

Stock Code : 6243

**ENE TECHNOLOGY INC**

**FINANCIAL STATEMENTS AND  
REVIEW REPORT OF  
INDEPENDENT ACCOUNTANTS**

**March 31<sup>st</sup>, 2025 AND 2024**

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## **Translated Independent Auditor's Review Report**

To the Board of Directors of ENE TECHNOLOGY INC. :

### **Introduction**

We have reviewed the balance sheets of ENE Technology Inc. as of March 31, 2025 and 2024, and the related statements of comprehensive income, changes in equity, and cash flows for the three-month periods then ended, as well as the notes to the financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (IAS) 34, 'Interim Financial Reporting,' as endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these financial statements based on our review.

### **Scope of Review**

We conducted our reviews in accordance with the TWESRE2410 "Review of Financial Information". 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 assure full awareness of all significant matters that might be identified in an audit. Thus, we are not able to express an audit opinion.

### **Qualified Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Company as of March 31<sup>st</sup>, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months ending March 31<sup>st</sup>, 2025 and 2024 in accordance with the

Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed by and issued into effect by the Financial Supervisory Commission of the Republic of China.

P r i c e w a t e r h o u s e C o o p e r s   T a i w a n

Pei-Chuan Huang

CPA

Chin-Chang Chen

**ENE Technology Inc.**  
**Balance Sheet**  
**January 1<sup>st</sup> to March 31<sup>st</sup> 2025 & 2024**

Unit: NTD thousands

Assets		Note	<u>2 0 2 5 . 0 3 . 3 1</u>		<u>2 0 2 4 . 1 2 . 3 1</u>		<u>2 0 2 4 . 0 3 . 3 1</u>	
			A m o u n t	%	A m o u n t	%	A m o u n t	%
<b>Current Assets</b>								
1100	Cash & cash equivalents	6(1)	\$ 689,269	55	\$ 638,638	50	\$ 339,496	30
1110	Financial asset through P&L	6(2)						
	measured at fair value- current		-	-	90	-	-	-
1136	Financial asset after amortization	6(3) & 8						
	current		124,923	10	124,671	10	238,600	21
1170	Net accounts receivables	6(4)	133,276	11	158,776	13	167,448	15
1180	Accounts receivable- related	7						
	parties		42,502	3	51,748	4	35,811	3
130X	Inventories	6(5)	152,758	12	162,725	13	252,133	22
1410	Pre-payments	7	2,415	-	3,412	-	3,412	-
1479	Other current assets-others		5,628	-	4,753	-	4,485	-
11XX	<b>Total Current Assets</b>		<u>1,150,771</u>	<u>91</u>	<u>1,144,813</u>	<u>90</u>	<u>1,041,385</u>	<u>91</u>
<b>Non-Current Asset</b>								
1535	Financial assets after amortization	6(3) & 8						
	— non current		1,076	-	1,076	-	1,060	-
1600	Property, plant and equipment	6(6) & 7	53,165	4	53,189	4	27,274	2
1755	Right-of-use asset	6(7) & 7	16,946	1	20,011	2	25,622	2
1780	Intangible asset	6(8)	18,216	2	26,550	2	16,942	2
1840	Deferred tax asset		21,366	2	19,299	2	17,237	2
1900	Other non-current assets	7	1,409	-	2,069	-	15,189	1
15XX	<b>Total Non-current assets</b>		<u>112,178</u>	<u>9</u>	<u>122,194</u>	<u>10</u>	<u>103,324</u>	<u>9</u>
1XXX	<b>Total Assets</b>		<u>\$ 1,262,949</u>	<u>100</u>	<u>\$ 1,267,007</u>	<u>100</u>	<u>\$ 1,144,709</u>	<u>100</u>

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**ENE Technology Inc.**  
**Balance Sheet**  
**January 1<sup>st</sup> to March 31<sup>st</sup>, 2025 & 2024**

Unit: NTD thousands

Liabilities and Equity		Note	2 0 2 5 . 0 3 . 3 1		2 0 2 4 . 1 2 . 3 1		2 0 2 4 . 0 3 . 3 1	
			A m o u n t	%	A m o u n t	%	A m o u n t	%
<b>Current Liabilities</b>								
2100	Short term loan	6(9)	\$ -	-	\$ -	-	\$ 120,000	10
2170	Account payables		24,255	2	18,148	1	40,811	4
2180	Account payable - related parties	7	2,586	-	18,308	1	29,665	3
2200	Other account payables	6(10)	35,979	3	43,976	3	48,140	4
2220	Other account payable-related parties	7	478	-	3,191	-	696	-
2280	Lease liabilities-current	6(7)	5,587	-	6,180	1	6,120	-
2399	Other current liabilities-others	6(14)	35,870	3	32,170	3	30,015	3
21XX	<b>Total current liabilities</b>		<u>104,755</u>	<u>8</u>	<u>121,973</u>	<u>9</u>	<u>275,447</u>	<u>24</u>
<b>Non-Current liabilities</b>								
2530	Corporate bond payable	6(11)	284,950	23	283,315	23	-	-
2570	Deferred income tax liabilities		4,286	-	3,661	-	3,718	-
2580	Lease liabilities—non current	6(7)	10,796	1	13,297	1	18,907	2
2600	Other non current liabilities		<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>
25XX	<b>Non current liabilities</b>		<u>300,035</u>	<u>24</u>	<u>300,276</u>	<u>24</u>	<u>22,628</u>	<u>2</u>
2XXX	<b>Total liabilities</b>		<u>404,790</u>	<u>32</u>	<u>422,249</u>	<u>33</u>	<u>298,075</u>	<u>26</u>
<b>Equity</b>								
	Capital	6(15)						
3110	Ordinary share capital		452,688	36	452,688	36	452,688	40
	Capital surplus	6(16)						
3200	Capital surplus		286,925	23	289,058	23	277,236	24
	Retained earnings	6(17)						
3310	Legal reserve		19,879	1	19,879	1	13,215	1
3350	Undistributed earnings		98,667	8	84,844	7	111,444	10
	Other equity							
3400	Other equity		<u>-</u>	<u>-</u>	<u>( 1,711)</u>	<u>-</u>	<u>( 7,949)</u>	<u>( 1)</u>
3XXX	<b>Total equity attributed to Parent company</b>		<u>858,159</u>	<u>68</u>	<u>844,758</u>	<u>67</u>	<u>846,634</u>	<u>74</u>
	Significant or liable and unrecognized committed contract	9						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,262,949</u>	<u>100</u>	<u>\$ 1,267,007</u>	<u>100</u>	<u>\$ 1,144,709</u>	<u>100</u>

ENE Technology Inc.  
Statement of Comprehensive Income  
January 1st to March 31st, 2025 & 2024

