

Wendell Industrial Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2025
and 2024 and
Independent Auditors' Review Report
(Stock code: 6761)

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

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Independent Auditors' Review Report

(114) Cai-Sheng-Bao-Tzu No. 25000079

Wendell Industrial Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Wendell Industrial Co., Ltd. and its subsidiaries (the "Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including the summary of significant accounting policies (collectively "the consolidated financial statements"). It is the management's responsibility to prepare fairly presented consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting recognized and effectively released by the Financial Supervisory Commission. Our responsibilities is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

Except those mentioned in the section of basis of reserved conclusion, we executed the review of the consolidated financial statements in accordance with the TWSRE2410 "Review of Financial Information Performed by the Independence Auditor of the Entity. The procedures performed for reviewing the consolidated financial statements included inquiries (mainly directed to persons in charge of finance and accounting), analytical procedures, and other review procedures. The scope of the review work is significantly less than that of the audit work. Therefore, we may not be able to detect all material matters that could be identified in the audit work, leading to our failure to express an audit opinion.

Basis of Reserved Conclusion

As mentioned in Note 4 (3) to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the preceding consolidated financial statements in the same period haven't been reviewed by the CPAs. The total assets of such subsidiaries amounted to NT\$ 294,507,000 and NT\$ 277,030,000 as of March 31, 2025 and 2024 respectively, constituting 11% and 12% of the consolidated total assets, while the total liabilities amounted to NT\$59,322,000 and NT\$47,853,000, constituting 7% and 5% of the consolidated total consolidated liabilities ; the total comprehensive income in the quarters ended March 31, 2025 and 2024 amounted to NT\$4,416,000 and NT\$2,552,000 respectively, accounting for 7% and 6% of the total consolidated income.

Reserved Conclusions

Based on our review results, except the potential impact on the consolidated financial statements due to the fact that the financial statements of some non-significant subsidiaries mentioned in the section of basis of reserved conclusion above that haven't been reviewed by the CPAs, we haven't found that the preceding consolidated financial statements haven't been prepared in

accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting recognized and effectively released by the Financial Supervisory Commission, to result in the failure to fairly present Wendell Group's consolidated financial position as of March 31, 2025 and 2024 as well as the consolidated financial performance and consolidated cash flows in the quarters ended March 31, 2025 and 2024.

PricewaterhouseCoopers Taiwan

CPA: CHEN, CHIN-CHANG
CHIU, CHAO-HSIEN

Financial Supervisory Commission
Auditing and Attestation No.:

FSC (Sheng) No. 1060025060

FSC (Sheng) No. 1020049451

May 5, 2025

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2025, December 31, 2024 and March 31, 2024

Unit: In Thousands of New Taiwan Dollars

Code	Assets	Note	March 31, 2025		December 31, 2024		March 31, 2024	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 710,751	28	\$ 643,002	26	\$ 663,295	29
1110	Current financial assets at fair value through profit or loss	6(2)	-	-	177,735	7	125,833	6
1136	Financial assets at amortized cost	6(3)	-	-	-	-	2,000	-
1150	Notes receivable	6(4)	28,029	1	34,880	2	47,426	2
1170	Accounts receivable	6(4)	665,096	26	621,110	26	624,628	28
130X	Inventories	6(5)	279,645	11	291,614	12	281,329	12
1470	Other current assets		30,697	1	26,006	1	25,580	1
11XX	Total current assets		<u>1,714,218</u>	<u>67</u>	<u>1,794,347</u>	<u>74</u>	<u>1,770,091</u>	<u>78</u>
Non-current assets								
1600	Property, plant and equipment	6(6),8	562,250	22	556,257	23	388,644	17
1755	Right-of-use assets	6(7)	59,248	2	53,794	2	70,140	3
1840	Deferred tax assets		13,872	1	15,030	-	15,766	1
1900	Other non-current assets	6(8),8	213,165	8	21,089	1	21,449	1
15XX	Total non-current assets		<u>848,535</u>	<u>33</u>	<u>646,170</u>	<u>26</u>	<u>495,999</u>	<u>22</u>
1XXX	Total assets		<u>\$ 2,562,753</u>	<u>100</u>	<u>\$ 2,440,517</u>	<u>100</u>	<u>\$ 2,266,090</u>	<u>100</u>

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Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2025, December 31, 2024 and March 31, 2024

Unit: In Thousands of New Taiwan Dollars

Code	Liabilities and Equity	Note	March 31, 2025		December 31, 2024		March 31, 2024	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term loans	6(9)	\$ 262,620	10	\$ 215,713	9	\$ 174,837	8
2120	Financial liabilities at fair value through profit or loss	6(2)	1,050	-	1,567	-	1,158	-
2130	Current contract liabilities	6(18)	3,832	-	5,637	-	6,058	-
2170	Accounts payable		204,658	8	206,553	9	187,682	8
2200	Other accounts payable	6(10)	84,243	4	121,682	5	58,900	3
2230	Current tax liabilities		51,595	2	37,732	2	42,097	2
2280	Current lease liabilities (Note 13)	6(7)	28,588	1	29,219	1	33,934	2
2320	Long-term liabilities - current portion	6(11)	70,047	3	326,060	13	390,937	17
2399	Other current liabilities - other		3,621	-	3,986	-	3,874	-
21XX	Total current liabilities		<u>710,254</u>	<u>28</u>	<u>948,149</u>	<u>39</u>	<u>899,477</u>	<u>40</u>
Non-current liabilities								
2540	Long-term loans	6(12)	42,000	2	14,000	-	-	-
2570	Deferred tax liabilities		19,042	1	19,264	1	14,909	1
2580	Non-current lease liabilities	6(7)	31,346	1	25,262	1	36,955	1
2600	Other non-current liabilities		6,070	-	3,899	-	3,907	-
25XX	Total non-current liabilities		<u>98,458</u>	<u>4</u>	<u>62,425</u>	<u>2</u>	<u>55,771</u>	<u>2</u>
2XXX	Total liabilities		<u>808,712</u>	<u>32</u>	<u>1,010,574</u>	<u>41</u>	<u>955,248</u>	<u>42</u>
Equity								
Equity attributed to owners of parent								
Share								
3110	Ordinary share	6(15)	309,681	12	304,061	13	301,049	13
3130	Certificates of bond-to-stock conversion	6(11)	31,447	1	5,620	-	-	-
Capital surplus								
3200	Capital surplus	6(16)	840,079	33	614,044	25	552,486	24
Retained earnings								
3310	Legal reserve	6(17)	93,785	3	93,785	4	83,425	4
3320	Special reserve		2,322	-	2,322	-	-	-
3350	Unappropriated retained earnings		480,293	19	416,261	17	375,000	17
Other equity								
3400	Other equity		(3,566)	-	(6,150)	-	(1,118)	-
3XXX	Total equity		<u>1,754,041</u>	<u>68</u>	<u>1,429,943</u>	<u>59</u>	<u>1,310,842</u>	<u>58</u>
Significant contingent liabilities and unrecognized contract commitments								
Significant subsequent events								
3X2X	Total liabilities and equity	9 11	<u>\$ 2,562,753</u>	<u>100</u>	<u>\$ 2,440,517</u>	<u>100</u>	<u>\$ 2,266,090</u>	<u>100</u>

The accompanying notes constitute part of the consolidated financial statements.

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the quarters ended March 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars,
except for EPS in New Taiwan Dollars

		Three months ended March 31,			
		2025		2024	
Item	Note	Amount	%	Amount	%
4000	Operating revenue	\$ 535,118	100	\$ 494,302	100
5000	Operating costs	(345,995)	(65)	(346,493)	(70)
5900	Gross profit (loss) from operations	189,123	35	147,809	30
	Operating expenses				
6100	Selling expenses	(48,125)	(9)	(45,830)	(9)
6200	Administrative expenses	(58,590)	(11)	(62,597)	(13)
6300	Research and development expenses	(5,347)	(1)	(5,348)	(1)
6450	Impairment loss determined in accordance with IFRS 9	966	-	480	-
6000	Total operating expenses	(111,096)	(21)	(113,295)	(23)
6900	Net operating income	78,027	14	34,514	7
	Non-operating income and expenses				
7100	Interest income	2,136	-	2,659	1
7010	Other income	725	-	903	-
7020	Other gains and losses	2,977	1	16,163	3
7050	Finance costs	(1,890)	-	(3,547)	(1)
7000	Total non-operating income and expenses	3,948	1	16,178	3
7900	Profit from continuing operations before tax	81,975	15	50,692	10
7950	Tax expense	(17,943)	(3)	(10,538)	(2)
8200	Profit (loss)	\$ 64,032	12	\$ 40,154	8
	Other comprehensive income				
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of overseas operations	\$ 2,584	-	\$ 1,204	-
8300	Other comprehensive income (net)	\$ 2,584	-	\$ 1,204	-
8500	Total comprehensive income	\$ 66,616	12	\$ 41,358	8
	Profit attributable to:				
8610	Owners of parent	\$ 64,032	12	\$ 40,154	8
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 66,616	12	\$ 41,358	8
	Earnings per share				
9750	Total basic earnings per share	\$	2.02	\$	1.49
9850	Total diluted earnings per share	\$	1.84	\$	1.29

The accompanying notes constitute part of the consolidated financial statements.

