

**Taiwan-Asia Semiconductor Corporation  
and Subsidiaries**

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

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Taiwan-Asia Semiconductor Corporation

### **Introduction**

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

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2025 and 2024, the combined total assets of these non-significant subsidiaries were NT\$6,079,703 thousand and NT\$3,601,848 thousand, respectively, representing 41.04% and 26.86%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$2,182,976 thousand and NT\$1,251,193 thousand, respectively, representing 30.77% and 25.29%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2025 and 2024, the amounts of the combined comprehensive income of these subsidiaries were NT\$(316,281) thousand and NT\$(41,071) thousand, respectively, representing 74.90% and 32.90%, respectively, of the consolidated total comprehensive income. Also, as stated in Note 13 to the consolidated financial statements, as of March 31, 2025 and 2024, the investments accounted for using the equity method amounted to NT\$77,263 thousand and NT\$60,628 thousand, respectively. For the three months ended March 31, 2025 and 2024, the share of profit (loss) of the associates were NT\$(1,013) thousand and NT\$(2,340) thousand, respectively, of the Group’s consolidated net income. For the three months ended March 31, 2025 and 2024, the share of other comprehensive income (loss) of the associates were NT\$(1,345) thousand and NT\$(3,468) thousand, respectively, of the Group’s consolidated comprehensive income.

## Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chih-Yuan Chen and Tung-Feng Lee.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 5, 2025

## Notice to Readers

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

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

# TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,333,100	16	\$ 2,296,957	15	\$ 2,833,910	21
Financial assets at fair value through profit or loss - current (Notes 7 and 29)	46,238	-	59,639	1	110,264	1
Financial assets at amortized cost - current (Notes 9 and 31)	23,160	-	23,160	-	22,960	-
Contract assets - current (Note 23)	2,619	-	2,619	-	1,700	-
Notes receivable (Note 23)	28,568	-	3,893	-	2,152	-
Trade receivables (Notes 10 and 23)	1,219,990	8	1,240,808	8	1,054,465	8
Trade receivables from related parties (Notes 23 and 30)	21,257	-	21,678	-	32,184	-
Other receivables (Note 30)	60,722	1	130,214	1	17,538	-
Inventories (Note 11)	1,915,680	13	1,861,544	13	1,339,029	10
Other current assets (Note 30)	<u>136,966</u>	<u>1</u>	<u>139,072</u>	<u>1</u>	<u>116,899</u>	<u>1</u>
Total current assets	<u>5,788,300</u>	<u>39</u>	<u>5,779,584</u>	<u>39</u>	<u>5,531,101</u>	<u>41</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 29)	16,279	-	16,279	-	20,000	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 29)	898,923	6	961,450	6	1,083,172	8
Investments accounted for using the equity method (Note 13)	77,263	-	76,646	1	60,628	1
Contract assets - non-current (Note 23)	-	-	-	-	2,619	-
Property, plant and equipment (Notes 14, 30 and 31)	7,042,228	48	7,057,951	47	5,567,335	42
Right-of-use assets (Note 15)	171,517	1	187,015	1	204,705	2
Investment properties (Note 16)	399,307	3	399,307	3	399,307	3
Intangible assets (Note 17)	85,422	1	74,660	1	31,950	-
Deferred tax assets (Notes 4 and 25)	81,715	1	67,704	-	59,869	-
Prepayment for equipment (Note 30)	206,070	1	274,359	2	422,107	3
Other non-current assets	<u>46,071</u>	<u>-</u>	<u>51,597</u>	<u>-</u>	<u>27,526</u>	<u>-</u>
Total non-current assets	<u>9,024,795</u>	<u>61</u>	<u>9,166,968</u>	<u>61</u>	<u>7,879,218</u>	<u>59</u>
TOTAL	<u>\$ 14,813,095</u>	<u>100</u>	<u>\$ 14,946,552</u>	<u>100</u>	<u>\$ 13,410,319</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 1,373,319	9	\$ 1,244,615	8	\$ 366,514	3
Contract liabilities - current (Note 23)	43,968	1	69,261	-	71,527	1
Trade payables	631,062	4	821,538	6	416,673	3
Trade payables to related parties (Note 30)	71,334	1	79,847	1	44,404	-
Other payables (Note 19)	739,674	5	887,777	6	761,898	6
Other payables to related parties (Note 30)	28,154	-	29,467	-	53,432	1
Current tax liabilities (Notes 4 and 25)	24,613	-	19,777	-	28,603	-
Provisions - current (Notes 4 and 20)	8,370	-	8,339	-	7,389	-
Lease liabilities - current (Notes 15 and 30)	21,495	-	22,771	-	23,023	-
Current portion of long-term liabilities (Notes 18 and 31)	526,926	4	417,545	3	50,404	-
Other current liabilities	<u>20,565</u>	<u>-</u>	<u>18,994</u>	<u>-</u>	<u>5,695</u>	<u>-</u>
Total current liabilities	<u>3,489,480</u>	<u>24</u>	<u>3,619,931</u>	<u>24</u>	<u>1,829,562</u>	<u>14</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 18 and 31)	3,361,445	23	3,146,229	21	2,788,168	21
Provisions - non-current (Note 20)	26,500	-	22,594	-	16,438	-
Deferred tax liabilities (Notes 4 and 25)	8,919	-	7,523	-	24,163	-
Lease liabilities - non-current (Notes 15 and 30)	159,402	1	173,330	1	190,268	1
Net defined benefit liability - non-current (Notes 4 and 21)	19,627	-	18,924	-	68,200	1
Deferred revenue - non-current (Note 27)	24,076	-	24,824	1	24,830	-
Other non-current liabilities	<u>5,262</u>	<u>-</u>	<u>5,258</u>	<u>-</u>	<u>5,316</u>	<u>-</u>
Total non-current liabilities	<u>3,605,231</u>	<u>24</u>	<u>3,398,682</u>	<u>23</u>	<u>3,117,383</u>	<u>23</u>
Total liabilities	<u>7,094,711</u>	<u>48</u>	<u>7,018,613</u>	<u>47</u>	<u>4,946,945</u>	<u>37</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Ordinary shares	4,386,228	29	4,386,228	29	4,386,228	32
Capital surplus	<u>1,743,104</u>	<u>12</u>	<u>1,581,398</u>	<u>11</u>	<u>1,504,446</u>	<u>11</u>
Retained earnings						
Legal reserve	946,387	6	946,387	6	916,235	7
Unappropriated earnings	<u>432,215</u>	<u>3</u>	<u>775,527</u>	<u>5</u>	<u>1,468,507</u>	<u>11</u>
Total retained earnings	<u>1,378,602</u>	<u>9</u>	<u>1,721,914</u>	<u>11</u>	<u>2,384,742</u>	<u>18</u>
Other equity	<u>(193,699)</u>	<u>(1)</u>	<u>(140,117)</u>	<u>(1)</u>	<u>(25,477)</u>	<u>-</u>
Treasury shares	<u>(23,172)</u>	<u>-</u>	<u>(23,172)</u>	<u>-</u>	<u>(23,172)</u>	<u>-</u>
Total equity attributable to owners of the Company	7,291,063	49	7,526,251	50	8,226,767	61
NON-CONTROLLING INTERESTS	<u>427,321</u>	<u>3</u>	<u>401,688</u>	<u>3</u>	<u>236,607</u>	<u>2</u>
Total equity	<u>7,718,384</u>	<u>52</u>	<u>7,927,939</u>	<u>53</u>	<u>8,463,374</u>	<u>63</u>
TOTAL	<u>\$ 14,813,095</u>	<u>100</u>	<u>\$ 14,946,552</u>	<u>100</u>	<u>\$ 13,410,319</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 5, 2025)

# TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	\$ 966,643	100	\$ 957,340	100
OPERATING COSTS (Notes 11, 24 and 30)	<u>1,008,219</u>	<u>104</u>	<u>796,721</u>	<u>83</u>
GROSS (LOSS) PROFIT	<u>(41,576)</u>	<u>(4)</u>	<u>160,619</u>	<u>17</u>
OPERATING EXPENSES (Notes 10, 21, 24 and 30)				
Selling and marketing expenses	25,746	3	24,427	3
General and administrative expenses	134,920	14	131,269	14
Research and development expenses	162,936	17	105,711	11
Expected credit (gain) loss on trade receivables	<u>(3,293)</u>	<u>(1)</u>	<u>3,001</u>	<u>-</u>
Total operating expenses	<u>320,309</u>	<u>33</u>	<u>264,408</u>	<u>28</u>
LOSS FROM OPERATIONS	<u>(361,885)</u>	<u>(37)</u>	<u>(103,789)</u>	<u>(11)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 24, 27 and 30)				
Interest income	7,626	1	7,400	1
Other income	14,372	1	10,716	1
Other gains and losses	(7,505)	(1)	62,814	6
Finance costs	(18,667)	(2)	(9,051)	(1)
Share of profit or loss of associates accounted for using the equity method	<u>(1,013)</u>	<u>-</u>	<u>(2,340)</u>	<u>-</u>
Total non-operating income	<u>(5,187)</u>	<u>(1)</u>	<u>69,539</u>	<u>7</u>
LOSS BEFORE INCOME TAX	(367,072)	(38)	(34,250)	(4)
INCOME TAX EXPENSE (Notes 4 and 25)	<u>1,620</u>	<u>-</u>	<u>3,737</u>	<u>-</u>
NET LOSS FOR THE PERIOD	<u>(368,692)</u>	<u>(38)</u>	<u>(37,987)</u>	<u>(4)</u>
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(62,527)	(7)	(87,631)	(9)
Share of the other comprehensive loss of associates accounted for using the equity method	(335)	-	(1,133)	-

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# TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
Income tax related to items that will not be reclassified subsequently to profit or loss	\$ <u>9,277</u>	<u>1</u>	\$ <u>1,892</u>	<u>-</u>
	<u>(53,585)</u>	<u>(6)</u>	<u>(86,872)</u>	<u>(9)</u>
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	<u>3</u>	<u>-</u>	<u>5</u>	<u>-</u>
Other comprehensive loss for the period, net of income tax	<u>(53,582)</u>	<u>(6)</u>	<u>(86,867)</u>	<u>(9)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	\$ <u>(422,274)</u>	<u>(44)</u>	\$ <u>(124,854)</u>	<u>(13)</u>
NET LOSS ATTRIBUTABLE TO:				
Owners of the Company	\$ (342,312)	(35)	\$ (35,571)	(4)
Non-controlling interests	<u>(26,380)</u>	<u>(3)</u>	<u>(2,416)</u>	<u>-</u>
	\$ <u>(368,692)</u>	<u>(38)</u>	\$ <u>(37,987)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Owners of the Company	\$ (395,894)	(41)	\$ (122,438)	(13)
Non-controlling interests	<u>(26,380)</u>	<u>(3)</u>	<u>(2,416)</u>	<u>-</u>
	\$ <u>(422,274)</u>	<u>(44)</u>	\$ <u>(124,854)</u>	<u>(13)</u>
LOSS PER SHARE (Note 26)				
Basic	\$ <u>(0.78)</u>		\$ <u>(0.08)</u>	
Diluted	\$ <u>(0.78)</u>		\$ <u>(0.08)</u>	