Item	Note	2 0 2 5 0 1 0 1 ~ 0 3 3 1 .		2 0 2 4 0 1 0 1 ~ 0 3 3 1	
		A m o u n t	%	A m o u n t	%
4000 Operating revenue	6(18) &7	\$ 165,467	100	\$ 179,341	100
5000 Operating cost	6(5)	( 96,423)	( 58)	( 117,933)	( 66)
5900 Gross margin		<u>69,044</u>	<u>42</u>	<u>61,408</u>	<u>34</u>
Operating expense	6(20) & 7				
6100 Selling expense		( 16,975)	( 10)	( 20,077)	( 11)
6200 General & admin expense		( 18,400)	( 11)	( 18,755)	( 11)
6300 R & D expense		( 30,383)	( 19)	( 27,202)	( 15)
6450 Expected credit loss	6(4)	<u>12</u>	<u>-</u>	<u>( 7)</u>	<u>-</u>
6000 Total operating expense		<u>( 65,746)</u>	<u>( 40)</u>	<u>( 66,041)</u>	<u>( 37)</u>
6900 Operating profit (loss)		<u>3,298</u>	<u>2</u>	<u>( 4,633)</u>	<u>( 3)</u>
Non-operating income and expense					
7100 Interest income		3,816	2	4,555	3
7010 Other income		263	-	132	-
7020 Other profit and loss	6(19)	6,765	4	27,791	15
7050 Financial cot		<u>( 1,761)</u>	<u>( 1)</u>	<u>( 882)</u>	<u>-</u>
7000 Total of non operating income and expense		<u>9,083</u>	<u>5</u>	<u>31,596</u>	<u>18</u>
7900 Profit before income tax		<u>12,381</u>	<u>7</u>	<u>26,963</u>	<u>15</u>
7950 Income tax expense	6(21)	<u>1,442</u>	<u>1</u>	<u>( 2,397)</u>	<u>( 1)</u>
8200 Net profit for the period		<u>\$ 13,823</u>	<u>8</u>	<u>\$ 24,566</u>	<u>14</u>
8500 Total comprehensive profit and loss		<u><u>\$ 13,823</u></u>	<u><u>8</u></u>	<u><u>\$ 24,566</u></u>	<u><u>14</u></u>
Earning per share	6(22)				
9750 Basic earning per share		<u>\$ 0.31</u>		<u>\$ 0.55</u>	
9850 Diluted earning per share		<u>\$ 0.30</u>		<u>\$ 0.54</u>	

ENE Technology Inc.  
Statements of Changes in Equity  
January 1st to March 31st, 2025 & 2024

Unit : NTD\$ Thousands

		Capital surplus			Retained earnings				
Note	Ordinary shares capital	Capital Surplus – Premium	Capital Surplus – Others	Capital Surplus Corp. Bond	Legal reserve	Undistributed earning	Other equity – Others	Total equity	
<u>2024</u>									
Balance as of 0101	\$ 452,688	\$ 238,330	\$38,906	\$ -	\$ 13,215	\$ 86,878	(\$ 10,029 )	\$ 819,988	
Net profit of the period	-	-	-	-	-	24,566	-	24,566	
Comprehensive P & L of the period	-	-	-	-	-	-	-	-	
Total of comprehensive P&L of the period	-	-	-	-	-	24,566	-	24,566	
Share-based payment transaction	6(13)	-	8,522 ( 8,522)	-	-	-	2,080	2,080	
Balance as of 0331	\$ 452,688	\$ 246,852	\$30,384	\$ -	\$ 13,215	\$ 111,444	(\$ 7,949 )	\$ 846,634	
<u>2025</u>									
Balance as of 0101	\$ 452,688	\$ 237,934	\$30,248	\$ 20,876	\$ 19,879	\$ 84,844	(\$ 1,711 )	\$ 844,758	
Net profit of the period	-	-	-	-	-	13,823	-	13,823	
Total of comprehensive P&L of the period	-	-	-	-	-	13,823	-	13,823	
Share-based payment transaction	6(13)	-	14,204 ( 16,337)	-	-	-	1,711	( 422 )	
Balance as of 0331	\$ 452,688	\$ 252,138	\$13,911	\$ 20,876	\$ 19,879	\$ 98,667	\$ -	\$ 858,159	



ENE Technology Inc.  
Statements of Cash Flows  
January 1st to March 31st, 2025 & 2024

Unit: NTD\$ Thousands

	Notes	20250101~0331	20240101~0331
<b><u>Cash flow from operating activities:</u></b>			
Income before income tax		\$ 12,381	\$ 26,963
Adjustments			
Income and expenses/loss items			
Depreciation	6(6)(7)(20)	8,300	5,232
Amortization	6(8)(20)	8,852	7,680
Expected credit impairment loss	6(4)	( 12 )	7
Net financial asset at fair value through P&L loss	6(2)(19)	90	-
Interest expenses		1,761	882
Interest income		( 3,816 )	( 4,555 )
Cost for share-based payment compensation		( 422 )	2,080
Unrealized exchange profit		( 252 )	( 7,760 )
Profit from change of lease		( 75 )	-
Net changes in operating related assets			
Current financial assets at fair value through profit or loss			
Account receivables (include related parties)		34,758	42,860
Inventories		9,967	38,132
Prepaid payments		997	1,271
Other current assets		( 616 )	824
Net changes in operating related liabilities			
Account payables (include related parties)		( 9,615 )	2,040
Other account payables (include related parties)		( 6,727 )	7,501
Other current liabilities		3,700	1,125
Cash flows from operating activities inflow		59,271	124,282
Interest paid		( 126 )	( 897 )
Interest received		3,940	4,576
Income tax paid		( 383 )	( 447 )
Net cash inflow from operating activities		62,702	127,514
<b><u>Cash flow from investment activities:</u></b>			
Acquisition of financial assets after amortization		-	( 158 )
Acquisition of real estate, plant and equipment	6(23)	( 6,644 )	( 2,509 )
Acquisition of intangible assets	6(23)	( 4,334 )	( 760 )
Decrease of refundable deposits (other non-current asset)		660	-
Net cash outflow from investment activities		( 10,318 )	( 3,427 )
<b><u>Cash flow from financing activities</u></b>			
Decrease short term loan	6(24)	-	( 40,000 )
Lease liabilities principle repayment	6(24)	( 1,753 )	( 1,833 )
Net cash outflow from financing activities		( 1,753 )	( 41,833 )
Net increase in cash and cash equivalent		50,631	82,254
Cash and cash equivalent at beginning of period		638,638	257,242
Cash and cash equivalent at end of period		\$ 689,269	\$ 339,496

**ENE Technology Inc.**  
**Notes to Financial Statements**  
**January 1st to March 31st, 2025 & 2024**

Unit : NTD\$ thousands  
(except otherwise indicated)

**1. Company history**

ENE TECHNOLOGY INC. (the “Company”) was incorporated as a company by shares on May 20<sup>th</sup>, 1998. The Company is focused on the R&D, design, development, production and sales of electronic components, information software and circuit design services.

Alcor Micro Corp. is the parent company since June 9<sup>th</sup>, 2022, the ultimate controlling parent company is Egis Technology Inc.

**2. The date and procedure of authorization for issuance of the financial statements**

These financial statements were approved and authorized by the Board of Directors on April 28<sup>th</sup>, 2025.

**3. Application of New Standards, Amendments, Principles and Interpretations**

- (1) Effects of the adoption of new issuances of or amendments to International Financial Reporting Standards (IFRS) as endorsed by the Financial Supervisory Commission (FSC)

The new standards, amendments, principles and interpretations endorsed by the FSC effective from 2025 adopted by the Company are as follows

**New Standards／Amendments／Principles and Interpretations**

Amendments to IAS 21 “Lack of exchangeability”

**Effective date by IASB**

2025.01.01

After assessing the above standards and interpretations, the Company found no major impact on the consolidated financial report.

(2) The impact of IFRSs issued by IASB and endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, and endorsed by the FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Classification and measurements of financial instruments”	2026.01.01

The FSC has approved the amendment that permits entities to early adopt, on a standalone basis, the application guidance of Section 4.1 (Classification of Financial Assets) of IFRS 9, while simultaneously applying the provisions of Paragraphs 20B, 20C, and 20D of IFRS 7.

The Company has assessed the aforementioned standards and interpretations and concluded that they have no material impact on its financial position and financial performance.

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

As of the date the following IFRSs that have been issued by the IASB, but not yet endorsed by the FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Classification and measurements of financial instruments”	2026.01.01
Amendments to IFRS 9 and IFRS 7 “Contracts that reference nature dependent electricity”	2026.01.01
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture”	TBD
IFRS 17 “Insurance Contracts”	2023.01.01
Amendments to IFRS 17 “Insurance Contracts”	2023.01.01
Amendments to IFRS 17 “Initial application of IFRS 17 and IFRS 9 – Comparative information”	2023.01.01
IFRS 18 “presentation and disclosure in Financial Statements	2027.01.01
IFRS 19 Subsidiaries without Public Accountability: Disclosures	2027.01.01
Improvements to IFRS 2010s- Version 11th	2026.01.01

After assessing the above standards and interpretations, the Company found no major impact on the consolidated financial report.