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the quarters ended March 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

	Note	Equity attributed to owners of parent						Exchange differences on translation of financial statements of overseas operations	Total
		Share	Retained earnings						
		Ordinary share	Certificates of bond-to-stock conversion	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
<u>2024</u>									
Balance at January 1		\$ 251,049	\$ -	\$ 326,681	\$ 83,425	\$ -	\$ 334,846	(\$ 2,322)	\$ 993,679
Net profit in the current period		-	-	-	-	-	40,154	-	40,154
Other comprehensive income in the current period		-	-	-	-	-	-	1,204	1,204
Total comprehensive income in the current period		-	-	-	-	-	40,154	1,204	41,358
Capital increase by cash	6(15)(16)	50,000	-	212,500	-	-	-	-	262,500
Share-based payment	6(14)(16)	-	-	13,305	-	-	-	-	13,305
Balance at March 31		<u>\$ 301,049</u>	<u>\$ -</u>	<u>\$ 552,486</u>	<u>\$ 83,425</u>	<u>\$ -</u>	<u>\$ 375,000</u>	<u>(\$ 1,118)</u>	<u>\$ 1,310,842</u>
<u>2025</u>									
Balance at January 1		\$ 304,061	\$ 5,620	\$ 614,044	\$ 93,785	\$ 2,322	\$ 416,261	(\$ 6,150)	\$ 1,429,943
Net profit in the current period		-	-	-	-	-	64,032	-	64,032
Other comprehensive income in the current period		-	-	-	-	-	-	2,584	2,584
Total comprehensive income in the current period		-	-	-	-	-	64,032	2,584	66,616
Conversion of convertible corporate bonds	6(11)(16)	5,620	25,827	226,035	-	-	-	-	257,482
Balance at March 31		<u>\$ 309,681</u>	<u>\$ 31,447</u>	<u>\$ 840,079</u>	<u>\$ 93,785</u>	<u>\$ 2,322</u>	<u>\$ 480,293</u>	<u>(\$ 3,566)</u>	<u>\$ 1,754,041</u>

The accompanying notes constitute part of the consolidated financial statements.

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the quarters ended March 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

	Note	Three months ended March 31,	
		2025	2024
Cash flows from operating activities, indirect method			
Profit before tax		\$ 81,975	\$ 50,692
Adjustment items			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(21)	14,588	15,144
Amortization expense	6(21)	590	300
Expected credit loss	6(4)	(966)	(480)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(19)	1,488	3,022
Interest expense	6(20)	1,890	3,547
Interest income		(2,136)	(2,659)
Share-based payment	6(14)	-	13,305
Loss on disposal of property, plant and equipment	6(19)	8	-
Gains on lease modification	6(7)(19)	(1)	(8)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		176,075	(47,128)
Notes receivable		6,853	(7,920)
Accounts receivable		(43,041)	(64,550)
Inventories		11,969	55,171
Other current assets		(8,179)	(5,429)
Other non-current assets		20	17
Changes in operating liabilities			
Contract liabilities - current		(1,805)	(1,154)
Accounts payable		(1,895)	32,521
Other accounts payable		(510)	(10,665)
Other current liabilities - other		(365)	1,208
Net defined benefit liability		(15)	-
Cash generated from operations		236,543	34,934
Interest collected		5,624	1,574
Interest paid		(416)	(1,688)
Income tax paid		(3,162)	(1,160)
Net cash generated from operating activities		<u>238,589</u>	<u>33,660</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	6(24)	(234,980)	(56,033)
Disposal of real estate, plant and equipment		2	-
Acquisition of intangible assets		(990)	(63)
Decrease (increase) in refundable deposits		486	(182)
Interest paid	6(6)	(2,515)	-
Net cash from (used in) investing activities		<u>(237,997)</u>	<u>(56,278)</u>
Cash flows from financing activities			
Increase (decrease) in short-term loans	6(25)	46,907	(42,354)
Proceeds from long-term debt	6(25)	28,000	-
Payments of lease liabilities	6(25)	(9,653)	(8,732)
Capital increase by cash	6(15)	-	262,500
Net cash generated from financing activities		<u>65,254</u>	<u>211,414</u>
Effect of exchange rate changes		1,903	(3,630)
Net increase in cash and cash equivalents		67,749	185,166
Cash and cash equivalents at beginning of period		643,002	478,129
Cash and cash equivalents at end of period		<u>\$ 710,751</u>	<u>\$ 663,295</u>

The accompanying notes constitute part of the consolidated financial statements.

Wendell Industrial Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the quarters ended March 31, 2025 and 2024

Amount in Thousands of New Taiwan Dollars
(Unless Otherwise Specified)

1. Company History

Wendell Industrial Co., Ltd. (hereinafter referred to as the “Company”) was incorporated on June 1979. The stock of the Company was approved for public offering in September 2019, and initially traded at Taipei Exchange since November 8, 2021. The Company and its subsidiaries (hereinafter referred to as “the Group”) is mainly engaged in the import and export trade business, sales of electronic and electromechanical materials like capacitors, resistors and inductors, and relevant services and certification regarding electromagnetic compatibility.

2. Date of Authorization for Issuance of the Parent Company Only Financial Statements and Procedures for Authorization

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on May 5, 2025.

3. Application of New and Amended Standards and Interpretations

(1) Impact of the adoption of new and amended International Financial Reporting Standards (IFRSs) recognized, released and enforced by the Financial Supervisory Commission (hereinafter referred to as “FSC”)

The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2025:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group confirmed through evaluation that the aforesaid standards and interpretations didn’t have a significant impact on its financial position and financial performance.

(2) Standards or interpretations issued, revised or amended, by IASB which are endorsed by FSC, but not yet adopted by the Group

The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2025:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7-“Amendments to the Classification and Measurement of Financial Instruments” Corrected some content	January 1, 2026

The Group confirmed through evaluation that the aforesaid standards and

interpretations didn't have a significant impact on its financial position and financial performance.

(3) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC are listed below:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7-“Amendments to the Classification and Measurement of Financial Instruments” Corrected some content	January 1, 2026
Amendments to IFRS 9 and IFRS 7-“contracts that reference nature-dependent electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “First-time Adoption of IFRS 17 and IFRS 9 - comparative information”	January 1, 2023
Amendments to IFRS 18 “Presentation and Disclosure of Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

Except the contents mentioned above, the Group has evaluated and confirmed that the aforesaid standards and interpretations did not have any material impact on its financial position and financial performance.

IFRS 18 “Presentation and Disclosure in Financial Statements” has been adopted in replacement of IAS 1. Also, the structure of the comprehensive income statement has been updated, and the disclosures of management performance measurement been added. Furthermore, the application of principles for the summarization and segmentation of the major financial statements and notes has been strengthened

4. Summary of Significant Accounting Policies

Apartment from the statement of compliance, basis of preparation, basis of consolidation, and some additional descriptions, the significant accounting policies are same as Note IV to the consolidated financial statements of 2024. Unless otherwise specified, such policies should be consistently applied in all reporting periods.

(1) Statement of Compliance

- A. The consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Accounting Standards 34 (hereinafter referred to as “IAS”) “Interim Financial Reporting”.
- B. These consolidated financial statements should be read together with the consolidated financial statements for the year 2024.

(2) Basis of Preparation

- A. The consolidated financial statements were prepared at historical cost except the following important items:
- (A) Financial assets and liabilities measured at fair value through profit or loss
 - (B) Defined benefit liabilities recognized at the net present value of retirement fund assets after deduction of defined benefit obligations.
- B. Some significant accounting estimates shall be used to prepare financial statements that comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed (hereinafter referred to as “IFRSs”). In the application of the Group’s accounting policies, the management is required to apply its judgment. For highly judgmental or complicated items, or items involving the significant assumptions and estimates of the consolidated financial statements, please see Note 5 for details.

(3) Basis of Consolidation

- A. Preparation principle of consolidated financial statements

The preparation principle of these consolidated financial statements was same as that adopted for the consolidated financial statements for the year 2024.

- B. The subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Main Business	Percentage of Ownership (%)			Illustrate
			March 31,2025	December 31,2024	March 31,2024	
Wendell Industrial Co., Ltd. (Wendell Industrial)	Wendell Co., Ltd.	Sales of electronic parts	100%	100%	100%	Note2
Wendell Industrial	Wendell Pte. Ltd. (Wendell Pte)	Sales of electronic parts	100%	100%	100%	Note2
Wendell Industrial	Wendell Korea Co., Ltd. (Wendell Korea)	Sales of electronic parts	100%	100%	100%	Note2
Wendell Industrial	Nichtek Industrial Co., Limited (Nichtek)	Controlling company of investee	100%	100%	100%	
Wendell Industrial	Wendell Electrical Testing Co., Ltd. (Wendell Electrical Testing)	Testing and safety certification services	100%	100%	100%	Note2
Nichtek	Shenzhen Qianhong Electronic Co., Ltd. (Shenzhen Qianhong)	Sales of electronic parts	-	-	100%	Note1
Wendell Industrial	Shenzhen Qianhong Electronic Co., Ltd. (Shenzhen Qianhong)	Sales of electronic parts	100%	100%	-	Note1
Shenzhen Qianhong	Suzhou Lianhong Electronic Co., Ltd. (Suzhou Lianhong)	Sales of electronic parts	100%	100%	100%	

Name of Investor	Name of Subsidiary	Main Business	Percentage of Ownership (%)			Illustrate
			March 31,2025	December 31,2024	March 31,2024	
Shenzhen Qianhong	Shenzhen Qianhong Electrical Testing Co., Ltd. (Qianhong Electrical Testing)	Testing and certification services	100%	100%	100%	Note2

Note1 : The investment structure of the Group was adjusted. NichteK originally held 100% equity of Shenzhen Qianhong. Now, the Company holds 100% equity of Shenzhen Qianhong.

Note2 : The financial statements as of March 31, 2025 and 2024 were not reviewed by the CPAs since these companies didn't comply with the definition of significant subsidiaries.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Different adjustments and handling methods of subsidiaries in the accounting period: None.
- E. Significant restrictions: None.
- F. Subsidiaries of non-controlling interests significant for the Group: None.

(4) Employee Benefits

The pension cost rate determined on the ending day of the previous fiscal year using actuarial calculations is adopted as the pension cost for the interim period. The calculation is conducted for a period from the beginning of the year to the end of the current period. Adjustments will be made and relevant information will be disclosed per the aforesaid policy in case of significant market changes, major downsizing or repayments or other major one-time events.

