713</u>	<u>\$-</u>	<u>\$25,713</u>

(19) Income tax

The major components of income tax expense (benefit) three months ended March 31, 2025 and 2024 are as follows:

Income tax expense (benefit) recognized in profit or loss

	Three months ended March 31	
	2025	2024
Current income tax expense (benefit):		
Current income tax charge	\$8,526	\$1,553
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	(3,266)	9,017
Total	<u>\$5,260</u>	<u>\$10,570</u>

Income tax relating to components of other comprehensive income

No income tax relating to components of other comprehensive income during the periods ended March 31, 2025 and 2024.

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The assessment of income tax returns

The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(20) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<u>Three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
(A) Basic earnings per share		
Profit attributable to the parent company (in thousand NT\$)	<u>\$19,286</u>	<u>\$39,871</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>65,130</u>	<u>65,130</u>
Basic earnings per share (NT\$)	<u>\$0.30</u>	<u>\$0.61</u>
	<u>Three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
(B) Diluted earnings per share		
Profit attributable to the parent company (in thousand NT\$)	<u>\$19,286</u>	<u>\$39,871</u>
Profit attributable to the parent company after dilution (in thousand NT\$)	<u>\$19,286</u>	<u>\$39,871</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>65,130</u>	<u>65,130</u>
Effect of dilution:		
Employee compensation — stock (in thousands)	<u>169</u>	<u>171</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>65,299</u>	<u>65,301</u>
Diluted earnings per share (NT\$)	<u>\$0.30</u>	<u>\$0.61</u>

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There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. RELATED PARTY TRANSACTIONS

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and relationship of the related parties

<i>Name of the related parties</i>	<i>Nature of relationship of the related parties</i>
Tailyn Technologies, Inc.	Substantive related party

Significant related party transactions

(1) Key management personnel compensation

	<u>Three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$6,481	\$6,729
Post-employment benefits	27	51
Total	<u>\$6,508</u>	<u>\$6,780</u>

(2) Sales revenue

	<u>Three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Substantive related party		
Tailyn Technologies, Inc.	<u>\$90</u>	<u>\$118</u>

The sales price to the above related parties was determined through mutual agreement based on the market conditions. The collection periods for sales to related parties and to third parties were all month-end 30 to 120 days. The outstanding balances as of March 31, 2025 and 2024 were unsecured, non-interest bearing and to be settled in cash. The receivables from the related parties were not guaranteed.

(3) Accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Substantive related party			
Tailyn Technologies, Inc.	<u>\$144</u>	<u>\$118</u>	<u>\$149</u>

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(4) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Substantive related party			
Tailyn Technologies, Inc.	\$20	\$23	\$11

(5) Lease - related parties

Lease payments

	Three months ended March 31 2025	2024
Substantive related party		
Tailyn Technologies, Inc.	\$91	\$91

The rental prices and collection terms to the above related parties are not much different from third parties. The mutual agreement of rental prices is determined by local market conditions, and is based on the location, floors and scopes of the lease.

8. PLEDGED ASSETS

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

Items	Carrying amount			Secured liabilities
	March 31, 2025	December 31, 2024	March 31, 2024	
Property, plant and equipment - land	\$89,074	\$89,074	\$89,074	Short-term bank loan
Property, plant and equipment - buildings	12,692	12,782	13,051	Short-term bank loan
Total	\$101,766	\$101,856	\$102,125	

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The guarantee notes issued by the Group as of March 31, 2025:

Client	Nature	Amount
Flexium Interconnect Inc.	Performance guarantee	\$14,465

(2) The Company has signed an agency contract with Company S to sell Company S's products, and the Company shall pay the agency deposit to Company S as a performance guarantee according to the contract. As of March 31, 2025, the Company has provided US\$1.5 million as a performance bond, which amounted to approximately NT\$49,808 thousand and is

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accounted under Refundable deposits paid.

- (3) Based on business needs, endorsement and guarantee amounted to US\$300 thousand by the Group as of December 31, 2025. Please refer to Attached Table.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

- (1) Categories of financial instruments

Financial assets

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at fair value through other comprehensive income	\$242,940	\$271,961	\$300,151
Financial assets measured at amortized cost (Note)	1,855,496	1,855,095	1,722,055
Total	<u>\$2,098,436</u>	<u>\$2,127,056</u>	<u>\$2,022,206</u>

Financial liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities at amortized cost:			
Short-term borrowings	\$575,000	\$572,000	\$570,000
Notes payable and accounts payable	247,666	171,545	258,748
Other payables	77,830	93,841	75,521
Lease liabilities(including noncurrent)	8,521	11,044	17,933
Guarantee deposits	517	517	349
Total	<u>\$909,534</u>	<u>\$848,947</u>	<u>\$922,551</u>

Note: Including cash and cash equivalents (cash on hand not included), notes receivable, accounts receivable, other receivables and refundable deposits.