4. Summary of Significant Accounting Policies

Except for the disclosures related to the statement of compliance, basis of preparation, and new accounting policies as described below, the significant accounting policies are consistent with those disclosed in Note 4 to the consolidated financial statements for the year ended December 31, 2024. Unless otherwise stated, these policies have been applied consistently throughout all reporting periods.

(1) Statement of Compliance

1. These financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by

Securities Issuers and International Accounting Standard (IAS) 34, 'Interim Financial Reporting,' as endorsed and issued into effect by the Financial Supervisory Commission.

2. Please read 2024 annual report as complimentary material.

(2) Preparation basis

1. Other than the items below, the consolidated report is prepared based on historical cost.

2. Please refer to Note 5 for significant assumptions and estimations.

(3) Employment Benefits

The pension cost for the interim period is calculated on the basis of the pension cost rate from the beginning of the year to the end of the current period using the pension cost rate determined by actuarial calculation at the end of the previous financial year. If there are major market changes, major reductions, liquidations, or other major one-off events after the closing date, adjustments will be made, and relevant information will be disclosed in accordance with the aforementioned policies.

(4) Income Tax

The income tax expense for the interim period is calculated by applying the estimated annual average effective tax rate to the pre-tax profit and loss of the interim period, and discloses relevant information in conjunction with the aforementioned policies.

## 5. Critical Accounting Judgements, Estimations and Key Sources of Assumption Uncertainty

There is no significant changes for the period. Please refer to Note 5 of 2024 Consolidated Financial Report for details.

## 6. Contents of significant accounts

### (1) Cash and Cash Equivalent

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Petty Cash	\$ 30	\$ 30	\$ 30
Cash in Bank and Cheque	153,620	205,635	233,039
Term Deposit	<u>535,619</u>	<u>432,973</u>	<u>106,427</u>
	<u>\$ 689,269</u>	<u>\$ 638,638</u>	<u>\$ 339,496</u>

1. The above said term deposit is deemed as high liquidation investment matured within 3 months.
2. The Company deals with a number of financial institutions with good credibility, to lower credit risks. Thus, the risk to contract breach is deemed very low.
3. Cash and cash equivalents were not pledged for collateral.

### (2) Financial assets measured at fair value through P&L

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Current			
Financial assets measured at fair value through P&L			
Derivatives- Redemption right of convertible bonds	\$ 510	\$ 510	\$ -
Evaluation adjustment	<u>( 510)</u>	<u>( 420)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ -</u>

1. Net profit from financial assets measured at fair value through P&L for the period 20250101~20250331 and 20240101~20240331 are \$(90) and \$0 respectively.
2. Financial assets measured at fair value through P&L were not pledged for collateral.
3. Please refer to Note 12(3) for details.

(3) Financial assets at amortized cost

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Current			
Term deposit	\$ 124,923	\$ 124,671	\$ 5,000
matured more than 3 months			
Term deposit			
pledged for collateral	<u>-</u>	<u>-</u>	<u>233,600</u>
	<u>\$ 124,923</u>	<u>\$ 124,671</u>	<u>\$ 238,600</u>
Non Current			
Term deposit			
pledged for collateral	<u>\$ 1,076</u>	<u>\$ 1,076</u>	<u>\$ 1,060</u>

1. Regardless of the collateral held or other credit enhancements, it is the most representative of the Company's holdings of financial assets measured at amortized cost, the largest credit risk on March 31, 2025 and 2024 and December 31 2024. The insurance amount is the book value of the recognized financial assets.
2. Please refer to Note 8 for details on financial asset at amortized cost pledged as collateral.
3. Please refer to Note 12(2) for the credit risks on financial assets at amortized cost. It is deemed that the possibility of contract breach is very low.

(4) Account receivables

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Account receivables	\$ 134,153	\$ 159,665	\$ 168,538
Less: allowances for doubtful accounts	<u>( 877)</u>	<u>( 889)</u>	<u>( 1,090)</u>
	<u>\$ 133,276</u>	<u>\$ 158,776</u>	<u>\$ 167,448</u>

1. Age analysis:

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
	<u>Account receivables</u>	<u>Account receivables</u>	<u>Account receivables</u>
Not past due	\$ 133,316	\$ 158,822	\$ 164,437
Past due 0~30 days	-	-	3,096
Past due 31-90 days	-	-	-
Past due over 91 days	<u>837</u>	<u>843</u>	<u>1,005</u>
	<u>\$ 134,153</u>	<u>\$ 159,665</u>	<u>\$ 168,538</u>

2. Balance of account receivables as of 2025.03.31, 2024.12.31, 2024.03.31 and 2024.01.01 are \$134,154, \$159,665, \$168,538, \$212,048.
3. The Company adopts a simplified approach to estimate expected credit losses based on a provision matrix. The loss rate is established by taking into account future forward-looking considerations and adjusting based on

historical and current information in a specific period to estimate provision losses on notes receivable and accounts receivable.

4. Expected loss for the Company as of 2025.03.31, 2024.12.31 and 2024.03.31 are as following:

	<u>Not past due</u>	<u>Past due 30 days</u>	<u>Past due 31-90 days</u>	<u>Past due over 91</u>	<u>Total</u>
<u>2025.03.31</u>					
Expected loss %	0%~0.03%	0%~0.16%	1.49%~13.58%	100%	
AR total	<u>\$ 133,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 837</u>	<u>\$134,153</u>
Allowance for credit impairment loss	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 837</u>	<u>\$ 877</u>
	<u>Not past due</u>	<u>Past due 30 days</u>	<u>Past due 31-90 days</u>	<u>Past due over 91</u>	<u>Total</u>
<u>2024.12.31</u>					
Expected loss %	0%~0.03%	0%~0.16%	1.49%~13.58%	100%	
AR total	<u>\$ 158,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 843</u>	<u>\$159,665</u>
Allowance for credit impairment loss	<u>\$ 46</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 843</u>	<u>\$ 889</u>
	<u>Not past due</u>	<u>Past due 30 days</u>	<u>Past due 31-90 days</u>	<u>Past due over 91</u>	<u>Total</u>
<u>2024.03.31</u>					
Expected loss %	0%~0.03%	0%~0.78%	0%~33.33%	100%	
AR total	<u>\$ 164,437</u>	<u>\$ 3,096</u>	<u>\$ -</u>	<u>\$ 1,005</u>	<u>\$168,538</u>
Allowance for credit impairment loss	<u>\$ 60</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 1,005</u>	<u>\$ 1,090</u>

5. The Company has adapted simplified measure for changes in allowance for impairment loss:

	<u>2025</u>	<u>2024</u>
	<u>Account receivable</u>	<u>Account receivable</u>
01.01	\$ 889	\$ 1,083
Allowance for impairment loss	( 12)	7
03.31	<u>\$ 877</u>	<u>\$ 1,090</u>