(5) Income Tax

The income tax expenses in the interim period are calculated through the application of the estimated annual average effective tax rate in the before-tax profit or loss in the interim period, and relevant information will be disclosed per the aforesaid policy.

5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

No significant changes occurred in this period. Please refer to Note 5 to the consolidated financial statements for the year 2024.

6. Explanations of Significant Accounting Items

(1) Cash and cash equivalents

	March 31,2025	December 31,2024	March 31,2024
Cash on hand and working capital	\$ 449	\$ 498	\$ 440
Cheque and demand deposits	273,822	447,754	373,075
Time deposits	436,480	194,750	289,780
Total	<u>\$ 710,751</u>	<u>\$ 643,002</u>	<u>\$ 663,295</u>

- A. The demand deposits mentioned above are highly liquid investments that are due within three months.
- B. The Group establishes business relations with multiple financial institutions of good credit quality to spread credit risks. Therefore, the possibility of default is very low as expected.
- C. The Group has no Cash and cash equivalents to others as collateral.

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

Item	March 31,2025	December 31,2024	March 31,2024
Current Item:			
Financial assets mandatorily measured at fair value through profit or loss			
Hybrid instruments - financial bonds	\$ -	\$ 172,695	\$ 123,804
Derivative instruments - Right of redemption of convertible corporate bonds	141	658	-
Evaluation and adjustment	<u>(141)</u>	<u>4,382</u>	<u>2,029</u>
Total	<u>\$ -</u>	<u>\$ 177,735</u>	<u>\$ 125,833</u>
Financial liabilities at fair value through profit or loss			
Derivative instruments - forward exchange contracts	(\$ 1,050)	(\$ 1,567)	(\$ 1,158)
Derivative instruments - Right of redemption of convertible corporate bonds	-	(625)	800
Derivative instruments - Right of redemption of convertible corporate bonds	(134)	-	(760)
Evaluation and adjustment	<u>134</u>	<u>625</u>	<u>(40)</u>
Total	<u>(\$ 1,050)</u>	<u>(\$ 1,567)</u>	<u>(\$ 1,158)</u>

- A. Details regarding the recognition of financial assets and liabilities at fair value through profit or loss as profit or loss are as follows:

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Non-derivative instruments	(\$ 1,977)	(\$ 2,253)
Derivative instruments	489	(769)
Total	<u>(\$ 1,488)</u>	<u>(\$ 3,022)</u>

- B. Information regarding the transactions and contracts of derivative financial assets undertaken by the Group without the application of hedge accounting is described as follows:

March 31,2025		
Derivative financial liabilities	Contract amount (Nominal principal) (Thousands of NTD)	Contract period
Current Item:		
Forward exchange contracts - Sale of US dollar and purchasing of NTD	USD 2,416	2025/02/12- 2025/05/29
December 31,2024		
Derivative financial assets	Contract amount (Nominal principal) (Thousands of NTD)	Contract period
Current Item:		
Forward exchange contracts - Sale of US dollar and purchasing of NTD	USD 2,167	2024/11/05- 2025/03/03
March 31,2024		
Derivative financial assets	Contract amount (Nominal principal) (Thousands of NTD)	Contract period
Current Item:		
Forward exchange contracts - Sale of US dollar and purchasing of NTD	USD 1,906	2024/02/17- 2024/05/27

The forward foreign exchange contracts signed by the Group are to avoid the risk of exchange rate resulting from the export prices. However, hedge accounting hasn't been applied.

- C. The Group hasn't provided financial assets measured at fair value through profit or loss for pledge.
- D. For information regarding the credit risks of relevant financial assets measured at fair value through profit or loss, please refer to Note 12 (2) for details.

(3) Financial assets at amortized cost

Item	March 31,2024
Current Item:	
Time deposits with original expiry date exceeding three months	\$ <u>2,000</u>

- A. The amount exposed to the maximum credit risk on March 31, 2024 regarding the most representative financial assets measured at amortized cost as held by the Group is the carrying amount of the financial assets recognized given that the collateral held or other credit enhancement is not taken into account. This situation didn't exist from March 31, 2025 and December 31, 2024.
- B. For information regarding the credit risks of relevant financial assets measured at amortized cost, please refer to Note 12 (2) for details.

(4) Notes and accounts receivable

	March 31,2025	December 31,2024	March 31,2024
Notes receivable	\$ 28,037	\$ 34,890	\$ 47,440
Less: Loss allowances	(8)	(10)	(14)
	<u>\$ 28,029</u>	<u>\$ 34,880</u>	<u>\$ 47,426</u>
Accounts receivable	\$ 666,909	\$ 623,868	\$ 627,027
Less: Loss allowances	(1,813)	(2,758)	(2,399)
	<u>\$ 665,096</u>	<u>\$ 621,110</u>	<u>\$ 624,628</u>

- A. The average credit extension period offered by the Group to the customers lasts for 90~150 days in principle through monthly settlement. Except drawing of impairment loss for credit impairment actually occurring to individual customers, the Group calculates expected loss ratio to recognize loss allowance with reference to the historical experience and inconsideration of the customers' previous default records and current financial position as well as the future economic situation of the industry.
- B. The aging analysis of accounts and notes receivable is as follows:

	March 31,2025		December 31,2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not overdue	\$ 647,653	\$ 28,037	\$ 610,760	\$ 34,890
in 30 days	17,379	-	8,705	-
31-90 days	321	-	2,866	-
above 91 days	1,556	-	1,537	-
	<u>\$ 666,909</u>	<u>\$ 28,037</u>	<u>\$ 623,868</u>	<u>\$ 34,890</u>
			March 31,2024	
			Accounts receivable	Notes receivable
Not overdue			\$ 606,435	\$ 47,440
in 30 days			15,298	-
31-90 days			3,492	-
above 91 days			1,802	-
			<u>\$ 627,027</u>	<u>\$ 47,440</u>

The aging analysis above is carried out based on the number of overdue days.

- C. The balance of receivables (including notes receivable) contracted by the Group with customers reached NT\$694,946, NT\$658,758, NT\$674,467 and NT\$601,995 respectively on March 31, 2025, December 31, 2024, March 31, 2024 and January 1, 2024 respectively. Given that the collateral held or other credit enhancement is not taken into account, the maximum credit risk of the Group possibly resulting from the financial losses caused by the counterparties' failure to perform their obligations is the carrying amount of the financial assets recognized as of the ending date of the reporting period.
- D. The Group adopts a simplified practice to estimate the expected credit loss on the basis of preparation matrix and in consideration of characteristics such as geographical region, product type and customer rating.
- E. The Group charges against the amount of financial assets that appear not

recoverable based on reasonable expectations after the recourse procedure. However, the Group will continually implement the legal recourse procedures to preserve its right over creditors' rights.

- F. The Group includes the loss ratios established based on the historical and current information in specific periods with future forward-looking considerations and adjustments, to estimate the loss allowance for accounts and notes receivable. The loss ratios on March 31, 2025, December 31, 2024 and March 31, 2024 are as follows:

	Not overdue	Overdue for 30 days	Overdue for 31-90 days	Overdue for more than 91 days	Total
<u>Mar. 31, 2025</u>					
Expected loss ratio	0.03%	0.01%-9.75%	6.41%-100%	100.00%	
Total Notes receivable	\$ 28,037	\$ -	\$ -	\$ -	\$ 28,037
Total accounts receivable	\$ 647,653	\$ 17,379	\$ 321	\$ 1,556	\$ 666,909
	Not overdue	Overdue for 30 days	Overdue for 31-90 days	Overdue for more than 91 days	Total
<u>Dec. 31, 2024</u>					
Expected loss ratio	0.03%	0.01%-9.75%	6.41%-100%	100.00%	
Total Notes receivable	\$ 34,890	\$ -	\$ -	\$ -	\$ 34,890
Total accounts receivable	\$ 610,760	\$ 8,705	\$ 2,866	\$ 1,537	\$ 623,868
	Not overdue	Overdue for 30 days	Overdue for 31-90 days	Overdue for more than 91 days	Total
<u>Mar, 31, 2024</u>					
Expected loss ratio	0.03%	0.01%-12.81%	7.92%-100%	100.00%	
Total Notes receivable	\$ 47,440	\$ -	\$ -	\$ -	\$ 47,440
Total accounts receivable	\$ 606,435	\$ 15,298	\$ 3,492	\$ 1,802	\$ 627,027

- G. Table of changes in loss allowance for accounts and notes receivable by the Group through the use of the simplified practice is as follows:

	2025		2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Jan. 1	\$ 2,758	\$ 10	\$ 2,880	\$ 12
Drawing (reversal) of impairment loss	(964)	(2)	(483)	3
Amount affected by exchange rate	19	-	2	(1)
Mar. 31	\$ 1,813	\$ 8	\$ 2,399	\$ 14

In the quarters ended March 31, 2025 and 2024, the impairment (loss) interests recognized from the receivables (including notes receivable) generated from contracts with customers were \$966 and \$480 respectively.

H. For information regarding the credit risks of relevant accounts receivable and notes receivable, please see Note 12 (2) for details.