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

(With Deloitte & Touche review report dated May 5, 2025)

(Concluded)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company (Note 22)												
							Other Equity						
	Ordinary Shares		Capital Surplus	Legal Reserve	Retained Earnings		Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Shares (In Thousands)	Amount			Unappropriated Earnings	Total							
BALANCE, JANUARY 1, 2024	438,623	\$ 4,386,228	\$ 1,475,787	\$ 916,235	\$ 1,503,798	\$ 2,420,033	\$ -	\$ 61,632	\$ 61,632	\$ (23,172)	\$ 8,320,508	\$ 177,612	\$ 8,498,120
Other changes in capital surplus:													
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	70	-	38	38	-	-	-	-	108	-	108
Net loss for the three months ended March 31, 2024	-	-	-	-	(35,571)	(35,571)	-	-	-	-	(35,571)	(2,416)	(37,987)
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	5	(86,872)	(86,867)	-	(86,867)	-	(86,867)
Total comprehensive (loss) income for the three months ended March 31, 2024	-	-	-	-	(35,571)	(35,571)	5	(86,872)	(86,867)	-	(122,438)	(2,416)	(124,854)
Adjustments to share of change in equity of subsidiaries	-	-	28,589	-	-	-	-	-	-	-	28,589	61,411	90,000
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	242	242	-	(242)	(242)	-	-	-	-
BALANCE, MARCH 31, 2024	438,623	\$ 4,386,228	\$ 1,504,446	\$ 916,235	\$ 1,468,507	\$ 2,384,742	\$ 5	\$ (25,482)	\$ (25,477)	\$ (23,172)	\$ 8,226,767	\$ 236,607	\$ 8,463,374
BALANCE, JANUARY 1, 2025	438,623	\$ 4,386,228	\$ 1,581,398	\$ 946,387	\$ 775,527	\$ 1,721,914	\$ 14	\$ (140,131)	\$ (140,117)	\$ (23,172)	\$ 7,526,251	\$ 401,688	\$ 7,927,939
Other changes in capital surplus:													
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	578	-	(200)	(200)	-	-	-	-	378	-	378
Net loss for the three months ended March 31, 2025	-	-	-	-	(342,312)	(342,312)	-	-	-	-	(342,312)	(26,380)	(368,692)
Other comprehensive (loss) income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	3	(53,585)	(53,582)	-	(53,582)	-	(53,582)
Total comprehensive (loss) income for the three months ended March 31, 2025	-	-	-	-	(342,312)	(342,312)	3	(53,585)	(53,582)	-	(395,894)	(26,380)	(422,274)
Changes in percentage of ownership interests in subsidiaries	-	-	161,128	-	(800)	(800)	-	-	-	-	160,328	52,013	212,341
BALANCE, MARCH 31, 2025	438,623	\$ 4,386,228	\$ 1,743,104	\$ 946,387	\$ 432,215	\$ 1,378,602	\$ 17	\$ (193,716)	\$ (193,699)	\$ (23,172)	\$ 7,291,063	\$ 427,321	\$ 7,718,384

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

(With Deloitte & Touche review report dated May 5, 2025)

# TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (367,072)	\$ (34,250)
Adjustments for:		
Depreciation expenses	248,694	133,982
Amortization expenses	14,362	5,352
Expected credit loss (reserved gain) recognized on trade receivable	(3,293)	3,001
(Loss) gain on fair value change of financial assets and liabilities at fair value through profit or loss	13,401	(17,991)
Interest expenses	18,667	9,051
Interest income	(7,626)	(7,400)
Dividend income	(7,634)	(8,376)
Share of loss of associates accounted for using the equity method	1,013	2,340
Amortization of long-term deferred revenue	(748)	-
Gain on lease modification	(47)	-
Changes in operating assets and liabilities		
Notes receivable	(24,675)	(981)
Trade receivables	24,111	120,449
Trade receivables from related parties	421	(8,208)
Other receivables	69,469	(1,760)
Inventories	(54,136)	9,652
Other current assets	3,757	9,794
Other non-current assets	(119)	2,676
Contract liabilities	(25,293)	(26,409)
Trade payables	(190,476)	(120,091)
Trade payables to related parties	(8,513)	4,963
Other payables	(148,649)	(56,475)
Other payables to related parties	(1,313)	30,100
Provisions	3,937	1,418
Other current liabilities	1,571	57
Net defined benefit liabilities	703	1,196
Cash (used in) generated from operations	(439,488)	52,090
Interest received	7,649	6,039
Dividend received	7,634	8,376
Interest paid	(22,650)	(11,362)
Income tax paid	(1,773)	(1,307)
Net cash (used in) generated from operating activities	(448,628)	53,836