- (2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

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The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rare for a single risk variable to change independently, as changes in risk variables are often interrelated. However, the sensitivity analyses presented below do not consider the interdependencies between these variables.

Foreign currency risk

The Group's exposure to foreign currency risk arises primarily from its operating activities (when revenue or expenses are denominated in a currency different from the Group's functional currency) and from its net investments in foreign operations.

Some of the Group's foreign currency receivables and payables are denominated in the same currency, resulting in a natural hedge. For other exposures, the Group uses forward exchange contracts to manage foreign currency risk. However, hedge accounting is not applied as the hedging relationships do not qualify under the accounting standards. In addition, the Group's net investments in foreign operations are considered strategic and are therefore not hedged.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency A and foreign currency B. The information of the sensitivity analysis is as follows:

- (1) When NTD strengthens against USD by 1%, the profit three months ended March 31, 2025 and 2024 would decrease by NT\$11,712 thousand and NT\$10,104 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest rate risk arises mainly from investments in debt instruments with variable interest rates, fixed-rate and

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variable-rate borrowings.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest rate risk arises mainly from investments in debt instruments with variable interest rates, fixed-rate and variable-rate borrowings.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit three months ended March 31, 2025 and 2024 to decrease by NT\$337 thousand and NT\$329 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured 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.

As of March 31, 2025 and 2024, a change of 5% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT\$12,147 thousand and NT\$15,008 thousand on the equity attributable to the Group three months ended March 31, 2025 and 2024, respectively.

Please refer to Note 12(8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for account and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc.

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Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of March 31, 2025, December 31, 2024, and March 31, 2024, the credit concentration risk of accounts receivable is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group uses IFRS 9 to evaluate the expected credit losses, receivables are measured as allowance losses over the life of expected credit losses, the remainder are not investments in debt instruments measured at fair value through profit or loss, and their original purchase is based on the assumption of low credit risk, and whether credit risk has increased significantly since the original recognition at each balance sheet date to determine the method of measuring the allowance loss and its loss rate. The debt instrument mentioned above that aren't measured at fair value through profit and loss are cash and cash equivalents (excluding cash on hand), and their carrying amount as of March 31, 2025 and 2024 were NT\$989,437 thousand and NT\$895,509 thousand, respectively, and the loss rates were both 0%.

In addition, the Group also writes off financial assets when it evaluates that it cannot reasonably be expected to recover financial assets (e.g. significant financial difficulties of the issuer or debtor, or bankruptcy).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 3 years	4 to 5 years	>5 years	Total
As of March 31, 2025					
Short-term borrowings					
(estimated interests to be paid included)	\$575,293	\$-	\$-	\$-	\$575,293
Lease liabilities					
(Non-current included)	8,416	596	-	-	9,012
Payables	247,666	-	-	-	247,666

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	Less than 1 year	1 to 3 years	4 to 5 years	>5 years	Total
Other payables	77,830	-	-	-	77,830
Guarantee deposits	517	-	-	-	517
As of December 31, 2024					
Short-term borrowings					
(estimated interests to be paid included)	\$572,280	\$-	\$-	\$-	\$572,280
Lease liabilities					
(Non-current included)	10,471	799	-	-	11,270
Payables	171,545	-	-	-	171,545
Other payables	93,841	-	-	-	93,841
Guarantee deposits	517	-	-	-	517

As of March 31, 2024

Short-term borrowings					
(estimated interests to be paid included)	\$570,626	\$-	\$-	\$-	\$570,626
Lease liabilities					
(Non-current included)	10,744	7,612	186	-	18,542
Payables	258,748	-	-	-	258,748
Other payables	75,521	-	-	-	75,521
Guarantee deposits	-	349	-	-	349

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities three months ended March 31, 2025:

	Short-term borrowings	Guarantee deposits	Leases liabilities	Total liabilities from financing activities
At Jan 1, 2025	\$572,000	\$517	\$11,044	\$583,561
Cash flows	3,000	-	(3,964)	(964)
Non-cash changes	-	-	1,441	1,441
At Mar 31, 2025	\$575,000	\$517	\$8,521	\$584,038

Reconciliation of liabilities three months ended March 31, 2024:

	Short-term borrowings	Guarantee deposits	Leases liabilities	Total liabilities from financing activities
At Jan 1, 2024	\$590,000	\$3,309	\$21,033	\$614,342
Cash flows	(20,000)	(2,960)	(3,848)	(26,808)

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	Short-term borrowings	Guarantee deposits	Leases liabilities	Total liabilities from financing activities
Non-cash changes	-	-	748	748
At Mar 31, 2024	\$570,000	\$349	\$17,933	\$588,282

(7) Fair values of financial instruments

(A) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- A. The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- D. The fair value of other financial assets and financial liabilities is determined on the basis of discounted cash flow analysis, and their interest rates and discount rates are mainly based on information related to similar instruments, yield curves applicable over the life of the period, etc.

(B) Fair value of financial instruments measured at amortized cost

The carrying amounts of the Group's financial assets and financial liabilities measured at amortized cost approximate their fair values.

(C) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

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(8) Fair value measurement hierarchy

(A) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(B) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

At March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value through other comprehensive income				
Equity instruments designated at fair value through other comprehensive income	\$242,940	\$-	\$-	\$242,940

At December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value through other comprehensive income				
Equity instruments designated at fair value through other comprehensive income	\$271,961	\$-	\$-	\$271,961

At March 31, 2024

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	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value through other comprehensive income				
Equity instruments designated at fair value through other comprehensive income	\$300,151	\$-	\$-	\$300,151

Transfers between Level 1 and Level 2 during the period

During the three-months periods ended March 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Fair value measurements in Level 3 of the fair value hierarchy for movements

As of March 31, 2025 and 2024, there were no financial assets that are measured at fair value within Level 3. Therefore the valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy isn't needed. Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

Evaluation process for Level 3 fair value measurement

As of March 31, 2025 and 2024, there were no financial assets that are measured at fair value within Level 3. Therefore the valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy isn't needed.

- (C) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at March 31, 2025:

	Level 1	Level 2	Level 3	Total
Investment properties (please refer to Note 6)	\$-	\$-	\$151,445	\$151,445

As at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investment properties (please refer to Note 6)	\$-	\$-	\$151,445	\$151,445

As at March 31, 2024:

	Level 1	Level 2	Level 3	Total
Investment properties (please refer to Note 6)	\$-	\$-	\$151,445	\$151,445

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(9) Significant financial assets and liabilities denominated in foreign currencies

The significant financial assets and liabilities denominated in foreign currencies were as follow:

Amounts expressed in thousand			
March 31, 2025			
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$42,179	33.205	\$1,400,546
Financial liabilities			
Monetary items:			
USD	\$6,906	33.205	\$229,316
December 31, 2024			
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$42,085	32.785	\$1,379,747
Financial liabilities			
Monetary items:			
USD	\$4,816	32.785	\$157,890
March 31, 2024			
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$38,974	32.000	\$1,247,167
Financial liabilities			
Monetary items:			
USD	\$7,400	32.000	\$236,792

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Since the Group's entities have different functional currencies, it is not feasible to disclose the foreign exchange gains or losses on monetary financial assets and liabilities by each significant foreign currency. The Group's net foreign exchange gains for the three-month periods ended March 31, 2025 and 2024 amounted to NT\$14,349 thousand and NT\$32,436 thousand, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure the maintenance of a strong credit rating and sound capital ratios to support its operations and maximize shareholder value. In response to economic conditions, the Group may maintain or adjust its capital structure by adjusting dividend distributions, returning capital to shareholders, or issuing new shares.

13. SUPPLEMENTARY DISCLOSURE

(1) Significant transactions information

- (A) Financing provided to others: None.
- (B) Endorsement/Guarantees provided to others: Please refer to Attachment 2.
- (C) Securities on held at the end of the period : Please refer to Attachment 3.
- (D) Related parties transactions for purchases and sales amount exceeding NT\$100 million or 20 percent of the capital stock: None.
- (E) Receivables from related parties with amount exceeding NT\$100 million or 20 percent of the capital stock: None.
- (F) Others: The business relationships and important transactions between the parent company and the subsidiaries, and among subsidiaries, along with their respective amounts are detailed in Attachment 4.