(5) Inventories

	March 31, 2025		
	Cost	Allowance to reduce inventory to market	Carrying amount
Merchandise inventories	\$ 297,604	(\$ 60,313)	\$ 237,291
Work in process	12,639	-	12,639
Finished goods	17,387	(271)	17,116
Merchandise in transi	12,599	-	12,599
Total	<u>\$ 340,229</u>	<u>(\$ 60,584)</u>	<u>\$ 279,645</u>

	December 31, 2024		
	Cost	Allowance to reduce inventory to market	Carrying amount
Merchandise inventories	\$ 315,199	(\$ 62,988)	\$ 252,211
Work in process	11,143	-	11,143
Finished goods	15,683	(366)	15,317
Merchandise in transit	12,943	-	12,943
Total	<u>\$ 354,968</u>	<u>(\$ 63,354)</u>	<u>\$ 291,614</u>

	March 31, 2024		
	Cost	Allowance to reduce inventory to market	Carrying amount
Merchandise inventories	\$ 320,778	(\$ 68,020)	\$ 252,758
Raw materials	392	-	392
Work in process	7,010	-	7,010
Finished goods	9,142	(86)	9,056
Merchandise in transit	12,113	-	12,113
Total	<u>\$ 349,435</u>	<u>(\$ 68,106)</u>	<u>\$ 281,329</u>

Inventory cost recognized by the Group as expenses and losses in the current period:

	Three months ended March 31,	
	2025	2024
Cost of goods sold	\$ 314,155	\$ 306,889
(Recovery gains) Falling price loss	(2,770)	3,066
	<u>\$ 311,385</u>	<u>\$ 309,955</u>

The recovery gains generated in the quarters ended March 31, 2025 were mainly resulted from the Group's active handling of its slow-moving inventories.

(6) Property, plant, and equipment

	2025						
	Land	Machinery	Office Equipment	Leasehold improvements	Other Equipment	Construction in Process	Total
Jan. 1							
Cost	\$ 240,928	\$ 54,771	\$ 9,527	\$ 64,683	\$ 2,753	\$ 248,390	\$621,052
Accumulated depreciation	- (25,378)	(5,984)	(31,619)	(1,814)	-	(64,795)	
	<u>\$ 240,928</u>	<u>\$ 29,393</u>	<u>\$ 3,543</u>	<u>\$ 33,064</u>	<u>\$ 939</u>	<u>\$ 248,390</u>	<u>\$556,257</u>
Jan. 1	\$ 240,928	\$ 29,393	\$ 3,543	\$ 33,064	\$ 939	\$ 248,390	\$556,257
Addition	-	5,650	984	1,360	-	2,575	10,569
Disciplinary Action	-	-	(10)	-	-	-	(10)
Transfer	-	4,800	-	12,082	-	(16,882)	-
Depreciation fee	- (2,191)	(484)	(2,111)	(137)	-	(4,923)	
Effects of changes in foreign exchange rates	-	90	9	238	20	-	357
Mar. 31	<u>\$ 240,928</u>	<u>\$ 37,742</u>	<u>\$ 4,042</u>	<u>\$ 44,633</u>	<u>\$ 822</u>	<u>\$ 234,083</u>	<u>\$562,250</u>
Mar. 31							
Cost	\$ 240,928	\$ 65,509	\$ 10,390	\$ 77,105	\$ 2,809	\$ 234,083	\$630,824
Accumulated depreciation	- (27,767)	(6,348)	(32,472)	(1,987)	-	(68,574)	
	<u>\$ 240,928</u>	<u>\$ 37,742</u>	<u>\$ 4,042</u>	<u>\$ 44,633</u>	<u>\$ 822</u>	<u>\$ 234,083</u>	<u>\$562,250</u>

	2024						
	Land	Machinery	Office Equipment	Leasehold improvements	Other Equipment	Construction in Process	Total
Jan. 1							
Cost	\$ 240,928	\$ 78,916	\$ 8,363	\$ 69,157	\$ 2,665	\$ 48,476	\$448,505
Accumulated depreciation	- (56,521)	(5,201)	(38,343)	(1,234)	-	(101,299)	
	<u>\$ 240,928</u>	<u>\$ 22,395</u>	<u>\$ 3,162</u>	<u>\$ 30,814</u>	<u>\$ 1,431</u>	<u>\$ 48,476</u>	<u>\$347,206</u>
Jan. 1	\$ 240,928	\$ 22,395	\$ 3,162	\$ 30,814	\$ 1,431	\$ 48,476	\$347,206
Addition	-	2,628	395	83	-	44,529	47,635
Transfer	-	698	-	-	-	(698)	-
Depreciation fee	- (3,687)	(396)	(2,356)	(132)	-	(6,571)	
Effects of changes in foreign exchange rates	-	97	12	240	25	-	374
Mar. 31	<u>\$ 240,928</u>	<u>\$ 22,131</u>	<u>\$ 3,173</u>	<u>\$ 28,781</u>	<u>\$ 1,324</u>	<u>\$ 92,307</u>	<u>\$388,644</u>
Mar. 31							
Cost	\$ 240,928	\$ 81,190	\$ 8,786	\$ 69,596	\$ 2,713	\$ 92,307	\$495,520
Accumulated depreciation	- (59,059)	(5,613)	(40,815)	(1,389)	-	(106,876)	
	<u>\$ 240,928</u>	<u>\$ 22,131</u>	<u>\$ 3,173</u>	<u>\$ 28,781</u>	<u>\$ 1,324</u>	<u>\$ 92,307</u>	<u>\$388,644</u>

1. For information on guarantees provided by real estate, plant and equipment, please refer to Note 8 for details
2. The amount of property, plant and equipment borrowing costs capitalized and their interest rates are as follows:

	Three months ended March 31,	
	2025	2024
Capitalized amount	\$ 2,515	\$ 980
Interval of capitalized interest rate	2.35%-3.98%	4.72%

(7) Lease transactions – Lessee

	March 31, 2025	December 31, 2024	March 31, 2024
Right-of-use assets:			
Housing	\$ 48,457	\$ 41,367	\$ 52,908
Transportation Equipment (official cars)	10,791	12,427	17,232
	<u>\$ 59,248</u>	<u>\$ 53,794</u>	<u>\$ 70,140</u>
Leasehold liabilities:			
Current	\$ 28,588	\$ 29,219	\$ 33,934
Non-current	31,346	25,262	36,955
	<u>\$ 59,934</u>	<u>\$ 54,481</u>	<u>\$ 70,889</u>

- A. The target assets leased by the Group include housing and official cars. The lease contract term usually lasts for 2-5 years. The lease contracts are individually negotiated and contain various different terms and conditions. No other restrictions have been imposed except that the leased assets shall not be used for loan guarantee.
- B. The lease term of housing, parking spaces and copying machines leased by the Group does not exceed 12 months.
- C. The information of depreciation expenses of right-of-use assets recognized is as follows:

	Three months ended March 31,	
	2025	2024
	Depreciation fee	Depreciation fee
Housing	\$ 8,010	\$ 6,864
Transportation Equipment (official cars)	1,655	1,709
	<u>\$ 9,665</u>	<u>\$ 8,573</u>

- D. The right-of-use assets added by the Group in the quarters ended March 31, 2025 and 2024 were NT\$15,012 and NT\$21,874 respectively.
- E. The information of other profit and loss items related to lease contracts except depreciation is as follows:

	Three months ended March 31,	
	2025	2024
<u>Items that affect current profit or loss</u>		
Interest of lease liabilities	\$ 416	\$ 370
Expenses of short-term lease contracts	832	2,124
Gains on lease modification	1	8

- F. The total amount of lease cash outflows of the Group reached NT\$10,901 and NT\$11,226 respectively in the quarters ended March 31, 2025 and 2024.

(8) Other non-current assets

	March 31,2025	December 31,2024	March 31,2024
Prepaid pre-sale real estate	\$ 185,280	\$ -	\$ -
Prepaid equipment	-	2,092	2,642
Deposit margin	15,742	16,288	15,905
Intangible assets	11,935	2,540	2,605
Other	208	169	297
	<u>\$ 213,165</u>	<u>\$ 21,089</u>	<u>\$ 21,449</u>

(9) Short-term loans

	March 31,2025	December 31,2024	March 31,2024
Credit loans	<u>\$ 262,620</u>	<u>\$ 215,713</u>	<u>\$ 174,837</u>
Interest rate range	0.50%-6.07%	0.50%~6.55%	0.50%-7.30%

The interest expenses recognized in profit or loss in the quarters ended March 31, 2025 and 2024 reached NT\$0 and NT\$1,318 respectively.

(10) Other payables

	March 31,2025	December 31,2024	March 31,2024
Compensation and bonus payable	\$ 40,697	\$ 46,183	\$ 27,263
Remunerations of employee and remunerations of the Directors payable	11,637	9,136	7,199
Payables on equipment and project	-	43,738	3,236
Payables intangible assets	6,809	-	-
Other	25,100	22,625	21,202
Total	<u>\$ 84,243</u>	<u>\$ 121,682</u>	<u>\$ 58,900</u>

(11) Bonds payable

	March 31,2025	December 31,2024	March 31,2024
Bonds payable	\$ 70,300	\$ 328,800	\$ 399,900
Less: Discounts on bonds payable	(253)	(2,740)	(8,963)
Subtotal	<u>70,047</u>	<u>326,060</u>	<u>390,937</u>
Less: Bonds payable - current	<u>(70,047)</u>	<u>(326,060)</u>	<u>(390,937)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A. Domestic convertible corporate bonds issued by the Company

(A) The issuance conditions of the first unsecured convertible corporate bond of the Company in Taiwan are as follows:

- I. The Company raised and issued the first unsecured convertible corporate bond in Taiwan with the approval from the competent authority. The total amount issued reached NT\$400,000 with nominal interest rate of 0%, and the issuance term is 3 years. The circulation period starts from June 8, 2022 and ends on June 8, 2025. Upon maturity of this convertible corporate bond, it shall be repaid by cash in a lump-sum manner per the face value of the bond. This convertible corporate bond was listed at Taipei Exchange for trading on June 8, 2022.
- II. The holders of this convertible corporate bond may request the Group for conversion of the bond to the ordinary shares of the Company from the next day after three months following the issue date of this bond to the due date except periods stipulated by relevant measures or regulations when transfer should be suspended. The rights and obligations accompanying the converted ordinary shares are same as those of ordinary shares originally issued.
- III. The conversion price of this convertible corporate bond was determined according to the pricing model stipulated in corresponding regulation governing issuance and conversion. The conversion price is NT\$ 105.9. Since the Company issued cash dividends of ordinary shares, the conversion price should be adjusted on the ex-dividend base date in accordance with the provisions of Article 11 of the regulation