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# TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (60,000)
Proceeds from sale of financial assets at amortized cost on maturity	-	400
Payments for property, plant and equipment	(217,816)	(557,944)
Decrease in refundable deposits	5,645	956
Payments for intangible assets	(25,124)	(1,924)
Decrease in payments for equipment	<u>65,617</u>	<u>201,164</u>
Net cash used in investing activities	<u>(171,678)</u>	<u>(417,348)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	128,704	(23,486)
Proceeds from long-term borrowings	322,335	1,142,391
Increase in guarantee deposits	4	7
Payment of the principal portion of lease liabilities	(5,351)	(5,873)
Changes in non-controlling interest	<u>210,757</u>	<u>90,000</u>
Net cash generated from financing activities	<u>656,449</u>	<u>1,203,039</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>36,143</b>	<b>839,527</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u><b>2,296,957</b></u>	<u><b>1,994,383</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><b>\$ 2,333,100</b></u>	<u><b>\$ 2,833,910</b></u>

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

(With Deloitte & Touche review report dated May 5, 2025)

(Concluded)

# TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

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### 1. GENERAL INFORMATION

Taiwan-Asia Semiconductor Corporation (the “Company”) was established in December 1983. The shares of the Company have been traded on the Taiwan Stock Exchange since May 2, 1995. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacture and sales of semiconductor components as well as research and development, design, manufacture and sales of systems products.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. THE APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 5, 2025.

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

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

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Company and entities controlled by the Company (collectively referred to as the “Group”).

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance.

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

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

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

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

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

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

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

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

##### **a. Statement of compliance**

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial statements do not include all IFRS Accounting Standards disclosures required for the entire annual financial statements.

##### **b. Basis of presentation**

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

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

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

##### **c. Basis of consolidation**

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

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

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

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Table 5 for the detailed information on subsidiaries (including percentage of ownership and main businesses).

d. Other significant accounting policies

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

1) Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year and the proportion of actual emissions to the total annual emissions.

2) Retirement benefits

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

3) Income tax expense

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

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

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Others please refer to the consolidated financial statements for the year ended December 31, 2024 for information on the material accounting judgments and key sources of estimation uncertainty.

## 6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ -	\$ 35	\$ -
Checking accounts and demand deposits	1,098,130	1,046,133	1,021,007
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	1,064,970	1,030,789	1,537,903
Repurchase agreements collateralized by bonds	<u>170,000</u>	<u>220,000</u>	<u>275,000</u>
	<u>\$ 2,333,100</u>	<u>\$ 2,296,957</u>	<u>\$ 2,833,910</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares	\$ 46,238	\$ 59,639	\$ 89,620
Mutual funds	<u>-</u>	<u>-</u>	<u>20,644</u>
	<u>\$ 46,238</u>	<u>\$ 59,639</u>	<u>\$ 110,264</u>
<u>Financial assets - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
The investment case of movie	<u>\$ 16,279</u>	<u>\$ 16,279</u>	<u>\$ 20,000</u>

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

### Investments in Equity Instruments at FVTOCI

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 280,941	\$ 253,367	\$ 302,476
Unlisted shares	137,566	142,553	123,799
Private - placement funds	<u>202,826</u>	<u>241,553</u>	<u>166,026</u>
	621,333	637,473	592,301
Foreign investments			
Unlisted shares	<u>277,590</u>	<u>323,977</u>	<u>490,871</u>
	<u>\$ 898,923</u>	<u>\$ 961,450</u>	<u>\$ 1,083,172</u>

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

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Domestic investments			
Restricted time deposit	\$ 23,160	\$ 23,160	\$ 22,960

Information relating to credit risk of financial assets at amortized cost is provided in Note 31.

## 10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,237,899	\$ 1,262,010	\$ 1,076,200
Less: Allowance for impairment loss	(17,909)	(21,202)	(21,735)
	<u>\$ 1,219,990</u>	<u>\$ 1,240,808</u>	<u>\$ 1,054,465</u>

The main credit period of sales of goods is 45-136 days. In order to minimize credit risk, the Group authorized a department to be responsible for determining credit limits, credit approvals, credit management and to manage other unusual risk to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates and the industry outlooks. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of trade receivables based on the Group's aging analysis.

### March 31, 2025

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	-	1.88%	3.99%	-	-	100.00%	
Gross carrying amount	\$ 1,180,202	\$ 31,185	\$ 9,570	\$ -	\$ -	\$ 16,942	\$ 1,237,899
Loss allowance (Lifetime ECLs)	-	(585)	(382)	-	-	(16,942)	(17,909)
Amortized cost	<u>\$ 1,180,202</u>	<u>\$ 30,600</u>	<u>\$ 9,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,219,990</u>

## December 31, 2024

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0.13%	3.86%	8.51%	22.00%	54.10%	100.00%	
Gross carrying amount	\$ 1,211,793	\$ 7,840	\$ 22,492	\$ 3,114	\$ 122	\$ 16,649	\$ 1,262,010
Loss allowance (Lifetime ECLs)	<u>(1,585)</u>	<u>(303)</u>	<u>(1,914)</u>	<u>(685)</u>	<u>(66)</u>	<u>(16,649)</u>	<u>(21,202)</u>
Amortized cost	<u>\$ 1,210,208</u>	<u>\$ 7,537</u>	<u>\$ 20,578</u>	<u>\$ 2,429</u>	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ 1,240,808</u>