(2) Information on investees

- (A) Information about the investee company that direct or indirect has significant influence or control over the investee company: Please refer to Attachment 5 and 6.
- (B) Information of significant transaction within the investee company of which that has significant influence or control over the investee company, directly or indirectly :
 - A. Financing provided to others: Please refer to Attachment 1.
 - B. Endorsement/Guarantees provided to others: None.
 - C. Securities held at the end of the period: None
 - D. Related party transaction for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock: None.
 - E. Receivables from related parties with amount exceeding NT\$100 million or 20 percent of capital stock: None.

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(3) Information on investments in Mainland China

- (A) Investee company name, main businesses and products, total amount of capital, investment method, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment profit and loss, carry amount of investment at the end of the period, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 6.
- (B) Directly or indirectly significant transactions with investee in Mainland China through third regions: Please refer to Attachment 4.
- A. The amount and percentage of goods purchased and the closing balance and percentage of the related payables three months ended March 31, 2025 : Please refer to attachment 4.
- B. Property transactions and the amount of profit and loss arising from the transactions: : None.
- C. The closing balance and purpose of the guarantee of payment instrument by endorsement or collateral provided : None.
- D. The highest balance, closing balance, interest rate range and total interest of the period for the capital and finance : Please refer to attachment 1.
- E. Other transactions that have a significant impact on the profit or loss or financial position of the current period, such as the provision or receipt of services etc. : None.

14. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

- (1) Taiwan Segment : The segment is mainly responsible for the agency sales of electronic components and process equipments in Taiwan.
- (2) China and South East Asia segment : The segment is mainly responsible for the distribution of electronic components in Eastern and Southern China (including Hong Kong) and Vietnam.

The China and Southeast Asia segment are the aggregation of the operating departments of the subsidiary in Eastern and Southern China and Vietnam. Since the Eastern and Southern China operating departments both focus on providing agency sales of the same electronic components and have similar economic characteristics, they have been aggregated into a single operating department along with the Vietnam operating department.

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 before tax. There was no material difference between

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the accounting policies of the operating segment and those described in Note 4. However, income taxes are managed at a group level and are not allocated to operating segments.

Transfer prices between operating segments is based on regular transactions similar to those with external third parties.

Three months ended March 31, 2025

	Taiwan Segment	China and Southeast Asia segment	Subtotal	Adjustment and elimination (Note)	Consolidated
External customer	\$437,210	\$200,060	\$637,270	\$-	\$637,270
Inter-segment	49,305	99,851	149,156	(149,156)	-
Total revenue	<u>\$486,515</u>	<u>\$299,911</u>	<u>\$786,426</u>	<u>\$(149,156)</u>	<u>\$637,270</u>
Segment profit	<u>\$23,732</u>	<u>\$9,900</u>	<u>\$33,632</u>	<u>\$(9,086)</u>	<u>\$24,546</u>

Three months ended March 31, 2024

	Taiwan Segment	China and Southeast Asia segment	Subtotal	Adjustment and elimination (Note)	Consolidated
External customer	\$415,086	\$216,559	\$631,645	\$-	\$631,645
Inter-segment	47,548	83,195	130,743	(130,743)	-
Total revenue	<u>\$462,634</u>	<u>\$299,754</u>	<u>\$762,388</u>	<u>\$(130,743)</u>	<u>\$631,645</u>
Segment profit	<u>\$49,317</u>	<u>\$9,956</u>	<u>\$59,273</u>	<u>\$(8,832)</u>	<u>\$50,441</u>

Note: Inter-segment revenue is excluded at the time of consolidation, and reflected under "Reconciliation and Elimination", and all other reconciliations and removals are disclosed separately in further details.