- governing issuance and conversion. Therefore, the conversion price was adjusted from NT\$ 105.9 to 82.2.
- IV. The Company may recover all its bonds by cash per the face value of the bond at any time subsequently when the closing price of the ordinary shares of the Company exceeds 30% of the conversion price then for thirty consecutive business days, or the outstanding balance of this convertible corporate bond is lower than 10% of the original total issue amount forty days prior to the expiry of the issuance period from the next day after three months following the issuance of this convertible corporate bond.
 - V. The holders of this convertible corporate bond may require the cash redemption of the bonds they hold at the face value of the bond within forty days prior to the issuance of the bond for two years.
 - VI. In accordance with the provisions of the regulation governing conversion, all the convertible corporate bonds recovered (including those repurchased from the Taipei Exchange), repaid or converted by the Company will be canceled, and all rights and obligations still accompanying the corporate bonds will be terminated and no longer issued.
- (B) The face value of this convertible corporate bond was NT\$258,500. This convertible corporate bond was converted to a total of 3,145,000 ordinary shares in a period from January 1, 2024 to March 31, 2024. The capital reserve generated from this conversion was NT\$239,688, and the stock option over the capital reserve was reduced by NT\$13,653. There was no request for conversion of convertible corporate bond from January 1, 2024 to March 31, 2024.
- (C) As of March 31, 2025, the face value of this convertible corporate bond was \$329,700, and it was already converted to 4,009,000 ordinary shares. However, change registration of 3,145,000 shares among them hasn't been completed yet. Therefore, NT\$31,447 of "Certificates of Bond-to-Stock Conversion" has been listed.
- (D) As of March 31, 2025, the Company didn't repurchase this convertible corporate bond from the Taipei Exchange.
- B. When issuing the convertible corporate bond, the Company separated the conversion right with nature of equity from the constituting element of each liability and recorded it in "Capital surplus - Subscription right" in accordance with IAS 32 "Financial Instruments: Presentation". As of March 31, 2025, the balance of "Capital surplus - Subscription right" was NT\$3,714. Besides, the embedded right of redemption and put right was separated according to the provisions of IFRS 9 "Financial Instruments" and considering that the economic characteristics of master contract debt products were not closely associated with risks. Also, the net amount of these embedded rights was recorded in "Financial assets or liabilities measured at fair value through profit or loss". The effective interest rate of the master contract was 1.91% after separation.

(12) Long-term loans

Type of borrowings	Borrowing period and repayment term	Interest rate	March 31,2025
Long-term bank loans			
Secured Loans	Borrowing period is from December 25, 2024 to October 17, 2026; principal is repayable in full at maturity; interest is repayable monthly	2.83%	\$ 42,000

Type of borrowings	Borrowing period and repayment term	Interest rate	December 31,2024
Long-term bank loans			
Secured Loans	Borrowing period is from December 25, 2024 to October 17, 2026; principal is repayable in full at maturity; interest is repayable monthly	2.83%	\$ 14,000

This situation didn't exist from March 31, 2024.

- A. As of March 31, 2025 and December 31,2024, the company's unused long-term loan amount was \$238,000 and \$266,000 respectively
- B. Please refer to Note 8 for details of the collateral for the Group's long-term loans.

(13) Retirement pension

- A. (A) The Company has established a defined-benefit retirement regulation in accordance with the provisions of the "Labor Standards Act". This regulation applies to service seniority of all former employees before implementation of the "Labor Pension Act" on July 1, 2005, as well as the subsequent service seniority of employees who chose the continual application of the Labor Standards Act after implementation of the "Labor Pension Act". For employees who comply with the conditions for retirement, their pension will be calculated according to the service seniority and the average salary in 6 months prior to their retirement. Two base numbers are provided for each year if the service seniority is within 15 years (including given figure). One base number is provided for each year if the service seniority exceeds 15 years. However, it is limited to 45 base numbers. The Company appropriates 2% of the total compensation every month as retirement fund, and deposit it in a specific account opened at the Bank of Taiwan under the name of labor retirement reserve supervisory committee. Additionally, the Company estimate the balance of the special account of labor retirement reserve mentioned above before the end of each year. If this balance is not sufficient to pay the retirement pension of laborers who are expected to comply with the retirement conditions in the next year, the Company will appropriate the difference in a lump-sum way prior to the end of March next year.

- (B) Wendell Korea chooses to adopt defined payment retirement regulation according to the local laws and regulations, and draws relevant retirement pension expenses according to the projected unit benefit method.
- (C) In the quarters ended March 31, 2025 and 2024, the pension cost recognized by the Group per the preceding pension measures was NT\$19 and NT\$1,002 respectively.
- (D) The Group expects to pay appropriation amount of retirement plan as NT\$238 in 2025.
- B. (A) The Company and Wendell Electrical Testing established defined retirement pension appropriation measures applicable to all employees in Taiwan according to “Labor Pension Act” from July 1, 2005. If the employees choose to apply the labor pension system determined in “Labor Pension Act”, the Company and its subsidiaries in Taiwan withdraw 6% of salaries as labor pension to the personal accounts opened by employees at the Bureau of Labor Insurance every month. The employees’ pension will be paid on a monthly basis or in a lump-sum manner in accordance with the amount in the special personal pension accounts of employees and the amount of accumulated income.
- (B) Shenzhen Qianhong, Suzhou Lianhong, and Qianhong Electrical Testing appropriate a certain ratio of the total amount of local employees’ remuneration as pension insurance every month according to the pension insurance system stipulated by the government of the People’s Republic of China. The pension of each employee will be managed and uniformly arranged by the government. The Group does not have further obligations other than monthly appropriation.
- (C) Wendell Co., Ltd. appropriates pension insurance according to the retirement regulation stipulated by the local government and based on the local employees’ remuneration. This company does not have further obligations other than annual appropriation.
- (D) In the quarters ended March 31, 2025 and 2024, the Group recognizes retirement pension cost of NT\$3,321 and NT\$2,714 respectively in accordance with the preceding retirement pension measures.

(14) Share-based payment

- A. The share-based payment of the Group as of March 31, 2025 is as follows:

Type of agreement	Grant date	Granted quantity	Contract term	Vesting conditions
Capital increase by cash with employee subscription reserved	January 23, 2024	710,000 shares	N/A	Immediately vested

The aforesaid share-based payment was closed with equity.

- B. For the share-based payment transaction granted by the Group on the grant date, Black-Scholes Option Pricing Model was employed to estimate the fair value of the stock options. Relevant information is as follows:

Type of agreement	Grant date	Stock price	Exercise price	Expected volatility	Expected duration	Expected dividend	Risk-free interest rate	Fair value per unit
Capital increase by cash with employee subscription reserved	2024.1.23	\$71.2	\$52.5	17.01%	0.08 year	-	1.01%	\$18.74

- C. The compensation cost recognized by the Group in the quarter from January 1, to March 31, 2025 and 2024. due to the aforesaid share-based payment transaction was NT\$ 0 and NT\$ 13,305.

(15) Capital stock

- A. The normal capital of the Company reached NT\$600,000 on March 31, 2025, divided into 60,000,000 shares. The paid-in capital was NT\$309,681 with face value per share of NT\$ 10. The stock capital corresponding to the shares already issued by the Company were already received.
- B. The number of outstanding ordinary shares of the Company(Bond exchange rights certificate) at the beginning and end of the period is adjusted as follows (Unit: 1,000 shares):

	2025	2024
January 1	30,967	25,105
Convertible Bond	3,145	-
Capital increase by cash	-	5,000
March 31	34,112	30,105

- C. For the requested conversion of convertible corporate bonds in the quarters ended March 31, 2025 and 2024, please refer to the description of corporate bonds payable in Note 6 (11).
- D. The Board of Directors of the Company passed a resolution to handle the issuance of 5,000,000 ordinary shares through capital increase by cash on November 14, 2023. The face value per share reached NT\$ 10, and the issue price was NT\$ 52.5 per share at premium. The base date of capital increase by cash was February 26, 2024, and relevant change registration was already handled.

(16) Capital surplus

In accordance with the provisions of the Company Act, the surplus obtained from the issuance of stock beyond the nominal amount and the capital surplus received from donations may be used to compensate for losses. When the Company does not have any accumulated losses, new shares or cash will be distributed to shareholders based

on their original shareholding ratios by using the aforesaid surplus. Besides, in accordance with relevant provisions of the Securities and Exchange Act, when the preceding capital surplus is used to increase the capital, the total amount increased shall not exceed ten percent of the paid-in capital every year. If the Company still has a loss after the earned surplus is used to make up for the capital losses, it is not allowed to use the capital surplus to supplement the loss.