## March 31, 2024

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0.07%	4.86%	12.00%	-	-	100.00%	
Gross carrying amount	\$ 992,466	\$ 47,098	\$ 20,303	\$ -	\$ -	\$ 16,333	\$ 1,076,200
Loss allowance (Lifetime ECLs)	<u>(679)</u>	<u>(2,287)</u>	<u>(2,436)</u>	<u>-</u>	<u>-</u>	<u>(16,333)</u>	<u>(21,735)</u>
Amortized cost	<u>\$ 991,787</u>	<u>\$ 44,811</u>	<u>\$ 17,867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,054,465</u>

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

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 21,202	\$ 18,734
Add: Net remeasurement of loss allowance	-	3,001
Less: Net reversal of loss allowance	<u>(3,293)</u>	<u>-</u>
Balance at March 31	<u>\$ 17,909</u>	<u>\$ 21,735</u>

## 11. INVENTORIES

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Finished goods	\$ 300,920	\$ 269,993	\$ 218,806
Work in progress	607,111	573,400	429,236
Raw materials	<u>1,007,649</u>	<u>1,018,151</u>	<u>690,987</u>
	<u>\$ 1,915,680</u>	<u>\$ 1,861,544</u>	<u>\$ 1,339,029</u>

The nature of the cost of goods sold is as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Cost of inventories sold	\$ 960,431	\$ 767,980
Loss on decline in market value	<u>47,788</u>	<u>28,741</u>
	<u>\$ 1,008,219</u>	<u>\$ 796,721</u>



## 12. SUBSIDIARIES

### Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Ho Chung Investment Co., Ltd. ("Ho Chung Investment")	Investment business	100.00%	100.00%	100.00%	Note 2
The Company	River Asset Co., Ltd. ("River Asset")	Investment business	100.00%	100.00%	100.00%	Note 2
The Company	Star Asia Vision Corporation ("Star Asia")	Manufacturing and selling lighting equipment	74.37%	74.37%	77.38%	Notes 1 and 4
The Company	Wan Zun Guang Investment Co., Ltd. ("Wan Zun Guang")	Investment business	100.00%	100.00%	100.00%	Notes 2 and 3
The Company	Champ-Asia Semiconductor Corporation ("Champ-Asia")	Manufacturing electronic parts	97.92%	99.90%	-	Notes 2, 7 and 8
Wan Zun Guang	ProAsia Semiconductor Corporation Ltd. ("ProAsia")	Development, manufacture and sales of silicon-based semiconductor power components and silicon carbide compound semiconductor power components	82.78%	86.82%	91.98%	Notes 2 and 5
Ho Chung investment	United-Asia Semiconductor Corporation ("United-Asia")	Assembling and testing electronic parts	100.00%	100.00%	100.00%	Notes 2 and 6
Ho Chung investment	Champ -Asia Semiconductor Corporation ("Champ -Asia")	Manufacturing electronic parts	0.08%	0.10%	100.00%	Notes 2, 7 and 8

Note 1: The financial statements as of March 31, 2025 and 2024 were reviewed by independent auditors.

Note 2: The Company is not a major subsidiary; for the three months ended March 31, 2025 and 2024, except Ho Chung Investment Co., Ltd. has been reviewed, other company which is not a major subsidiary its financial statements have not been reviewed.

Note 3: On January 12, 2024, Wan Zun Guang, a subsidiary of the Company, issued 80,001 thousand units of new shares with a par value of \$10 by cash injection, all of which were still subscribed by the Company.

Note 4: On June 19, 2024, Star Asia, a subsidiary of the Company, conducted a stock release with a total of 66,400 thousand units for listing on the Taiwan Stock Exchange (TWSE), resulting in a decrease in the Company's percentage of ownership from 77.38% to 74.37%.

Note 5: On January 19, 2024, ProAsia, a subsidiary of the Company, issued new shares of 53,334 thousand units with a par value of \$10 through a cash capital increase. The Company The Company did not subscribe for all of the new shares in accordance with the percentage of ownership, which resulted in an increase in its percentage of ownership from 88.26% to 91.98%. On September 26, 2024, the Company, issued employee stock warrants totaling 10,000 thousand units, resulting in a decrease in the Company's percentage of ownership to 86.82%; On March 3, 2025, the Company, issued new shares of 8,716 thousand units with a par value of \$10 through a cash capital increase, Wan Zun Guang, a subsidiary of the Company, did not subscribe for all of the new shares in accordance with the percentage of ownership, which resulted in a decrease in the percentage of ownership from 86.82% to 82.78%.

Note 6: On April 26, 2024, United-Asia, a subsidiary of the Company, issued 10,000 thousand units of new shares with a par value of \$10 by cash capital increase, all of which were subscribed by the Ho Chung Investment, a subsidiary of the Company.

Note 7: On May 28, 2024, the Company's "8-inch GaN Products Business Group" was transferred to Champ-Asia Corporation, a subsidiary of the Company, through a regular shareholders' meeting. The issuance of new shares by Champ-Asia to the Company as consideration for the assumption of the operation, resulted in an increase in the Company's shareholding to 99.90%. Ho Chung, a subsidiary of the Company, decreased its shareholding in Champ-Asia from 100% to 0.10%. The base date for the carve-out is August 30, 2024.

Note 8: On March 3, 2025, Champ-Asia, a subsidiary of Company, issued 25,000 thousand units of new shares with a par value of \$10 by cash capital increase, The Company and Ho Chung Investment, a subsidiary of Company, did not subscribe for all of the new shares in accordance with the percentage of ownership, which resulted in an increase in the percentage of ownership from 99.90% and 0.10% to 97.92% and 0.08%, respectively.