6. Please refer to Note 12(2) for details on AR credit risk.

(5) Inventory

	<u>2025.03.31</u>	<u>Allowance for inventory</u>	
	<u>Costs</u>	<u>valuation loss</u>	<u>Book Value</u>
Raw material	\$ 102,208	(\$ 69,840)	\$ 32,368
Work in process	116,866	( 17,021)	99,845
Finished goods	<u>21,247</u>	<u>( 702)</u>	<u>20,545</u>
	<u>\$ 240,321</u>	<u>(\$ 87,563)</u>	<u>\$ 152,758</u>
	<u>2024.12.31</u>	<u>Allowance for inventory</u>	
	<u>Costs</u>	<u>valuation loss</u>	<u>Book Value</u>
Raw material	\$ 109,435	(\$ 62,129)	\$ 47,306
Work in process	112,027	( 17,557)	94,470
Finished goods	<u>21,423</u>	<u>( 474)</u>	<u>20,949</u>
	<u>\$ 242,885</u>	<u>(\$ 80,160)</u>	<u>\$ 162,725</u>
	<u>2024.03.31</u>	<u>Allowance for inventory</u>	
	<u>Costs</u>	<u>valuation loss</u>	<u>Book Value</u>
Raw material	\$ 128,552	(\$ 31,009)	\$ 97,543
Work in process	152,781	( 26,096)	126,685
Finished goods	<u>32,991</u>	<u>( 5,086)</u>	<u>27,905</u>
	<u>\$ 314,324</u>	<u>(\$ 62,191)</u>	<u>\$ 252,133</u>

1. Inventory cost recognized as loss for the period

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Cost of good sold	\$ 85,520	\$ 112,581
Inventory valuation loss	7,403	5,352
Others	<u>3,500</u>	<u>-</u>
	<u>\$ 96,423</u>	<u>\$ 117,933</u>

2. Inventory was not pledged for collateral.

3. The Company has entered into long-term agreements with certain suppliers, which will expire on December 31, 2025. These agreements include minimum purchase commitments for outsourced production. For details regarding potential losses arising from unmet production volumes, please refer to Note 6(14).



(6) Real estate, plant and equipment

	<u>2025</u> <u>R&amp;D</u> <u>equipment</u>	<u>Office</u> <u>equipment</u>	<u>Improvement</u> <u>on lease</u>	<u>Equipment to</u> <u>be verified</u>	<u>Total</u>
2025.01.01					
Cost	\$ 126,778	\$ 21,438	\$ 5,377	\$ 1,071	\$ 154,664
Accumulated depreciation	( 83,268)	( 15,817)	( 2,390)	-	( 101,475)
	<u>\$ 43,510</u>	<u>\$ 5,621</u>	<u>\$ 2,987</u>	<u>\$ 1,071</u>	<u>\$ 53,189</u>
2025.01.01	\$ 43,510	\$ 5,621	\$ 2,987	\$ 1,071	\$ 53,189
Acquisition	4,409	2,000	-	68	6,477
Depreciation expense	( 5,589)	( 632)	( 280)	-	( 6,501)
Reclassified	-	-	1,139	( 1,139)	-
2025.03.31	<u>\$ 42,330</u>	<u>\$ 6,989</u>	<u>\$ 3,846</u>	<u>\$ -</u>	<u>\$ 53,165</u>
2025.03.31					
Cost	\$ 131,187	\$ 23,438	\$ 6,516	\$ -	\$ 161,141
Accumulated depreciation	( 88,857)	( 16,449)	( 2,670)	-	( 107,976)
	<u>\$ 42,330</u>	<u>\$ 6,989</u>	<u>\$ 3,846</u>	<u>\$ -</u>	<u>\$ 53,165</u>
<u>2024</u>					
2024.01.01	<u>R&amp;D equipment</u>	<u>Office equipment</u>	<u>Improvement on lease</u>	<u>Total</u>	
Cost	\$ 91,537	\$ 19,739	\$ 5,247	\$ 116,523	
Accumulated depreciation	( 71,473)	( 13,505)	( 1,524)	( 86,502)	
	<u>\$ 20,064</u>	<u>\$ 6,234</u>	<u>\$ 3,723</u>	<u>\$ 30,021</u>	
2024.01.01					
Acquisition	\$ 20,064	\$ 6,234	\$ 3,723	\$ 30,021	
Disposal	479	-	130	609	
Depreciation expense	( 2,611)	( 530)	( 215)	( 3,356)	
2024.03.31	<u>\$ 17,932</u>	<u>\$ 5,704</u>	<u>\$ 3,638</u>	<u>\$ 27,274</u>	
2024.03.31					
Cost	\$ 91,221	\$ 19,615	\$ 5,376	\$ 116,212	
Accumulated depreciation	( 73,289)	( 13,911)	( 1,738)	( 88,938)	
	<u>\$ 17,932</u>	<u>\$ 5,704</u>	<u>\$ 3,638</u>	<u>\$ 27,274</u>	

The real estate, plant and equipment were not pledged for collateral.

(7) Lease — lessee

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Right-of-use assets:			
buildings	\$ 16,886	\$ 18,558	\$ 23,576
Transportation vehicles	<u>60</u>	<u>1,453</u>	<u>2,046</u>
	<u>\$ 16,946</u>	<u>\$ 20,011</u>	<u>\$ 25,622</u>
Lease liabilities:			
Current	\$ 5,587	\$ 6,180	\$ 6,120
Non current	<u>10,796</u>	<u>13,297</u>	<u>18,907</u>
	<u>\$ 16,383</u>	<u>\$ 19,477</u>	<u>\$ 25,027</u>

1. The lease include building and transportation vehicle. The contracts are normally 2~5 years. The lease contracts are negotiated separately with different terms and conditions. There are no other restrictions other than leased assets shall not be pledged for collaterals.
2. Depreciation expenses for right-of-use assets:

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Building	\$ 1,672	\$ 1,672
Transport vehicle	<u>127</u>	<u>204</u>
	<u>\$ 1,799</u>	<u>\$ 1,876</u>

3. Acquisition of right-of-use asset for 01.01 to 03.31, 2025 and 2024 are both \$0.
4. Car park lease contract does not exceed 12 months. Office printer is regarded as low value lease asset.
5. P& L items related to lease contracts:

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Interest expense from lease liabilities	\$ 126	\$ 178
Expenses of short term lease	168	69
Expenses of low-value lease	26	23
Profit from lease change	75	-

Note: The Company terminated the car lease in February 2025.

6. Cash outflow from lease for the period 01.01 to 03.31 of 2025 and 2024 are \$2,073 and \$2,103.
7. During 2025.01.01~2025.03.31, the Company early terminated a lease contract for a company vehicle, resulting in a decrease of \$1,266 in right-of-use assets and a decrease of \$1,341 in lease liabilities.

(8) Intangible Assets

	<u>2025</u>	<u>2024</u>
	<u>Computer software</u>	<u>Computer software</u>
01.01		
Cost	\$ 79,719	\$ 44,255
Accumulated amortization	( 53,169)	( 20,393)
	<u>\$ 26,550</u>	<u>\$ 23,862</u>
01.01	\$ 26,550	\$ 23,862
Acquisition	518	760
Amortization expenses	( 8,852)	( 7,680)
03.31	<u>\$ 18,216</u>	<u>\$ 16,942</u>
03.31		
Cost	\$ 80,237	\$ 45,015
Accumulated amortization	( 62,021)	( 28,073)
	<u>\$ 18,216</u>	<u>\$ 16,942</u>

Intangible assets amortization expenses:

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
	<u>Computer software</u>	<u>Computer software</u>
Administration expenses	\$ 844	\$ 565
R&D expenses	8,008	7,115
	<u>\$ 8,852</u>	<u>\$ 7,680</u>

(9) Short term loan

	<u>2024.03.31</u>
Guarantee bank loan	<u>\$ 120,000</u>
Range of interests	<u>1.71%~1.99%</u>

Not applicable for 2025.03.31 and 2024.12.31.