	2025		
	Share premium account	Subscription right	Total
Jan. 1	\$ 596,677	\$ 17,367	\$ 614,044
Convertible Bond	239,688	(13,653)	226,035
Mar. 31	\$ 836,365	\$ 3,714	\$ 840,079
	2024		
	Share premium account	Subscription right	Total
Jan. 1	\$ 305,559	\$ 21,122	\$ 326,681
Capital increase by cash	212,500	-	212,500
Share-based payment	13,305	-	13,305
Mar. 31	\$ 531,364	\$ 21,122	\$ 552,486

(17) Retained earnings

- A. In accordance with the provisions of the Articles of Association of the Company, if there are any earnings in the annual final accounts, they shall be used to pay taxes, and make up losses first if any. Then, 10% of the retained earnings may be drawn as statutory surplus reserve; however, when the accumulated amount of the statutory surplus reserve reaches the total capital of the Company, this provision shall not apply. Also, special surplus reserve may be appropriated or reversed according to relevant laws and regulations or the competent authority's provisions. If there are still remaining earnings, the Board of Directors may draw up a distribution proposal regarding the earnings and the accumulated unappropriated earnings and then submit to the Shareholders' Meeting for a resolution on the distribution of shareholder dividends.
- B. The dividend policy of the Company is determined in accordance with the current and future development plans, and in consideration of investment environment, capital demand, domestic and foreign competition, shareholders' interests, and other relevant factors. At least 10% of the distributable earnings in the preceding paragraph shall be appropriated to distribute dividends to shareholders either by cash or stock. The cash dividends shall not be lower than 10% of the total dividends.
- C. Except compensation for the losses of the Company and the distribution of new shares or cash per shareholders' original shareholding ratios, the statutory surplus reserve shall not be used. If it is used to distribute new shares or cash, it shall be limited to the part of this surplus reserve above 25% of the paid-in capital.
- D. When distributing earnings, the Company shall draw special surplus reserve for the debit balance of other equity items on the balance sheet date of the current

year according to regulatory provisions first. Later, when the debit balance of other equity items is reversed, the reversed amount may be included in the distributable earnings.

- E. The Board of Directors of the Company submitted a proposal for distribution of earnings for the year 2024 on March 5, 2025, and the Shareholders' Meeting made a resolution on approving the proposal for distribution of earnings for the year 2023 as follows on June 18, 2024:

	2024		2023	
	Amount	Dividends Per Share (NT\$)	Amount	Dividends Per Share (NT\$)
Legal capital reserve	\$ 21,452		\$ 10,360	
Special capital reserve	3,828		2,322	
Cash dividends	195,719	\$ 6.32	120,420	\$ 4.0
	<u>\$ 220,999</u>		<u>\$ 133,102</u>	

The proposal for distribution of earnings for the year 2024 above was not passed by the Shareholders' Meeting as of May 5, 2025.

- F. Please see Note 6(21) for information on remunerations of employee and the Directors.

(18) Operating revenue

	Three months ended March 31,	
	2025	2024
Revenue from contracts with customers:		
Revenue from sale of goods	\$ 499,754	\$ 450,591
Revenue from labor services	35,364	43,711
Total	<u>\$ 535,118</u>	<u>\$ 494,302</u>

- A. The source of revenue of the Group is the provision of commodities and labor services gradually transferred with the time and transferred upon a certain time point. Revenue can be segmented to the following primary geological areas:

2025.1.1~3.31	Taiwan	China	Korea	Other	Total
Revenue from sale of goods	\$ 227,215	\$ 153,566	\$ 54,175	\$ 64,798	\$ 499,754
Revenue from labor services	28,068	6,352	114	830	35,364
Revenue from contracts with external customers	<u>\$ 255,283</u>	<u>\$ 159,918</u>	<u>\$ 54,289</u>	<u>\$ 65,628</u>	<u>\$ 535,118</u>
Timing of revenue recognition					
At a fixed point in time	\$ 227,215	\$ 153,566	\$ 54,175	\$ 64,798	\$ 499,754
Revenue gradually recognized with the time	28,068	6,352	114	830	35,364
	<u>\$ 255,283</u>	<u>\$ 159,918</u>	<u>\$ 54,289</u>	<u>\$ 65,628</u>	<u>\$ 535,118</u>

2024.1.1~3.31	Taiwan	China	Korea	Other	Total
Revenue from sale of goods	\$ 224,708	\$ 142,000	\$ 49,281	\$ 34,602	\$ 450,591
Revenue from labor services	36,735	4,172	-	2,804	43,711
Revenue from contracts with external customers	\$ 261,443	\$ 146,172	\$ 49,281	\$ 37,406	\$ 494,302
Timing of revenue recognition:					
At a fixed point in time	\$ 224,708	\$ 142,000	\$ 49,281	\$ 34,602	\$ 450,591
Revenue gradually recognized with the time	36,735	4,172	-	2,804	43,711
	\$ 261,443	\$ 146,172	\$ 49,281	\$ 37,406	\$ 494,302

Note: The revenue is disclosed per the locations of the customers.

B. Contract liabilities

The Group recognizes the contract liabilities related to revenue from contracts with customers as follows:

	March 31,2025	December 31,2024	March 31,2024	January 1,2024
Contract liabilities - current	\$ 3,832	\$ 5,637	\$ 6,058	\$ 7,212

The amount of beginning contract liabilities of the Group recognized as revenue in the current period for the quarters ended March 31, 2025 and 2024 reached NT\$4,094 and NT\$4,150 respectively.

(19) Other gains and losses

	Three months ended March 31,	
	2025	2024
Gains on foreign currency exchange losses on financial assets (liabilities) measured at fair value through profit or loss	\$ 4,511	\$ 19,211
Gains on lease modification	(1,488)	(3,022)
Losses from disposal of property, plant, and equipment	1	8
Other	(8)	-
	(39)	(34)
	\$ 2,977	\$ 16,163

(20) Finance costs

	Three months ended March 31,	
	2025	2024
Convertible Bond	\$ 1,474	\$ 1,859
Interest expense	-	1,318
Interest of lease liabilities	416	370
	\$ 1,890	\$ 3,547

(21) Depreciation, amortization expenses and employee benefits

	Three months ended March 31,	
	2025	2024
Salaries	\$ 79,568	\$ 65,241
Share-based payment	-	13,305
Labor and health insurance	5,450	4,564
Pension	3,340	3,716
Remunerations of the Directors	1,290	811
Other employee benefits	2,636	2,319
Total	\$ 92,284	\$ 89,956
Depreciation expenses	\$ 14,588	\$ 15,144
Amortization expenses	\$ 590	\$ 300

- A. In accordance with the provisions of the Articles of Association, if the Company makes a profit in the current year (i.e., before-tax interests deducted with remunerations of employee and remunerations of the Directors distributed), and there is still a remaining amount after deduction of accumulated losses, the Board of Directors shall appropriate at least 1.5% of the annual profit as remunerations of employee and no more than 3% of the profit as remunerations of the Directors respectively.
- B. The estimated amount of remunerations of the Directors and remunerations of employee of the Company is listed as follows, and relevant amount is recorded as compensation expenses:

	Three months ended March 31,	
	2025	2024
Remunerations of the Directors	\$ 1,241	\$ 778
Remunerations of employee	1,241	778
	\$ 2,482	\$ 1,556

Remunerations of the Directors and remunerations of employee in the quarters ended March 31, 2025 and 2024 were estimated based on the annual profits and pursuant to the provisions of the Articles of Association.

- C. Remunerations of the Directors and remunerations of employee resolved by the Board of Directors in 2024 were consistent with the amount recognized in the financial statements for the year 2024. The aforesaid remunerations of employee were paid in cash.
- D. For information related to the remunerations of the Directors and remunerations of employee approved by the Board of Directors of the Company, please query at the MOPS.

(22) Income tax

- A. Income tax expense

	Three months ended March 31,	
	2025	2024
Current income tax expense:		
Income tax generated by income for the current period	\$ 18,190	\$ 6,719
Underestimation (overestimation) of income taxes in previous years	(1,205)	-
Total current income tax expense	<u>16,985</u>	<u>6,719</u>
Deferred income tax expense:		
Relating to origination and reversal of temporary differences	958	3,819
Income tax expense	<u>\$ 17,943</u>	<u>\$ 10,538</u>

- B. The business income tax of the Company and its domestic subsidiary, i.e. Wendell Electrical Testing, was verified and approved by the tax collection authority until the year of 2022.

(23) Earnings per share

	Three months ended March 31,		
	2025		
	After-tax amount	Weighted average number of outstanding shares (1,000 shares)	Earnings per share (NT\$)
<u>Basic earnings (loss) per share</u>			
Profit (loss) attributable to ordinary equity owners of the parent	<u>\$ 64,032</u>	<u>31,667</u>	<u>\$ 2.02</u>
<u>Diluted earnings (loss) per share</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 64,032	31,667	
Effects of all dilutive potential common shares			
Convertible Bond	1,153	3,775	
Remunerations of employee	-	41	
Net profit for the current period as attributable to the shareholders of common shares of the parent company and the effects of potential common shares	<u>\$ 65,185</u>	<u>35,483</u>	<u>\$ 1.84</u>

	Three months ended March 31,		
	2024		
	After-tax amount	Weighted average number of outstanding shares (1,000 shares)	Earnings per share (NT\$)
<u>Basic earnings (loss) per share (Note)</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 40,154	26,994	\$ 1.49
<u>Diluted earnings (loss) per share (Note)</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 40,154	26,994	
Effects of all dilutive potential common shares			
Convertible Bond	815	4,694	
Remunerations of employee	-	29	
Net profit for the current period as attributable to the shareholders of common shares of the parent company and the effects of potential common shares	\$ 40,969	31,717	\$ 1.29

(24) Cash flow information

Investing activities only partially paid by cash:

	Three months ended March 31,	
	2025	2024
Additions of property, plant and equipment	\$ 10,569	\$ 47,635
Add: Beginning payables on equipment	43,738	9,972
Ending payables on equipment	-	2,642
Prepaid pre-sale real estate at the end of the period	185,280	-
Less: Ending payables on equipment	-	(3,236)
Prepaid equipment payment at the beginning of the period	(2,092)	-
Capitalization of loan cost	(2,515)	(980)
Cash paid in the current period	\$ 234,980	\$ 56,033

(25) Reconciliation of liabilities arising from financing activities

	2025				Total liabilities arising from financing activities
	Short-term loans	Long-term loans	Bonds payable (including current)	Lease liabilities	
Jan. 1	\$ 215,713	\$ 14,000	\$ 326,060	\$ 54,481	\$ 610,254
Movement of Financing Cash Flow	46,907	28,000	-	(9,653)	65,254
Interest amortization	-	-	1,474	-	1,474
Corporate bond conversion	-	-	(257,487)	-	(257,487)
Increase in lease liabilities during the period	-	-	-	15,012	15,012
Movement of other non-cash(Note)	-	-	-	94	94
Mar. 31	\$ 262,620	\$ 42,000	\$ 70,047	\$ 59,934	\$ 434,601