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

#### Investments in Associates

	March 31, 2025	December 31, 2024	March 31, 2024
Individual non-material associates			
New Smart Technology Co., Ltd.	\$ 70,558	\$ 68,318	\$ 60,628
Anax-Asia Technology Corp.	<u>6,705</u>	<u>8,328</u>	<u>-</u>
	<u>\$ 77,263</u>	<u>\$ 76,646</u>	<u>\$ 60,628</u>

Intelligence AnAsia Technology Corp. (“Intelligence”) was established on April 30, 2024, River Asset is an established 30% owned subsidiary established by Intelligence.

The share of profit and other comprehensive income (loss) of investments accounted for using the equity method are recognized according to the financial report that has not been reviewed by the auditors; however, the management believes that the abovementioned financial statements of the invested company which have not been reviewed by the auditors did not have a significant impact on the Group.

For the business activities, main business location, country information and the registration of the abovementioned affiliated enterprises, please refer to Table 5 “Information on investees”.

## 14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Utility Facilities	Pollution Prevention Facilities	Transportation Equipment	Office Equipment	Other Equipment	Leasehold Improvements	Construction in Progress and Equipment Under Installation	Total
<u>Cost</u>											
Balance at January 1, 2025	\$ 182,714	\$ 1,812,717	\$ 8,086,733	\$ 1,179,722	\$ 784,834	\$ 11,867	\$ 128,430	\$ 2,092,280	\$ 28,892	\$ 2,674,251	\$ 16,982,440
Additions	-	2,572	12,210	4,676	6,494	-	327	8,097	-	183,440	217,816
Disposals	-	-	-	-	-	-	(3,286)	-	-	-	(3,286)
Capitalized interest	-	-	-	-	-	-	-	-	-	6,791	6,791
Reclassification	-	-	156,752	-	27,967	-	2,212	29,428	465,626	(679,313)	2,672
Balance at March 31, 2025	<u>\$ 182,714</u>	<u>\$ 1,815,289</u>	<u>\$ 8,255,695</u>	<u>\$ 1,184,398</u>	<u>\$ 819,295</u>	<u>\$ 11,867</u>	<u>\$ 127,683</u>	<u>\$ 2,129,805</u>	<u>\$ 494,518</u>	<u>\$ 2,185,169</u>	<u>\$ 17,206,433</u>
<u>Accumulated depreciation and impairment</u>											
Balance at January 1, 2025	\$ -	\$ 1,258,801	\$ 5,111,370	\$ 993,476	\$ 651,300	\$ 10,490	\$ 96,627	\$ 1,794,703	\$ 7,722	\$ -	\$ 9,924,489
Disposals	-	-	-	-	-	-	(3,286)	-	-	-	(3,286)
Depreciation expense	-	13,284	188,307	9,771	4,447	308	5,442	16,205	5,238	-	243,002
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 1,272,085</u>	<u>\$ 5,299,677</u>	<u>\$ 1,003,247</u>	<u>\$ 655,747</u>	<u>\$ 10,798</u>	<u>\$ 98,783</u>	<u>\$ 1,810,908</u>	<u>\$ 12,960</u>	<u>\$ -</u>	<u>\$ 10,164,205</u>
Carrying amounts at March 31, 2025	<u>\$ 182,714</u>	<u>\$ 543,204</u>	<u>\$ 2,956,018</u>	<u>\$ 181,151</u>	<u>\$ 163,548</u>	<u>\$ 1,069</u>	<u>\$ 28,900</u>	<u>\$ 318,897</u>	<u>\$ 481,558</u>	<u>\$ 2,185,169</u>	<u>\$ 7,042,228</u>
Carrying amounts at December 31, 2024 and January 1, 2025	<u>\$ 182,714</u>	<u>\$ 553,916</u>	<u>\$ 2,975,363</u>	<u>\$ 186,246</u>	<u>\$ 133,534</u>	<u>\$ 1,377</u>	<u>\$ 31,803</u>	<u>\$ 297,577</u>	<u>\$ 21,170</u>	<u>\$ 2,674,251</u>	<u>\$ 7,057,951</u>
<u>Cost</u>											
Balance at January 1, 2024	\$ -	\$ 1,807,381	\$ 5,521,880	\$ 1,097,210	\$ 749,601	\$ 11,585	\$ 126,842	\$ 2,036,794	\$ 27,847	\$ 3,321,058	\$ 14,700,198
Additions	-	-	1,146	1,516	1,986	135	3,359	3,705	-	546,097	557,944
Disposals	-	-	-	-	-	-	(28)	-	-	-	(28)
Capitalized interest	-	-	-	-	-	-	-	-	-	5,094	5,094
Reclassification	-	-	31,894	11,566	11,246	-	-	5,180	-	(311,913)	(252,027)
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 1,807,381</u>	<u>\$ 5,554,920</u>	<u>\$ 1,110,292</u>	<u>\$ 762,833</u>	<u>\$ 11,720</u>	<u>\$ 130,173</u>	<u>\$ 2,045,679</u>	<u>\$ 27,847</u>	<u>\$ 3,560,336</u>	<u>\$ 15,011,181</u>
<u>Accumulated depreciation and impairment</u>											
Balance at January 1, 2024	\$ -	\$ 1,205,818	\$ 4,674,617	\$ 962,086	\$ 636,820	\$ 9,260	\$ 88,617	\$ 1,736,272	\$ 2,510	\$ -	\$ 9,316,000
Disposals	-	-	-	-	-	-	(28)	-	-	-	(28)
Depreciation expense	-	13,113	84,191	6,489	3,294	297	5,217	13,985	1,288	-	127,874
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 1,218,931</u>	<u>\$ 4,758,808</u>	<u>\$ 968,575</u>	<u>\$ 640,114</u>	<u>\$ 9,557</u>	<u>\$ 93,806</u>	<u>\$ 1,750,257</u>	<u>\$ 3,798</u>	<u>\$ -</u>	<u>\$ 9,443,846</u>
Carrying amounts at March 31, 2024	<u>\$ -</u>	<u>\$ 588,450</u>	<u>\$ 796,112</u>	<u>\$ 141,717</u>	<u>\$ 122,719</u>	<u>\$ 2,163</u>	<u>\$ 36,367</u>	<u>\$ 295,422</u>	<u>\$ 24,049</u>	<u>\$ 3,560,336</u>	<u>\$ 5,567,335</u>