The following table presents segment assets of the Group's operating segments as March 31, 2025, December 31, 2024, and March 31, 2024:

Assets of the Group's operating segments

	Taiwan Segment	China and Southeast Asia segment	Subtotal	Adjustment and elimination	Consolidated
March 31, 2025	<u>\$2,703,619</u>	<u>\$843,294</u>	<u>\$3,546,913</u>	<u>\$(954,183)</u>	<u>\$2,592,730</u>
December 31, 2024	<u>\$2,688,084</u>	<u>\$783,331</u>	<u>\$3,471,415</u>	<u>\$(946,590)</u>	<u>\$2,524,825</u>
March 31, 2024	<u>\$2,636,792</u>	<u>\$786,257</u>	<u>\$3,423,049</u>	<u>\$(874,694)</u>	<u>\$2,548,355</u>

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Liabilities of the Group's operating segments

	Taiwan Segment	China and Southeast Asia	Subtotal	Adjustment and elimination	Consolidated
March 31, 2024	\$917,216	\$189,501	\$1,106,717	\$(124,412)	\$982,305
December 31, 2023	\$901,612	\$151,634	\$1,053,246	\$(137,217)	\$916,029
March 31, 2023	\$848,014	\$197,674	\$1,045,688	\$(109,786)	\$935,902

Other reconciliations of reportable segments

	Three months ended March 31	
	2025	2024
Total profit or loss for reportable segments	\$33,632	\$59,273
Elimination of inter-segment profit	(9,086)	(8,832)
Income before income tax from continuing operations	\$24,546	\$50,441

Attached table 1: Financings Provided

Expressed in thousands of New Taiwan Dollars

(EXCEPT AS OTHERWISE INDICATED)

No. (Note 1)	Financier	Counter-party	Item (Note 2)	Related-party	Maximum Balance (Note 3)	Ending Balance (Note 8)	Amount Actually Drawn	Interest Rate Range	Financing Provided (Note 4)	Transaction Amount (Note 5)	Financing Reasons (Note 6)	Allowance for Bad Debt	Collateral		Financial Limit for Each Counter-party	Limit on Financier's Total Financing
													Name	Value		
1	ShangHai Howteh International Trading Inc.	KunShan Howteh International Trading Inc.	Other receivables	Yes	\$33,205 USD1,000	\$33,205 USD1,000	\$6,525	0.00%	1	-	Business dealings	-	-	-	\$69,052 (Note 10)	\$103,578 (Note 10)
1	ShangHai Howteh International Trading Inc.	ShenZhen Howteh Technology Co., Ltd.	Other receivables	Yes	18,292 RMB4,000	18,292 RMB4,000	-	4.35%	2	-	Short-term financing	-	-	-	69,052 (Note 10)	103,578 (Note 10)
2	ShenZhen Howteh Technology Co., Ltd.	ShangHai Howteh International Trading Inc.	Other receivables	Yes	18,292 RMB4,000	18,292 RMB4,000	-	3.35%	2	-	Short-term financing	-	-	-	33,748 (Note 11)	50,621 (Note 11)

Note 1: The description of the number column is as follows:

- (1) Issuer fill in 0.
- (2) Investee companies are numbered sequentially, beginning with the Arabic numeral 1.

Note 2: Accounts of receivables related enterprise payments, receivables related party payments, shareholder transactions, advance payments, temporary payments... and other subjects, if they are in the nature of capital loans, must be filled in this form.

Note 3: The highest balance of funds lent to others in the current year.

Note 4: The nature of the loan should be filled in as a business transaction or a need for short-term financing.

- (1) Business transaction fill in 1.
- (2) Short-term financing fill in 2.

Note 5: If the nature of the loan is a business transaction, the business transaction amount should be filled in, which refers to the business transaction amount of the company and the loan target who lent the funds in the latest year.

Note 6: If the nature of the capital loan is necessary for short-term financing funds, the reason for the necessary loan and the purpose of the funds to be borrowed should be specified, such as: repayment of loans, purchase of equipment, business turnover, etc.

Note 7: The maximum loan limit set by the Company shall not exceed 40% of the net value of the Company, and the maximum loan limit shall not exceed 20% of the net value of the Company for a single object.

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Note 9: Counter-party:

According to Article 15 of the Company Law, the company's funds shall not be lent to shareholders or any other person except in the following circumstances:

- (1) Intercompany business dealers.
- (2) There is a need for short-term financing between companies. The amount of financing shall not exceed 40% of the net value of enterprise.
For the purposes of the preceding paragraph, short-term term refers to one year. However, if the company's business cycle is longer than one year, the business cycle shall prevail.
- (3) The financing amount referred to in the preceding paragraph is the cumulative balance of the Company's short-term financing funds.
- (4) The Company directly and indirectly holds 100% of the voting shares of foreign companies engaged in capital loans, which are not subject to the restrictions of the preceding paragraph.

Note 10: The total limit of capital loans set by ShangHai HOWTEH International Trading Inc. shall not exceed 60% of the net value of the company, and the maximum loan limit for a single object shall not exceed 40% of the net value of the company.