	2024			
	Short-term loans	Bonds payable (including current)	Lease liabilities	Total liabilities arising from financing activities
Jan. 1	\$ 217,191	\$ 389,078	\$ 58,983	\$ 665,252
Movement of Financing Cash Flow	(42,354)	-	(8,732)	(51,086)
Interest amortization	-	1,859	-	1,859
Corporate bond conversion	-	-	-	-
Increase in lease liabilities during the period	-	-	21,874	21,874
Movement of other non-cash(Note)	-	-	(1,236)	(1,236)
Mar. 31	\$ 174,837	\$ 390,937	\$ 70,889	\$ 636,663

Note : Modification of the main system lease contract

7. Related Party Transactions

Bonuses for the Company's key managerial officers

	Three months ended March 31,	
	2025	2024
Remuneration and short-term employee benefits	\$ 8,235	\$ 7,477
Retirement benefits	229	227
Share-based payment	-	1,218
Total	\$ 8,464	\$ 8,922

8. Pledged Assets

The Company has pledged the following assets as collateral:

Asset Item	March 31,2025	December 31,2024	March 31,2024	Content of the secured liabilities
Time deposits (Note)	\$ 4,000	\$ 4,000	\$ 4,000	Customs duties guarantee
Property, plant, and equipment				Long-term loanse and Credit line guarantee
	\$ 240,928	\$ 240,928	\$ -	

Note: Other non-current assets are recorded.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditure already contracted but not yet incurred

	March 31,2025	December 31,2024	March 31,2024
Pre-sale real estate	\$ 1,023,530	\$ -	\$ -
Property, plant and equipment	94,119	98,845	234,754
Intangible assets	677	10,484	-
Total	<u>\$ 1,118,326</u>	<u>\$ 109,329</u>	<u>\$ 234,754</u>

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Suzhou Lianhong Electronics, a subsidiary of our company, was dissolved and liquidated on May 5, 2025 by resolution of the board of directors..

12. Other

(1) Capital management

No significant changes occurred in this period. Please refer to Note 12 to the consolidated financial statements for the year 2024.

(2) Financial instruments

A. Category of financial instruments

	March 31,2025	December 31,2024	March 31,2024
<u>Financial assets</u>			
Financial assets at fair value through loss and gain	\$ -	\$ 177,735	\$ 125,833
Financial assets at amortized cost (Note 1)	<u>\$ 1,428,763</u>	<u>\$ 1,328,091</u>	<u>\$ 1,358,540</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through loss and gain	<u>\$ 1,050</u>	<u>\$ 1,567</u>	<u>\$ 1,158</u>
Financial liabilities at amortized cost (Note 2)	<u>\$ 595,707</u>	<u>\$ 557,948</u>	<u>\$ 421,419</u>
Bonds payable (including current)	<u>\$ 70,047</u>	<u>\$ 326,060</u>	<u>\$ 390,937</u>
Lease liabilities	<u>\$ 59,934</u>	<u>\$ 54,481</u>	<u>\$ 70,889</u>

Note 1: Including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables (recorded in other current assets), and guaranteed deposits paid.

Note 2: Including short-term loans, accounts payable, other payables, and loan-term loans.

B. Policy of financial risk management

No significant changes occurred in this period. Please refer to Note 12 to the consolidated financial statements for the year 2024.

C. Nature and level of significant financial risks

Unless those described below, no significant changes occurred in this period. Please refer to Note 12 to the consolidated financial statements for the year 2024.

Market risk

Foreign exchange risk

(A) Since the business of the Group involves several non-functional currencies (the functional currency of the Company and some subsidiaries is NTD, while the functional currencies of some subsidiaries are RMB and KRW), it is thus influenced by the fluctuation in exchange rate. The information of foreign currency assets and liabilities with a significant impact of fluctuation in exchange rate is as follows:

		March 31, 2025				
		Foreign currency (in thousand dollars)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis	
					Amount of variation	Profit or loss affected
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD : NTD	\$ 16,355	33.20	\$ 542,986	1%	\$ 5,430
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD : NTD	\$ 8,555	33.20	\$ 284,026	1%	\$ 2,840
		December 31, 2024				
		Foreign currency (in thousand dollars)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis	
					Amount of variation	Profit or loss affected
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD : NTD	\$ 20,012	32.78	\$ 655,993	1%	\$ 6,560
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD : NTD	\$ 7,908	32.78	\$ 259,224	1%	\$ 2,592

		March 31, 2024				
		Foreign currency (in thousand dollars)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis	
					Amount of variation	Profit or loss affected
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD : NTD	\$ 16,403	31.99	\$ 524,732	1%	\$ 5,247
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD : NTD	\$ 6,841	31.99	\$ 218,844	1%	\$ 2,188

(B) The summarized amounts of all exchange gains(both realized and unrealized) of the monetary items of the Group recognized with significant impact on the fluctuation of exchange rate in the quarters ended March 31, 2025 and 2024 reached NT\$4,511 and NT\$19,211 respectively.

(3) Information of fair value

A. Each level of evaluation techniques adopted to measure the fair value of financial and non-financial instruments is defined 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. An active market refers to a market where transactions of assets or liabilities with adequate frequency and quantity occur and pricing information is provided on a continuous basis. The fair value of hybrid instruments invested by the Group belongs to this level.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of forward foreign exchange contracts invested by the Group belongs to this level.
- Level 3: Unobservable inputs for the asset or liabilities. The fair value of the right of redemption and put right of convertible corporate bonds of the Group belongs to this level.

B. Financial instruments not measured at fair value

(A) Except those listed in the table below, the carrying amount of cash and cash equivalents, notes receivable, accounts receivable, other payables (recorded in other current assets), short-term loans, accounts payable, other payables and loan-term loans is the reasonable approximate value of fair value:

		March 31, 2025			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Financial liabilities					
Bonds payable					
(including current)					
		\$ 70,047	\$ -	\$ 70,210	\$ -

		December 31, 2024		
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities				
	Bonds payable			
	(including current)	\$ 326,060	\$ -	\$ 327,579
		-	-	-
		March 31, 2024		
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities				
	Bonds payable			
	(including current)	\$ 390,937	\$ -	\$ 393,908
		-	-	-

(B) Methods and assumptions used to estimate fair value are as follows:

Corporate bonds payable: Measured at the present value discounted per the market interest rate on the balance sheet date according to the cash flows expected to be paid.

C. Financial and non-financial instruments measured at fair value

(A) The Group classifies these financial instruments on the basis of the nature, characteristics, risks and fair value of assets and liabilities. Relevant information is as follows:

March 31, 2025	Level 1	Level 2	Level 3	Total
Liabilities				
<u>Recurring fair value</u>				
Financial liabilities at FVTPL				
Hybrid instruments -				
Financial bonds	\$ -	\$ 1,050	\$ -	\$ 1,050
December 31, 2024				
Assets				
<u>Recurring fair value</u>				
Financial assets at FVTPL				
Financial bonds	\$ 177,702	\$ -	\$ -	\$ 177,702
Right of redemption over convertible corporate bonds	-	-	33	33
Total	\$ 177,702	\$ -	\$ 33	\$ 177,735
Liabilities				
<u>Recurring fair value</u>				
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ 1,567	\$ -	\$ 1,567

March 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at FVTPL				
Financial bonds	<u>\$ 125,833</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,833</u>
Liabilities				
<u>Recurring fair value</u>				
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 1,158</u>	<u>\$ -</u>	<u>\$ 1,158</u>

(B) Methods and assumptions used by the Group to measure fair value are described as follows:

- A. Those with fair value determined by the Group as quoted market prices (i.e., Level 1) are stocks of TWSE/TPEX listed companies as well as bonds issued by them. The closing prices of these stocks and bonds are their quoted market prices.
- B. The derivative instruments held by the Group are mainly forward foreign exchange contracts. They are non-standardized and less complicated financial instruments. The Group adopts evaluation techniques widely used by the market participants, and the parameters used are market observable information.
- C. The output of the evaluation model is an estimated value, while the evaluation techniques may not reflect all factors related to the financial and non-financial instruments held by the Group. Therefore, the estimated value of the evaluation model will be appropriately adjusted according to extra parameters, e.g., model risk or liquidity risk. In accordance with the fair value evaluation model management policy and related control procedures of the Group, the management believes that relevant evaluation and adjustment are appropriate and necessary for the fair presentation of the fair value of financial instruments and non-financial instruments in the consolidated balance sheet. The price information and parameters used in the process of evaluation shall be prudently evaluated and appropriately adjusted according to the current conditions of the local markets.
- D. No transfer between Level 1 and Level 2 occurred in the quarters ended March 31, 2025 and 2024.
- E. The changes in Level 3 in the quarters ended March 31, 2025 and 2024 are presented in the following table:

	2025	
	Right of redemption over convertible corporate bonds	Put right over convertible corporate bonds
January 1	\$ 33	\$ -
Evaluated profit or loss	(28)	-
Current Issue Conversion	(5)	-
March 31	<u>\$ -</u>	<u>\$ -</u>

	2024	
	Right of redemption over convertible corporate bonds	Put right over convertible corporate bonds
January 1	\$ -	(\$ 840)
Evaluated profit or loss	-	840
March 31	<u>\$ -</u>	<u>\$ -</u>