Some of the Group's buildings were pledged to financial institutions as collaterals for obtaining long-term bank loans, please refer to Note 31.

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

Building	10-50 years
Machinery and equipment	3-10 years
Utility facilities	6-25 years
Pollution prevention facilities	5-20 years
Transportation equipment	3-13 years
Office equipment	3-7 years
Leasehold improvements	5-10 years
Other equipment	3-25 years

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amounts</u>			
Land	\$ 147,641	\$ 163,941	\$ 175,654
Buildings	18,023	19,409	23,569
Transportation equipment	3,522	3,093	4,361
Office equipment	2,272	453	824
Other equipment	<u>59</u>	<u>119</u>	<u>297</u>
	<u>\$ 171,517</u>	<u>\$ 187,015</u>	<u>\$ 204,705</u>
	<b>For the Three Months Ended March 31</b>		
	<b>2025</b>	<b>2024</b>	
Additions to right-of-use assets	<u>\$ 3,236</u>	<u>\$ -</u>	
Depreciation charge for right-of-use assets			
Land	\$ 3,711	\$ 3,903	
Buildings	1,386	1,386	
Transportation equipment	415	635	
Office equipment	120	124	
Other equipment	<u>60</u>	<u>60</u>	
	<u>\$ 5,692</u>	<u>\$ 6,108</u>	

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2025 and 2024.

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amounts</u>			
Current	\$ 21,495	\$ 22,771	\$ 23,023
Non-current	\$ 159,402	\$ 173,330	\$ 190,268

Range of discount rates for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	2.017%	1.797%	1.797%
Buildings	3.253%	3.253%	3.253%
Transportation equipment	1.566%-5.654%	0.785%-5.654%	0.785%-5.654%
Office equipment	1.088%-2.079%	1.088%	1.088%-1.797%
Other equipment	5.590%	5.590%	5.590%

c. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases	\$ 1,536	\$ 2,378
Total cash outflow for leases	\$ (7,877)	\$ (9,154)

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

## 16. INVESTMENT PROPERTIES

	Completed Investment Property
<u>Cost</u>	
Balance at January 1, 2025 and March 31, 2025	\$ 399,307
<u>Cost</u>	
Balance at January 1, 2024 and March 31, 2024	\$ 399,307

On March 31, 2025 and 2024, the fair values of investment properties were \$679,403 thousand and \$679,403 thousand, respectively, which based on the market evidence on the transaction price of similar property and publicly announced present value.

## 17. INTANGIBLE ASSETS

	Software
<u>Cost</u>	
Balance at January 1, 2025	\$ 154,057
Additions	25,124
Disposals	<u>(2,191)</u>
Balance at March 31, 2025	<u>\$ 176,990</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2025	\$ 79,397
Amortization expense	14,362
Disposals	<u>(2,191)</u>
Balance at March 31, 2025	<u>\$ 91,568</u>
Carrying amount at March 31, 2025	<u>\$ 85,422</u>
<u>Cost</u>	
Balance at January 1, 2024	\$ 74,236
Additions	<u>1,924</u>
Balance at March 31, 2024	<u>\$ 76,160</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2024	\$ 38,858
Amortization expense	<u>5,352</u>
Balance at March 31, 2024	<u>\$ 44,210</u>
Carrying amount at March 31, 2024	<u>\$ 31,950</u>

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-10 years
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## 18. BORROWINGS

### a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Unsecured borrowings</u>			
Bank loans	<u>\$ 1,373,319</u>	<u>\$ 1,244,615</u>	<u>\$ 366,514</u>

The range of weighted average effective interest rate on bank loans was 0.82%-2.50%, 0.82%-2.53% and 0.53%-1.85% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

b. Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings (Note 31)</u>			
Bank loans	\$ 1,605,583	\$ 1,256,190	\$ 1,000,000
Current portion	(281,697)	(5,337)	-
	<u>1,323,886</u>	<u>1,250,853</u>	<u>1,000,000</u>
<u>Unsecured borrowings</u>			
Bank loans	2,293,340	2,320,398	1,856,305
Current portion	(245,229)	(412,208)	(50,404)
Government grant discount	(10,552)	(12,814)	(17,733)
	<u>2,037,559</u>	<u>1,895,376</u>	<u>1,788,168</u>
	<u>\$ 3,361,445</u>	<u>\$ 3,146,229</u>	<u>\$ 2,788,168</u>

The bank loan was secured by a mortgage on the Group's own building, please refer to Note 31.