Note 11: The total limit of capital loan and total set by ShenZhen HOWTEH Technology Co., Ltd. shall not exceed 60% of the net value of the company, and the maximum loan limit for a single object shall not exceed 40% of the net value of the company.

Attached table 2: Collaterals/Guarantee Provided

Expressed in thousands of New Taiwan Dollars
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No. (Note 1)	Collaterals/Guarantee Provider	Counter-part		Limits on Each Counter-party's Collateral/Guarantee Amounts (Note 3)	Maximum balance accumulated up to the end of this month (Note 4 + 8)	Ending Balance (Note 5 + 8)	Actual Amount Drawn Down (Note 6)	Amount of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Collateral to Net Asset Value of the Latest Financial Statement	Maximum Collateral/ Guarantee Amounts Allowable (Note 3)	Provision of Endorsements by Parent Company to Subsidiary (Note 6 + 7)	Provision of Endorsements by Subsidiary to Parent Company (Note 7)	Provision of Endorsements to the Company in Mainland China (Note 7)
		Name (Note 2)	Relationship (Note 2)										
0	Howtech Technology Co., Ltd.	Gitech Electronic Industries Co., Ltd.	2	\$-	\$99,615 USD 3,000	\$-	\$-	\$-	-%	\$805,213	Y	N	N
0	Howtech Technology Co., Ltd.	Howtech Vietnam Co., Ltd.	2	402,606	9,962 USD 300	9,962 USD 300	-	-	0.62%	805,213	Y	N	N

Note 1: The description of the number column is as follows:

- (1) Issuer fill in 0.
- (2) Investee companies are numbered sequentially, beginning with the Arabic numeral 1.

Note 2: There are the following seven types of relationships between the endorsement guarantor and the endorsed guarantee object, and the types can be indicated:

- (1) There are business dealings between companies.
- (2) Companies in which the company directly and indirectly holds more than 50% of the voting shares.
- (3) A company in which more than 50% of the voting rights are directly or indirectly held in the company.
- (4) A company in which the company directly and indirectly holds more than 90% of the voting shares.
- (5) A company that is mutually insured by inter-industry or co-sponsors in accordance with the provisions of the contract.
- (6) A company that is endorsed and guaranteed by all contributing shareholders in accordance with their shareholding ratio due to a co-investment relationship.
- (7) The performance guarantee of the pre-sale house sales contract is jointly and severally guaranteed in accordance with the Consumer Protection Law.

Note 3: Endorsement guarantee method: The total amount of endorsement guarantee shall not exceed 50% of the company's net value, and the amount of endorsement guarantee for a single enterprise shall not exceed 25% of the company's net value.

Note 4: The maximum amount accumulated up to this month is the highest guaranteed balance of endorsement for the current year.

Note 5: By the end of the year, the company shall bear the endorsement or guarantee liability when the amount of the endorsement guarantee deed or instrument signed by the company to the bank is approved; Other relevant cases with endorsement guarantee should be included in the balance of endorsement guarantee.

Note 6: The actual amount of expenditure is the amount of expenditure under the guaranteed amount of the parent company.

Note 7: Those who are endorsement guarantors of the parent company of the listed stock exchange to the subsidiary, endorsement guarantors of the subsidiaries to the parent company of the listed stock exchange, and endorsement certificates belonging to the mainla

Note 8 The exchange rate is based on the ending exchange rate.

Attached Table 3: Marketable securities held (excluding investment subsidiaries, affiliated enterprises and joint venture control part)

Expressed in thousands of New Taiwan Dollars								
Holding Company	Securities Type and Name(Note 1)	Relationship with the Holding Company(Note 2)	Financial Statement Account	As of March 31, 2025				Notes(Note 4)
				Shares (1,000)	Carrying Value(Note 3)	Percentage of Ownership(%)	Fair Value	
Howtech Technology Co., Ltd.	<u>Financial assets at fair value through other comprehensive</u>							
	Tailyn Technologies, Inc.	The Chairman of the company is a director of the Tailyn company	Investments in equity instruments measured at fair value through other comprehensive income - noncurrent	8,291,475	\$242,940	11.03%	\$242,940	No collateral is provided
	Feedpool Technology Co.,Ltd.	-	"	566,030	-	2.52%	-	"
			Total		<u>\$242,940</u>		<u>\$242,940</u>	

Note 1: For the purposes of this table, marketable securities refer to stocks, bonds, beneficiary certificates and securities derived from the above items that fall within the scope of IFRS 9 "Financial Instruments".