- F. No transfer-in and transfer-out of Level 3 occurred in the quarters ended March 31, 2025 and 2024.
- G. As for the evaluation process adopted by the Group for fair value classified to Level 3, relevant department is responsible for conducting independent fair value verification of financial instruments, relying on data from independent sources to make the evaluation results close to the market status, confirming that the data sources are independent, reliable, consistent with other data and represent executable prices, and regularly calibrating and updating the input value and data needed for the evaluation model as well as any other necessary fair value adjustments, to ensure the reasonableness of the evaluation results.
- H. The quantified information of significant unobservable input values of the evaluation model used for the evaluation of Level 3 fair value measurement items of the Group, and the sensitivity analysis of changes of these significant unobservable input values are described as follows:

	Mar. 31, 2025 fair value	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Right of redemption over convertible corporate bonds	<u>\$ -</u>	Binary tree evaluation model	Degree of fluctuation	38.80%	The higher the degree of fluctuation, the higher the fair value
Put right over convertible corporate bonds	<u>\$ -</u>				
	Dec. 31, 2024 fair value	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Right of redemption over convertible corporate bonds	<u>\$ 33</u>	Binary tree evaluation model	Degree of fluctuation	39.00%	The higher the degree of fluctuation, the higher the fair value
Put right over convertible corporate bonds	<u>\$ -</u>				

	Mar. 31, 2024 fair value	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Right of redemption over convertible corporate bonds	\$ -	Binary tree evaluation model	Degree of fluctuation	25.44%	The higher the degree of fluctuation, the higher the fair value
Put right over convertible corporate bonds	\$ -				

13. Supplementary Disclosures

(1) Information on Significant Transactions

- A. Financings provided to others: None.
- B. Endorsement / guarantee provided to others: None.
- C. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates, and interests in joint ventures): None.
- D. Purchases or sales of goods from or to related parties with the amount exceeding NT\$100 million or 20% of paid-in capital: None.
- E. Receivables from related parties amounting to NT\$100 million or 20% of paid-up capital: None.
- F. Business relationships and significant transactions between parent and subsidiary: Please refer to Attachment 1.

(2) Information on the reinvestment business

Name of Investee Company, Location...etc. (excluding Mainland China investee companies): Please refer to Attachment 2.

(3) Information on investment in Mainland China

- A. Basic information: Please refer to Attachment 3.
- B. Major transactions with investees in Mainland China directly or indirectly through business in a third region: Please refer to Note 13(1)-F.

14. Segment Information

(1) General information

The Group only operates business in a single industry. The Board of Directors evaluates performance and allocates resources of the Group as a whole. It is identified that the Group is the single sector to be reported.

(2) Measurement of department information

As for the measurement of department information, the information of the department requiring reporting provided to the main operation decision-maker is as follows:

	Three months ended March 31,	
	2025	2024
Segment revenue	\$ 535,118	\$ 494,302
Segment profit or loss	\$ 81,975	\$ 50,692
Segment profit or loss includes:		
Depreciation, amortization expenses	\$ 15,178	\$ 15,444
Interest income	\$ 2,136	\$ 2,659
Finance costs	\$ 1,890	\$ 3,547

(3) Information on the adjustment of department profits and losses

Since the Board of Directors of the Group adopts after-tax net profit as the basis when evaluating departments' performance and deciding how to allocate resources, adjustment is thus not necessary.

Wendell Industrial Co., Ltd. and Subsidiaries
Business relationships and significant transactions between parent and subsidiary
From January 1, 2025 to March 31, 2025

Attachment 1

Unit: NT\$ thousands
(Unless Otherwise Specified)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Description of Transactions			Percentage of Total Revenue or Total Assets (%) (Note 3)
				Account	Amount	Transaction Term	
0	Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	1	Sales revenue	\$ 18,461	able to General Transaction	3%
0	Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	1	Accounts receivable	48,317	"	2%
0	Wendell Industrial Co., Ltd.	Suzhou Lianhong Electronic Co., Ltd.	1	Sales revenue	18,850	"	4%
0	Wendell Industrial Co., Ltd.	Suzhou Lianhong Electronic Co., Ltd.	1	Accounts receivable	23,838	"	1%
0	Wendell Industrial Co., Ltd.	Wendell Korea Co., Ltd.	1	Sales revenue	42,181	"	8%
0	Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	1	Purchase	19,731		4%
1	Shenzhen Qianhong Electronic Co., Ltd.	Suzhou Lianhong Electronic Co., Ltd.	3	Sales revenue	6,922	"	1%
1	Nichtek Industrial Co., Limited	Wendell Industrial Co., Ltd.	2	Other receivables	49,850	According to the agreement of both parties	2%

Note 1. The information on business dealings between the parent company and subsidiaries should be numbered according to the following method:

- (1) For the parent company, fill in 0.
- (2) Subsidiaries are sorted in a numerical order starting from 1.

Note 2. Relationships with counterparties can be any one of the following three types (For a same transaction between parent company and a subsidiary or between subsidiaries, it is not required to disclose it repeatedly. For example, if the parent company has already disclosed a transaction with the subsidiary, the subsidiary will not be required to disclose this transaction repeatedly; if a subsidiary already discloses a transaction with another subsidiary, the latter will not be required to disclose this transaction repeatedly):

- (1) The parent company to subsidiaries.
- (2) Subsidiaries to the parent company.
- (3) Subsidiaries to subsidiaries.

Note 3. The ratio of transaction amount to total revenue or total assets is calculated as the ending balance to total assets if it is an asset or liability account. For profit and loss accounts, the calculation is based on the cumulative amount to total revenue in the period.

Note 4. Individual transactions with amount not reaching 1% of the consolidated total operating revenue and the consolidated total assets will not be disclosed.

Wendell Industrial Co., Ltd. and Subsidiaries
Name of Investee Company, Location...etc. (excluding Mainland China investee companies)
From January 1, 2025 to March 31, 2025

Attachment 2

Unit: NT\$ thousands
(Unless Otherwise Specified)

Name of Investor	Name of Investee (Note 1, 2)	Location	Principal Business	Initial Investment Amount		End of the Period			Profit (Loss) of Investee for the Period (Note 2(2))	Investment Profit (Loss) Recognized for the Period (Note 2(3))	Remarks
				Ending Balance for the Current	End of Last Year	Number of shares	Shareholding (%)	Carrying amount			
Wendell Industrial Co., Ltd.	Wendell Co., Ltd.	Japan	Sales of electronic components	\$ 6,802	\$ 6,802	500	100%	\$ 3,262	\$ 106	\$ 106	Subsidiaries
"	Wendell Pte. Ltd.	Singapore	Sales of electronic components	2,306	2,306	100,000	100%	6,374	215	215	"
"	Wendell Korea Co., Ltd.	Korea	Sales of electronic components	7,204	7,204	10,000	100%	101,579	7,336	7,387	"
"	Nichtek Industrial Co., Limited	Hong Kong	Reinvested holding company	65,847	65,847	18,591,400	100%	49,850	-	-	"
"	Wendell Electrical Testing Co., Ltd.	Taiwan	Testing and safety certification services	100,246	100,246	10,020,000	100%	103,259	(4,992)	(4,992)	"

Note 1. If a public company has a foreign holding company and is required by local laws and regulations to use consolidated financial statements as the primary financial statements, the disclosure of information about the investee company may be limited to the relevant information of the holding company.

Note 2. For cases other than those described in Note 1, the following regulations apply:

- (1) The columns of "Name of investee company", "Location", "Principal business", "Initial investment amount" and "Shareholding as of the end of the period" shall be determined in accordance with the circumstances the Company's transfer of investment and each direct investment. The Company shall fill in the following information in the order of the reinvestment of the investee company or the indirectly controlled investor. The relationship between each investee company and the Company (if it is a subsidiary or sub-subsidiary) shall be indicated in the Notes column.
- (2) The column of "Profit or loss of investee company for the period" shall be filled in the amount of profit or loss of each investee company for the period.
- (3) The column of "Gains or losses recognized during the period" shall be filled in only for each subsidiary and equity-method investee recognized by the (public) company. The remainder is not required. When filled "Amount of current profit or loss of each subsidiary recognized as a direct investment", the amount of current profit or loss of each subsidiary includes the investment income or loss that shall with the regulations for its reinvestment.

Wendell Industrial Co., Ltd. and Subsidiaries
Information on investment in Mainland China – Basic information
From January 1, 2025 to March 31, 2025

Attachment 3

Unit: NT\$ thousands
(Unless Otherwise Specified)

Investee in Mainland China	Main Business Activities	Paid-in Capital	Method of Investments (Note 1)	Accumulated Amount of Investments	Investment Flows		Accumulated Amount of Investments	Net income (loss) of investee company P	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized (Note 2)	Carrying Amount of Investments	Accumulated Investment Income	Remarks
					Remitted	Repatriated							
Shenzhen Qianhong Electronic Co., Ltd.	Sales of electronic components	\$ 69,585	1	\$ 65,660	\$ -	\$ -	\$ 65,660	(\$ 4,093)	100%	(\$ 4,182)	\$ 47,671	\$ -	
Suzhou Lianhong Electronic Co., Ltd.	Sales of electronic components	2,286	1	-	-	-	-	(4,239)	100%	(4,239)	11,287	-	
Shenzhen Qianhong Electrical Testing Co., Ltd.	Testing and certification services	2,227	1	-	-	-	-	247	100%	247	4,457	-	
Company Name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024			Investment Amounts Authorized by The Investment Commission, MOEA		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA							
Wendell Industrial Co., Ltd.	\$ 65,660			\$ 65,660		\$ 1,052,425,							

Note 1. Methods of investments are divided into the following three types:

- (1) Direct investment in mainland companies.
- (2) Investment in mainland companies through a third region remittance. (Please indicate the investment company in the third region)
- (3) Others

Note 2. Except the investment profit or loss recognized by Shenzhen Qianhong Electrical Testing Co., Ltd. according to its self-prepared financial statements in the same period that were not reviewed by the CPAs yet, the remaining investment profit or loss recognized in the current period was based on the financial statements of the parent company in Taiwan as reviewed by the CPAs.

Note 3. Relevant figures related to this table are presented in NTD.