1. Unused quota as of 2025.03.31 is \$350,000.

2. Please refer to Note 8 for details on short term loan pledged for collateral.

(10) Other payments

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Employee/ Director bonus	\$ 18,837	\$ 15,139	\$ 27,436
Salary and compensation	7,306	15,458	11,311
Intangible assets	-	3,816	-
Software license fee	2,399	2,400	-
Equipment	2,100	247	471
Others	<u>5,337</u>	<u>6,916</u>	<u>8,922</u>
	<u>\$ 35,979</u>	<u>\$ 43,976</u>	<u>\$ 48,140</u>

(11) Corporate Bond

	<u>2025.03.31</u>	<u>2024.12.31</u>
Corporate bond	\$ 300,000	\$ 300,000
Less: discount	<u>( 15,050)</u>	<u>( 16,685)</u>
	<u>\$ 284,950</u>	<u>\$ 283,315</u>

1. Not applicable for 2024.03.31.

2. Domestic corporate bond

2.1 Conditions for 3<sup>rd</sup> domestic unsecured convertible corporate bond:

a. With the approval of the competent authority, the Company has issued the third unsecured domestic convertible bonds in total amount of NT\$300,000 thousands. The bonds bear a zero percent (0%) coupon rate and have a maturity of three (3) years, commencing from June 25, 2024, and maturing on June 25, 2027. Upon maturity, the bonds will be redeemed in full at par value in cash. The bonds are scheduled to be listed on the Taipei Exchange (TPEx) and commence trading on June 25, 2024

b. Holders of these convertible bonds may, at any time starting from the day following the expiry of three months from the issuance date (i.e., September 26, 2024) and up to forty (40) days prior to the maturity date (i.e., May 16, 2027), request conversion of the bonds into the Company's common shares, except during book closure periods as stipulated by applicable laws or regulations. The common shares issued upon conversion shall carry the same rights and obligations as the existing issued common shares of the Company.

c. The conversion price of these convertible bonds is determined in accordance with the pricing model set forth in the Conversion Rules. In the event of any anti-dilution adjustments as stipulated in the Conversion Rules, the conversion price shall be adjusted accordingly using the prescribed pricing model. Furthermore, on the reference dates specified in the Conversion Rules, the conversion price may be re-determined in accordance with the same pricing model. The initial conversion price for these

convertible bonds is set at NT\$65.8 per share.

d. From the day following one month after the issuance date until 40 days prior to the maturity date, if the closing price of the Company's common shares exceeds 50% of the then-effective conversion price for 30 consecutive trading days, or from the day following three months after the issuance date until 40 days prior to the maturity date, if the outstanding balance of the convertible bonds falls below 10% of the original total issuance amount, the Company may, at its discretion and at any time thereafter, redeem all outstanding bonds in cash at par value.

e. In accordance with the regulations, all convertible bonds that are redeemed by the Company (including those repurchased through the Taipei Exchange), repaid, or converted shall be cancelled, and all rights and obligations attached to such bonds shall be extinguished accordingly. No reissuance of such bonds will be made.

2.2 As of March 31<sup>st</sup>, 2025, there had been no conversions of the convertible bonds into common shares, nor any repurchases of the bonds by the Company.

3. In accordance with IAS 32 "Financial Instruments: Presentation," at the time of issuance of the convertible bonds, the Company separated the equity component of the embedded conversion right from the liability component and recognized it under "Capital surplus – stock options from convertible bonds" in the amount of NT\$20,876 thousands.

In addition, the embedded call option was separated in accordance with IFRS 9 "Financial Instruments," as its economic characteristics and risks are not closely related to those of the host debt instrument. Accordingly, it was recognized under "Financial assets at fair value through profit or loss."

After the separation, the effective interest rate of the host liability component was determined to be 2.03%.

## (12) Pension

### 1. Defined benefit

Due to the departure of certain employees covered under the defined benefit pension plan and others electing to switch to the defined contribution pension plan, the Company settled all defined benefit pension obligations in February 2024. The settlement was approved by the competent authority in April 2024. As a result, the Company recognized no pension expense under the defined benefit plan for the period from January 1 to March 31, 2024.

### 2. Determination of Provision Plan.

(1) In accordance with the Labor Pension Act, the Company has established a defined contribution pension plan applicable to employees of Taiwan

nationality. For employees who select to participate in the pension scheme under the Labor Pension Act, the Company contributes an amount equal to 6% of the employees' monthly wages to their individual pension accounts maintained by the Bureau of Labor Insurance. Upon retirement, employees may receive their pension either in monthly payments or as a lump sum, based on the balance of their individual accounts and the accrued returns  
(2) Amount recognized for the pension in according to the above method for the period ending 01.01~03.31 of 2025 and 2024 are \$1,423 and \$1,195.

(13) Share-based payments

1. Share based payment arrangement as of 2025.12.31:

Issuer	Type	Issuance date	Quantity	No. shares available for subscription per unit (shares)	Contract Period	Condition
ENE	Restricted employee stock	2022.05.10	20 thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)
"	"	2022.03.16	980 thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)

New shares with limited employee rights issued by the company may not be sold, pledged, transferred, gifted to others, encumbered, or disposed of in other ways before the vested conditions are met.

Note: For those who meet the service years and performance conditions stipulated in the Regulations on Employee Restricted Shares, the conditions are as follows:

Service with one year: 20%, Service with two years: 30%, Service with three years: 50%

2.Details for the above said share-based payments are as follows:

Restricted Employee Stock (RES) plan

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
	<u>Quantity (thousands)</u>	<u>Quantity (thousands)</u>
RES at the beginning of the period	467	748
Issued shares at the current period	( 460)	( 276)
RES at the end of the period	<u>7</u>	<u>472</u>

3. The par value of new shares issued by the Company to restrict employee shares is NT\$10 per share, and the issue price per share is NT\$0 (free for employees). The closing price on the date of grant \$41.5 and \$40.25 are used as the measure of fair value.

4. The cost for above said RES for the period ending 01.01~03.31 2025 and 2024 are (\$422) and \$2,080.

(14) Other current liabilities- others

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Liability provisions	\$ 34,225	\$ 30,725	\$ 27,656
others	<u>1,645</u>	<u>1,445</u>	<u>2,359</u>
	<u>\$ 35,870</u>	<u>\$ 32,170</u>	<u>\$ 30,015</u>

Liability provisions

	<u>2025</u>	<u>2024</u>
01.01	\$ 30,725	\$ 27,656
Liability provision for the current period	<u>3,500</u>	<u>-</u>
03.31	<u>\$ 34,225</u>	<u>\$ 27,656</u>

The Company has entered into long-term agreements with certain suppliers, which include minimum purchase commitments in terms of amount or quantity for outsourced production. Management has assessed that failure to meet such minimum commitments may result in compensation for related losses; accordingly, a provision has been recognized. The related loss has been accounted for as a cost in the current period.

(15) Capital

1. As of 2025.03.31, the registered capital is \$950,000, total of 95,000 thousand shares. Actual capital is \$452,688 with par value of NT\$10. All proceeds in respect of the Company's issued shares have been fully settled. Restricted Employee Shares (RES) To attract and retain professional talent and maximize the interests of the Company and its shareholders, the Board of Directors resolved in March and May 2022 to issue new restricted shares for employees (RES) without consideration. The grant dates were March 16 and May 10, 2022, with a total of 1,000 thousand shares issued. The vesting of shares is conditional upon the employees meeting both service year requirements and annual performance evaluations. Shares that do not meet the vesting conditions may be repurchased by the Company without consideration and subsequently cancelled. As of March 31, 2025, a total of 1,000 thousand shares had been issued, of which 939 thousand shares were vested and 54 thousand shares had been cancelled.