Note 2: If the issuer of securities is not a related person, this column is exempted.

Note 3: For fair value measured, please fill in the book balance after adjustment of fair value evaluation and deduction of accumulated impairment in the carrying amount field; For those not measured at fair value, please fill in the carrying amount of the original acquisition cost or amortized cost less the accumulated impairment book balance.

Note 4: The use of marketable securities is restricted because of the provision of guarantees, pledge loans, or other agreements. The number of shares to be guaranteed or pledged, the amount and restricted use should be indicated in the remarks column.

Note 5: The Company determines securities presented in this chart based on principles of materiality.

Attached Table 4: Business relationships and important transactions between parent and subsidiary companies

Expressed in thousands of New Taiwan Dollars

No. (Note 1)	Purchaser/seller	Counter-party	Relationship with the counter- party(Note 2)	Transactions			
				Account	Amount (Note 4)	Trading conditions	Ratio to total consolidated revenue or total assets (Note 3)
0	Howtech Technology Co., Ltd.	ShangHai Howtech International Trading Inc.	1	Sales revenue	\$13,387	120days	2.10%
0	"	Gitech Electronic Industries Co., Ltd.	1	Sales revenue	26,152	60days	4.10%
0	"	"	1	Accounts receivable	16,314	"	0.63%
0	"	"	1	Purchase	30,748	"	4.82%
0	"	"	1	Accounts payable	32,002	"	1.23%
1	Gitech Electronic Industries Co., Ltd.	ShangHai Howtech International Trading Inc.	3	Sales revenue	13,326	120days	2.09%
1	"	ShenZhen Howtech Technology Co., Ltd.	3	Sales revenue	36,467	60days	5.72%
1	"	"	3	Accounts receivable	36,846	"	1.41%
2	ShenZhen Howtech Technology Co., Ltd.	ShangHai Howtech International Trading Inc.	3	Purchase	14,625	60days	2.29%
2	"	"	3	Accounts payable	13,495	"	0.52%

Note 1: The description of the number column is as follows:

- (1) Issuer fill in 0.
- (2) Investee companies are numbered sequentially, beginning with the Arabic numeral 1.

Note 2: There are three types of transaction relationships

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

Note 3: The transaction amount is calculated using total revenue or total asset ratio. In the case of balance sheet accounts, the ratio of the closing amount to the total assets is used;

In the case of income statement accounts, the ratio of cumulative amounts in the period to total revenue is used.

Note 4: The important transactions in this table shall be listed by the company in accordance with the materiality principle.

Note 5: Eliminated in the consolidated financial statements.

Note 6: Business relationships and dealings between parents and subordinates that do not reach 1,000 million will not be disclosed.

Attached Table 5: Information on the name and location of the invested company (excluding invested companies in Mainland China)

Expressed in thousands of New Taiwan Dollars
(EXCEPT AS OTHERWISE INDICATED)

Investor Company	Investee Company (Note 1 、 2)	Location	Main Business activities	Initial investment amount		Held by the company			Current gain (loss)(Note 2(2))	Investment gain (loss)(Note 2(3))	Note
				Ending of this period	Ending of last year	Number of shares	Rate%	Carrying amount			
Howteh Technology Co., Ltd.	Gitech Electronic Industries Co., Ltd.	Hong Kong	Trading of electronic parts	\$51,216 HKD 12,000	\$50,664 HKD 12,000	-	100.00%	\$658,059	\$8,588	\$8,465	
Howteh Technology Co., Ltd.	Howteh International Inc.	Samoa	Investment in Shanghai and entrepot trade	59,769 USD 1,800	59,013 USD 1,800	-	100.00%	180,720	275	74	
Howteh International Inc.	Howteh Vietnam Co., Ltd.	Vietnam	Trading of electronic parts	9,962 USD 300	9,836 USD 300	-	100.00%	1,897	(595)	(595)	

Note 1: If a public offering company has a foreign holding company and uses consolidated statements as its main financial statements in accordance with local laws and regulations, the disclosure of information about the foreign invested company may only disclose the relevant information of the holding company.

Note 2: Except for the circumstances described in Note 1, fill in according to the following provisions:

- (1) "Investee Company" 、 "Location" 、 "Main Business activities" 、 "Initial investment amount" and "Ending of this period", the reinvestment situation of the (public offering) company and the reinvestment situation of each investee company directly or indirectly controlled should be filled in order, and the relationship between each investee company and the public offering company should be indicated in the remarks column (if it is a subsidiary or grandchild).
- (2) "Current gain (loss)", the current profit or loss amount of each investee company should be filled in.
- (3) "Investment gain (loss)", only the profit and loss amount of each subsidiary of the public offering company recognized for direct transfer investment and each investee company evaluated by the equity method must be filled in, and the remaining information is exempted.

When filling in the "Investment gain (loss)", it should be confirmed that the current profit and loss amount of each subsidiary already includes the investment profit or loss that should be recognized according to the regulations for its reinvestment.

Note 3: Eliminated in the consolidated financial statements.

Attached Table 6 : Information on investments in China

Expressed in thousands of New Taiwan Dollars
(EXCEPT AS OTHERWISE INDICATED)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan at the beginning of current year	Amount of investment remitted or recovered during the current period		Accumulated amount of remittance from Taiwan at the end of current year	Current profit of the invested company	Shareholding ratio of the company's investment (direct or indirect)	Investment income (loss) recognized in the current period (Note 2)	Book value of investment at the end of the period	Investment income remitted back to Taiwan as of the current period
					Remitted	Recovered						
ShangHai Howteh International Trading Inc.	International trade, entrepot trade, inter-enterprise trade and trade agency in the bonded zone, enterprise agency with import and export operation rights and non-bonded zone enterprises engaged in trade business, commercial simple processing in the bonded	\$54,788 (USD 1,650)	(2) Howteh International Inc.	\$46,487 (USD 1,400)	\$-	\$-	\$46,487 (USD 1,400)	\$752	100%	\$551 (Note 2 、(2) 、3)	\$173,132 (Note 2 、(2) 、3)	None
ShenZhen Howteh Technology Co., Ltd.	Chemical products, rubber, plastics, metal products, electronic components, testing instruments, general parts, mechanical equipment, electronic equipment and related accessories, communication equipment and related accessories, electrical and electrical equipment and their spare parts wholesale, commission agency, import and export and related supporting business. Electronic product information consulting, economic information consulting, enterprise management consulting.	29,876 (HKD 7,000)	(2) Giteh Electronic Industries Co., Ltd.	-	-	-	-	1,047	100%	995 (Note 2 、(2) 、3)	85,374 (Note 2 、(2) 、3)	None
KunShan Howteh International Trading Inc.	International trade, entrepot trade, trade and trade agency between enterprises in the bonded zone, enterprise agency with import and export operation rights and non-bonded zone enterprises engaged in trade business, commercial simple processing in the bonded zone, business consulting services in the bonded zone, etc.	9,962 (USD 300)	(1) Howteh Technology Co., Ltd.	9,962 (USD 300)	-	-	9,962 (USD 300)	223	100%	223 (Note 2 、(2) 、3)	(7,282) (Note 2 、(2) 、3)	None

Accumulative amount of investment remitted from Taiwan to the mainland at the end of this period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
\$56,449 (USD1,700)	\$101,455 (USD 1,950) (HKD 8,600)	\$966,255

Note 1: Investment methods are divided into the following three types:

- (1) Direct investment in mainland China.
- (2) Reinvesting in the mainland through a third region company (please specify the investment company in the third region).
- (3) Other methods.

Note 2: In investment income (loss) recognized in the current period column:

- (1) If there is no investment profit or loss in the preparation of the company, it should be indicated.
- (2) There are three bases for recognition of investment gains and losses, which should be indicated.
 - 1.The amount recognized was based on the financial statements that were audited by a cooperative relationship with the Republic of China CPA firm.
 - 2.The amount recognized was based on the financial statements that were audited by parent company's CPA firm.
 - 3.Other °
 - 4.The difference between current profit (loss) of the investee and investment income (loss) recognized were unrealized downstream, upstream and sidestream transactions with the subsidiaries during the period.

Note 3: The figures in this table should be presented in New Taiwan Dollars at the following exchange rates:

Ending exchange rate	Average Exchange Rate :
USD=33.205	USD=32.995
HKD=4.268	HKD=4.245
RMB=4.573	RMB=4.5255

Note 4: Eliminated in the consolidated financial statements.