(16) Capital surplus

1. In accordance with the provisions of the Company Law, the surplus from the issuance of shares exceeding the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the company has no accumulated losses, new shares or cash. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. When the company still has insufficient surplus reserves to make up for capital losses, it may not use capital reserves to compensate it. °



(17) Retained earnings

1. According to the company's Articles, if the company has a surplus in its annual final accounts, in addition to paying taxes in accordance with the law, it should first make up for the accumulated losses, and then allocate 10% of the balance as the statutory surplus reserve, but the statutory surplus reserve This is not the case when the total paid-in capital of the company has been reached; in addition, depending on the company's operating needs and legal requirements, the special surplus reserve shall be appropriated or reversed. If there is still a surplus, and the undistributed surplus at the beginning of the same period, the board of directors shall propose a shareholder dividend Proposal on distribution, after submitting to the shareholders' meeting for resolution.
2. The company's dividend policy is formulated in accordance with the company law and the company's Articles, and is determined based on factors such as the company's capital and financial structure, operating conditions, earnings, and the nature and cycle of the industry to which it belongs. 50% of the surplus, cash dividends shall be withdrawn at no less than 50% of the total dividends for the year.
3. The statutory surplus reserve shall not be used except to make up for the company's losses and to issue new shares or cash in proportion to the shareholders' original shares.
4. When the company distributes the surplus, according to laws and regulations, the debit balance of other equity items on the balance sheet must be allocated as a special surplus reserve.
5. The earnings distribution and cash dividends from capital surplus for the fiscal years 2024 and 2023 were approved by the shareholders' meetings held on 2025.04.15 and 2024.05.28:

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>Dividends/ share</u>	<u>Amount</u>	<u>Dividends/ share</u>
Legal reserve	\$ 4,990		\$ 6,664	
Cash dividends	<u>45,269</u>	\$ 1.00	<u>45,269</u>	\$ 1.00
	<u>\$ 50,259</u>		<u>\$ 51,933</u>	
	<u>Each Share</u>		<u>Each Share</u>	
	<u>Amount</u>	<u>Dividends/ share</u>	<u>Amount</u>	<u>Dividends/ share</u>
Capital surplus				
Cash dividends	<u>\$ 9,054</u>	\$ 0.20	<u>\$ 9,054</u>	\$ 0.20

(18) Operation revenue

1. The Company's revenue is mainly derived from goods transferred at a certain point in time, and revenue can be broken down into the following geographical areas :

<u>20250101~20250331</u>	<u>China</u>	<u>Taiwan</u>	<u>Others</u>	<u>Total</u>
External customer contract	<u>\$ 79,823</u>	<u>\$ 82,415</u>	<u>\$ 3,229</u>	<u>\$ 165,467</u>
<u>20240101~20240331</u>	<u>China</u>	<u>Taiwan</u>	<u>Others</u>	<u>Total</u>
External customer contract	<u>\$ 101,022</u>	<u>\$ 74,858</u>	<u>\$ 3,461</u>	<u>\$ 179,341</u>

2. The contract liabilities related to customer contract revenues recognized by the Company (presented under 'Other current liabilities') are as follows:

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>	<u>2024.01.01</u>
Contract revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193</u>

The amounts of contract liabilities as of January 1, 2025 and 2024 that were recognized as revenue during the periods from January 1 to March 31, 2025 and 2024 were \$0 and \$193, respectively.

(19) Other profit and loss

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Foreign exchange gain (loss)	<u>\$ 6,780</u>	<u>\$ 27,791</u>
Loss of financial assets measured at fair value through P&L	<u>( 90)</u>	<u>-</u>
Profit from lease change	<u>75</u>	<u>-</u>
	<u>\$ 6,765</u>	<u>\$ 27,791</u>

(20) Additional information on cost and expense

20250101~20250331			
	<u>Operation costs</u>	<u>Operation expense</u>	<u>Total</u>
Employee benefit expense			
Salary expense	\$ -	\$ 32,564	\$ 32,564
Share based payment	-	( 422)	( 422)
Labor and health insurance expense	-	2,477	2,477
Pension expense	-	1,423	1,423
Other HR	-	1,038	1,038
	<u>\$ -</u>	<u>\$ 37,080</u>	<u>\$ 37,080</u>
Depreciation expense	<u>\$ -</u>	<u>\$ 8,300</u>	<u>\$ 8,300</u>
Amortization expense	<u>\$ -</u>	<u>\$ 8,852</u>	<u>\$ 8,852</u>

20240101~20240331			
	<u>Operation costs</u>	<u>Operation expense</u>	<u>Total</u>
Employee benefit expense			
Salary expense	\$ -	\$ 34,695	\$ 34,695
Share based payment	-	2,080	2,080
Labor and health insurance expense	-	1,894	1,894
Pension expense	-	1,195	1,195
Other HR	-	561	561
	<u>\$ -</u>	<u>\$ 40,425</u>	<u>\$ 40,425</u>
Depreciation expense	<u>\$ -</u>	<u>\$ 5,232</u>	<u>\$ 5,232</u>
Amortization expense	<u>\$ -</u>	<u>\$ 7,680</u>	<u>\$ 7,680</u>

1. According to the company's Articles, the company shall allocate no less than 20% of the employee's remuneration and no more than 3% of the BOD's remuneration if there is a balance after deducting the accumulated losses.
2. Remuneration for BOD and employees are as follows:

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Remuneration to BODs	\$ 482	\$ 1,051
Remuneration to employees	<u>3,216</u>	<u>7,004</u>
	<u>\$ 3,698</u>	<u>\$ 8,055</u>

The estimation of profits is recognized in according to the Articles for the period 01.01~03.31 of 2025 and 2024.

3.The directors' and employees' compensation for the years ended December 31, 2024 and 2023, as approved by the Board of Directors in 2025 and 2024, respectively, were consistent with the amounts previously accrued. The aforementioned employees' compensation will be distributed in cash.

4. Please refer to MOPS for related information.

(21) Income tax

1. Income tax expense

(1) Components of income tax expense:

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Current income tax:		
Current income tax expense	<u>\$ -</u>	<u>\$ -</u>
Deferred income tax:		
Original source and reversal of temporary differences	<u>( \$ 1,442 )</u>	<u>\$ 2,397</u>
Income tax expenses	<u>( \$ 1,442 )</u>	<u>\$ 2,397</u>

2. The income tax has been verified by the tax authority until fiscal year 2022.

(22) Earnings per share

<u>20250101~20250331</u>			
	<u>\$ after tax</u>	<u>Weighted average Outstanding shares (thousand shares)</u>	<u>EPS (Dollar)</u>
<u>Basic EPS</u>			
Net profit attributed to common shareholders of the parent company	<u>\$ 13,823</u>	<u>44,874</u>	<u>\$ 0.31</u>
<u>Diluted EPS</u>			
Net profit attributed to common shareholders of the parent company	\$ 13,823	44,874	
RES	-	395	
Employee remuneration	-	258	
Convertible CB	<u>1,380</u>	<u>4,559</u>	
Potential dilution impact attributed to the parent company	<u>\$ 15,203</u>	<u>50,086</u>	<u>\$ 0.30</u>
<u>20240101~20240331</u>			
	<u>\$ after tax</u>	<u>Weighted average Outstanding shares (thousand shares)</u>	<u>EPS (Dollar)</u>
<u>Basic EPS</u>			
Net profit attributed to common shareholders of the parent company	<u>\$ 24,566</u>	<u>44,567</u>	<u>\$ 0.55</u>
<u>Diluted EPS</u>			
Net profit attributed to common shareholders of the parent company	\$ 24,566	44,567	
Potential dilution impact			
RES	-	577	
Employee remuneration	<u>-</u>	<u>240</u>	
Potential dilution impact attributed to the parent company	<u>\$ 24,566</u>	<u>45,384</u>	<u>\$ 0.54</u>

(23) Additional information to cash flow

Investment activity with partial cash payment:

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Acquisition of real estate, plant and equipment	\$ 6,477	\$ 609
Add: equipment payment at the beginning of the period	2,690	2,371
Less: equipment payment at the end of the period	( 2,523)	( 471)
Cash payment of the period	<u>\$ 6,644</u>	<u>\$ 2,509</u>

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Acquire intangible assets	\$ 518	\$ 760
Add: prepaid at end of the period	-	7,500
Add: prepaid at beginning of the period	3,816	-
Less: prepaid at the beginning of the period	-	( 7,500)
Payment for the current period	<u>\$ 4,334</u>	<u>\$ 760</u>

(24) Changes in liabilities from financing activities

	<u>2025</u>		<u>Total liabilities from financing activities</u>
	<u>Corporate Bond</u>	<u>Lease liabilities</u>	
01.01	\$ 283,315	\$ 19,477	\$ 302,792
Changes in financing cash flow	-	( 1,753)	( 1,753)
Other non-cash changes (note)	<u>1,635</u>	<u>( 1,342)</u>	<u>293</u>
03.31	<u>\$ 284,950</u>	<u>\$ 16,382</u>	<u>\$ 301,332</u>

	<u>2024</u>		<u>Total liabilities from financing activities</u>
	<u>Short term loan</u>	<u>Lease liabilities</u>	
01.01	\$ 160,000	\$ 26,860	\$ 186,860
Changes in financing cash flow	( 40,000)	( 1,833)	( 41,833)
03.31	<u>\$ 120,000</u>	<u>\$ 25,027</u>	<u>\$ 145,027</u>

Note: mainly from Amortization of Corporate Bonds Payable and Early Termination of Lease Contracts

## 7. Related party transactions

### (1) Related party

<u>Related party</u>	<u>Relationship</u>
ASUSTek Computer Inc. (Asus)	Key personnel of the Company (Institutional Director)
Siguard Microelectronic Corp. (Siguard)	Key personnel of the Company (Institutional Director)
Egis Technology Inc. (EgisTec)	Ultimate parent entity
Alcor Micro	Parent entity
Algotek	Related company
Visubi	Related company

### (2) Significant transactions with related parties

#### 1. Sales

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Sales:		
ASUSTek	<u>\$ 31,309</u>	<u>\$ 26,372</u>

Product prices quoted to the related parties were determined by the product specification. Some discounts were given depending on the total sales quantity. Therefore, prices quoted to the related parties were of no big difference to other customers.

#### 2. Purchasing

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Outsourcing product purchase		
Egis	<u>\$ 46,014</u>	<u>\$ 36,707</u>

The trading conditions between the Company and related parties are no different to those with general suppliers.

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Service purchase		
Siguard	<u>\$ 2,622</u>	<u>\$ 3,700</u>

The trading conditions between the Company and related parties are no different to those with general suppliers.

### 3.R&D expenses

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Eqig	\$ 937	\$ 34
Alcor Micro	<u>-</u>	<u>1,365</u>
	<u>\$ 937</u>	<u>\$ 1,399</u>

Expenses for pilot run, masks and miscellaneous.

### 4.Account receivable

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Service purchase			
ASUSTek	<u>\$ 42,502</u>	<u>\$ 51,748</u>	<u>\$ 35,811</u>

There is no bad debt allowances for the related party AR. The AR is mainly from product sales.

### 5.Account payable – related parties

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Account payable			
Egis	\$ 751	\$ 16,718	\$ 25,921
Siguard	<u>1,835</u>	<u>1,590</u>	<u>3,744</u>
	<u>\$ 2,586</u>	<u>\$ 18,308</u>	<u>\$ 29,665</u>
Other payable-equipment			
Egis	\$ -	\$ 2,443	\$ 218
Siguard	<u>423</u>	<u>-</u>	<u>-</u>
	<u>\$ 423</u>	<u>\$ 2,443</u>	<u>\$ 218</u>
Other payable-others			
Egis	\$ 33	\$ 438	\$ 218
Siguard	22	310	-
Alcor micro	<u>-</u>	<u>-</u>	<u>478</u>
	<u>\$ 55</u>	<u>\$ 748</u>	<u>\$ 696</u>

Accounts payable primarily arise from purchase transactions. Other payables mainly consist of payments on behalf of customers for mold equipment procurement and fees for the acquisition of specialized technical services. These payables are non-interest bearing.



## 6.Prepaid

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Egis	<u>\$ 1,284</u>	<u>\$ 1,284</u>	<u>\$ -</u>

## 7.Assets trading -acquisition of real estate, plant and equipment

	<u>Booking entry</u>	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Egis	Purchase equipment	\$ 4,007	\$ 204
Siguard	Purchase equipment	<u>402</u>	<u>-</u>
		<u>\$ 4,409</u>	<u>\$ 204</u>

The Company primarily purchases equipment such as molds and masks through related parties. The prices are determined through negotiations between the parties, and the payment terms do not differ from those with non-related parties.

## 8.Other non-current assets

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Refundable deposits :			
AlgoteK	<u>\$ 688</u>	<u>\$ 688</u>	<u>\$ 595</u>
Prepaid payment (intangible assets)			
Egis (note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,500</u>

Note: The company has signed a product development contract. The unpaid payment for the period ending 2025.12.31 is \$7,500.

## 9.Lease -leasee

(1)The company rents office from Algoltek. The contract is for 5 years. The company pays the rent on monthly basis.

(2)Lease liabilities

A. Amount at the end of the period:

	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.03.31</u>
Algoltek	<u>\$ 8,878</u>	<u>\$ 9,605</u>	<u>\$ 11,754</u>

B. Interest expenses

	<u>20250101~20250331</u>	<u>20240101~20241231</u>
Algoltek	<u>\$ 72</u>	<u>\$ 94</u>

### (3) Key personnel remuneration information

	<u>20250101~20250331</u>	<u>20240101~20240331</u>
Salary and other short term employee benefit	\$ 9,294	\$ 9,317
Post employment benefit	1,929	214
Share based payment	670	795
Total	<u>\$ 11,893</u>	<u>\$ 10,326</u>

## **8. Pledged Asset**

Details of the assets provided as collateral by the Company are as follows:

<u>Asset</u>	<u>2025.03.31</u>	<u>2024.12.31</u>	<u>2024.12.31</u>	<u>Purpose</u>
Term deposit (Note1)	\$ -	\$ -	\$ 233,600	Note 3
Term deposit (Note2)	<u>1,076</u>	<u>1,076</u>	<u>1,060</u>	Note 4
	<u>\$ 1,076</u>	<u>\$ 1,076</u>	<u>\$ 234,660</u>	

Note1: financial asset at amortized cost -current

Note2: financial asset at amortized cost -non current

Note3: guarantee for short term loan

Note4: guarantee for tariff on imported raw material

## **9. Significant commitments**

1. The Company has signed a software licensing contract. As of March 31, 2025, the amount not yet paid is \$18,601.
2. Please refer to Note7 for details on the unrecognized contractual commitments with related parties.

## **10. Losses due to major disasters**

None.

## **11. Significant subsequent events**

None

## **12. Others**

### **(1) Capital management**

There is no significant changes for the period. Please refer to Note 12(1) of 2024 annual consolidated financial report.

### **(2) Financial instruments**

1.Types:

For information on the amounts and details of the Company's financial assets — including cash and cash equivalents, financial assets at fair value through profit or loss, financial assets measured at amortized cost, accounts receivable (including related parties), other receivables, and refundable deposits (classified under other non-current assets) — and financial liabilities — including short-term borrowings, accounts payable (including related parties), other payables (including related parties), corporate bonds

payable, guarantee deposits received (classified under other non-current liabilities), and lease liabilities — please refer to the balance sheet and Note 6.

2.Risk management policy:

There is no significant changes. Please refer to Note 12(2) of 2024 annual consolidated financial report.

3.Significant financial risks:

There is no significant changes except items below. Please refer to Note 12(2) of 2024 annual consolidated financial report.

(1)Market risks

Exposure to currency risk

- A. The Company operates globally, therefore, it is exposed to various currency exchange rate risks, mainly from the US dollar and the RMB. These exchange rate risks arise from future business transactions and recognized assets and liabilities.
- B. The Company financial assets and liabilities exposed to exchange rate risk were as following:

<u>2025.03.31</u>					
Foreign currency		Book value		<u>Sensitivity analysis</u>	
	<u>(\$thousands)</u>	<u>FX rate</u>	<u>(NTD)</u>	<u>Change %</u>	<u>Impact on P&amp;L</u>
<u>Financial asset</u>					
Monetary item					
USD: NTD	\$ 15,275	33.21	\$507,283	1%	\$ 5,073
<u>Financial liabilities</u>					
Monetary item					
USD: NTD	198	33.21	6,576	1%	66

<u>2024.12.31</u>					
Foreign currency		Book value		<u>Sensitivity analysis</u>	
	<u>(\$thousands)</u>	<u>FX rate</u>	<u>(NTD)</u>	<u>Change %</u>	<u>Impact on P&amp;L</u>
<u>Financial asset</u>					
Monetary item					
USD: NTD	\$ 16,256	32.79	\$533,034	1%	\$ 5,330
<u>Financial liabilities</u>					
Monetary item					
USD: NTD	849	32.79	27,839	1%	278

<u>2025.03.31</u>					
Foreign currency		Book value		<u>Sensitivity analysis</u>	
	<u>(\$thousands)</u>	<u>FX rate</u>	<u>(NTD)</u>	<u>Change %</u>	<u>Impact on P&amp;L</u>
<u>Financial asset</u>					
Monetary item					
USD: NTD	\$19,686	32.00	\$629,952	1%	\$ 6,300
<u>Financial liabilities</u>					
Monetary item					
USD: NTD	1,143	32.00	36,576	1%	366

Recognized FX translation (loss)gains (realized and unrealized) are \$6,780 and \$27,791 for period of 2025 and 2024.

#### Price risk

- A. The Company is exposed to equity price risk arising from equity instruments classified as financial assets at fair value through profit or loss. To manage the price risk of such investments, the Company diversifies its investment portfolio in accordance with internally established limits.
- B. The Company primarily invests in open-end funds. The prices of these equity instruments are subject to fluctuations due to uncertainties in the future value of the underlying investments. During the periods from January 1 to March 31, 2025 and 2024,

the Company did not recognize any gains or losses from equity instruments classified as financial assets at fair value through profit or loss.

#### Cash flow and fair value interest rate risk

A. The Company is exposed to cash flow interest rate risk primarily due to borrowings issued at variable interest rates. As of March 31, 2025, the Company had no outstanding borrowings. As of March 31, 2024, the Company's borrowings at variable interest rates were denominated in New Taiwan dollars.

B. Assuming a 1% increase or decrease in the interest rate on New Taiwan dollar-denominated borrowings, with all other variables held constant, the Company's net income after tax for the period from January 1 to March 31, 2024, would have decreased or increased by \$240, respectively. The change is mainly attributable to the impact of variable-rate borrowings on interest expense.

#### (2)Liquidity Risk

A. Cash flow forecasts are prepared by the Company's finance department. The finance department monitors the forecasted cash needs of the Company to ensure that sufficient funds are available to support its operations.

B. Please refer to Note 6(9) for unused bank loan quota.

C. Except for the items listed in the table below, all of the Company's non-derivative financial liabilities are due within one year. As of March 31, 2025, December 31, 2024, and March 31, 2024, the significant cash flow amounts due within one year for short-term borrowings, accounts payable, and other payables were consistent with the carrying amounts presented in the balance sheet. These amounts represent undiscounted and non-interest-bearing net amounts.

2025.03.31	<u>within one year</u>	<u>over one year</u>	<u>total</u>
<u>Non-derivative financial liabilities:</u>			
lease liabilities	\$ 5,972	\$ 11,057	\$ 17,029
Corporate bonds	-	300,000	300,000
2024.12.31	<u>within one year</u>	<u>over one year</u>	<u>total</u>
<u>Non-derivative financial liabilities:</u>			
lease liabilities	\$ 6,634	\$ 13,649	\$ 20,283
Corporate bonds	-	300,000	300,000
2024.03.31	<u>within one year</u>	<u>over one year</u>	<u>total</u>
<u>Non-derivative financial liabilities:</u>			
lease liabilities	\$ 6,715	\$ 19,582	\$ 26,297

(3) Fair value of financial instruments

1. Categories of financial instruments and fair value

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability (directly or indirectly).

Level 3: Assets or liabilities that are not observable market information (unobservable parameters).

2. Financial instrument not measured by fair value

(1) Other than items listed below, the carrying amount of the financial instruments not measured by fair value (cash and cash equivalent, financial assets at amortized cost, account receivables, other account receivables, account payables, other account payables, refundable deposits, short term loan, long term loan and lease liabilities) is regarded as reasonable fair value.

<u>2025.03.31</u>				
		<u>Fair Value</u>		
	<u>Book Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liability				
Corporate bond payable	<u>\$ 284,950</u>	<u>\$ -</u>	<u>\$ 287,400</u>	<u>\$ -</u>
<u>2024.12.31</u>				
		<u>Fair Value</u>		
	<u>Book Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liability				
Corporate bond payable	<u>\$ 283,315</u>	<u>\$ -</u>	<u>\$ 285,270</u>	<u>\$ -</u>

Not applicable for 2024.03.31

(2) The methods and assumptions applied in estimating fair value are as follows:

Corporate bonds payable: Measured at the present value of expected future cash flows, discounted at the market interest rate as of the balance sheet date.

3. Financial and non-financial tools measured by fair values are categorized in according to the type, characteristics and risk of the assets and liabilities, and the levels of fair value:

(1) The relevant information classified by the nature of the assets as follows:

2025.03.31	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
<b>Assets</b>				
<u>Repetitive fair value</u>				
Financial assets measured through profit/loss by fair value				
Benefit certificates	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2024.12.31	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
<b>Assets</b>				
<u>Repetitive fair value</u>				
Financial assets measured through profit/loss by fair value				
Benefit certificates	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ -</u>	<u>\$ 90</u>

Not applicable for 2024.03.31.

(2) The methods and assumptions used by the Company in measuring fair value are as follows:

The fair values of financial instruments are determined using valuation techniques. These techniques may include referencing the current fair values of financial instruments with similar terms and characteristics, discounted cash flow analysis, or other valuation models. Such models incorporate market data available as of the balance sheet date—for example, the OTC yield curve published by the Taipei Exchange.

4. For the period of 0101~0331 of 2025 and 2024, there were no transfer between Level1 and Level2
6. For the period 0101~0331 of 2025 and 2024, there were no transfer of Level 3 financial instruments.

### **13. Other disclosures**

#### **(1) Information on significant transactions**

1. Loans to other parties: none
2. Guarantees and endorsements for other parties: none
3. Securities held as of end of the period (other than investments in subsidiaries, associates and JVs): Attachment 1

4. Related party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: none
5. Receivables from related parties with amount exceeding the lower of NT\$100 million or 20% of capital stock: none
6. Business relationship and significant intercompany transactions: none

(2) Investment

None.

(3) Investment in China

1. Basic information: None

2. Direct or indirect significant transaction between investee in China and the company: None

**14. Segment information**

(1) General information

The Company is focus on the research and development, design, manufacture and sales of NB related application ICs. The Company operates as a single operation entity.

(2) Department information

1. The profit and loss of the Company's operating departments are measured by pre-tax operating profit and serve as the basis for performance evaluation. The accounting policies and accounting estimates of the operating department are the same as the summary of important accounting policies and important accounting estimates and assumptions described in Notes 4 and 5.
2. External revenue (no revenue from transactions within other operating units of the enterprise), profit and loss, and financial information reported to the chief operating decision maker are the same and measured in a consistent manner as revenue, profit and loss, and financial information in the consolidated income statement.
3. Total asset amount and total liability amount provided to the chief operating decision maker adopts the same measurement method as the assets and liabilities in this financial statement.