The effective interest rate of long-term borrowings was 1.120%-2.365%, 1.120%-2.365% and 1.120%-1.825% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

The loan project for the return to Taiwan for investment is based on the program "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan," launched by the National Development Fund, Executive Yuan. The maturity dates are between January 12, 2025 and April 15, 2030, and the Company shall repay the principal and interest in an amortized manner on a monthly basis. The interest rate ranges of bank borrowings as of March 31, 2025, December 31, 2024 and March 31, 2024 was 1.120%-1.720%, 1.120%-1.720% and 1.120%-1.60%, respectively.

## 19. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
Payable for salaries and bonus	\$ 214,632	\$ 228,300	\$ 159,181
Payable for employees' compensation	19,958	15,625	82,477
Payable for remuneration of directors	13,225	10,625	29,225
Payables for equipment	166,897	318,323	151,132
Others	<u>324,962</u>	<u>314,904</u>	<u>339,883</u>
	<u>\$ 739,674</u>	<u>\$ 887,777</u>	<u>\$ 761,898</u>

## 20. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Warranties	\$ 7,575	\$ 8,339	\$ 7,389
Carbon fee	<u>795</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,370</u>	<u>\$ 8,339</u>	<u>\$ 7,389</u>
<u>Non-current</u>			
Warranties	<u>\$ 26,500</u>	<u>\$ 22,594</u>	<u>\$ 16,438</u>

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate had been made on the basis of historical warranty trends and may vary as a result of other events affecting product quality. Starting from 2025, the Group recognizes the carbon fee provision in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. The carbon fee provision was calculated based on the standard rate.

## 21. RETIREMENT BENEFIT PLANS

### a. Defined benefit plans

For the three months ended March 31, 2025 and 2024, the pension expenses of defined benefit plans were \$1,341 thousand and \$1,838 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

### b. Defined contribution plan

The Company, Ho Chung Investment, River Asset, Star Asia, Wan Zun Guang, ProAsia, United-Asia and Gan-Asia adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

## 22. EQUITY

### a. Share capital - ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
Number of authorized shares (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Amount of authorized shares	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>438,623</u>	<u>438,623</u>	<u>438,623</u>
Amount of issued and fully paid shares	<u>\$ 4,386,228</u>	<u>\$ 4,386,228</u>	<u>\$ 4,386,228</u>



b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed, as cash dividends, or transferred to share capital (1)			
Arising from issuance of common share	\$ 1,336,850	\$ 1,336,850	\$ 1,336,850
Arising from treasury share transactions	90,735	90,735	90,735
<u>May only be used to offset a deficit (2)</u>			
Changes in percentage of ownership interests in subsidiaries	313,679	152,551	75,669
Share of changes in capital surplus of associates	<u>1,840</u>	<u>1,262</u>	<u>1,192</u>
	<u>\$ 1,743,104</u>	<u>\$ 1,581,398</u>	<u>\$ 1,504,446</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of Group's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy in the Company's Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as a legal reserve, setting aside amounts to a special reserve in accordance with the laws and regulations, and then allowing for other special reserves and a distribution of dividends to be recommended by the board of directors. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "employees' compensation and remuneration of directors" in Note 24, g.

The Company operates in the high-tech industry and its business life cycle is in the growth stage. In view of its capital expenditure demand and comprehensive financial plan for continuous development, the Company issues both stock and cash dividends. The proportion of dividends to be distributed in stocks and cash is determined based on the Company's rate of growth and capital expenditures. However, the amount of cash dividends shall not be lower than 50% of the dividends distributed.

Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve is in excess of 25% of the Company's paid-in capital.

The appropriations of 2024 and 2023 earnings are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Legal reserve	\$ _____ -	\$ 30,152
Special reserve	\$ 140,992	\$ _____ -
Cash dividends	\$ _____ -	\$ 219,311
Cash dividends per share (NT\$)	\$ _____ -	\$ 0.50

On April 11, 2024, the distribution of 2023 cash dividends was approved by the board of directors. The provisions of legal reserve are subject to approval by the shareholders in their meeting to be held on May 28, 2024.

The provision of special reserve had been approved in the shareholders' meetings on June 17, 2025.

d. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Transferred to Employees (In Thousands of Shares)</b>	<b>Shares Held by Subsidiaries (In Thousands of Shares)</b>	<b>Total (In Thousands of Shares)</b>
Number of shares at January 1, 2025 and March 31, 2025	_____ -	_____ 755	_____ 755
Number of shares at January 1, 2024 and March 31, 2024	_____ -	_____ 755	_____ 755

Related information regarding shares of the Company held by its subsidiaries on the balance sheet date was as follows:

<b>Name of Subsidiary</b>	<b>Number of Shares Held (In Thousands of Shares)</b>	<b>Carrying Amount</b>	<b>Market Price</b>
<u>March 31, 2025</u>			
Ho Chung Investment	755	\$ 23,172	\$ 16,939
<u>December 31, 2024</u>			
Ho Chung Investment	755	23,172	22,297
<u>March 31, 2024</u>			
Ho Chung Investment	755	23,172	29,616

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

## 23. REVENUE

		For the Three Months Ended March 31		
		2025	2024	
Revenue from contracts with customers				
Revenue from sale of goods		<u>\$ 966,643</u>	<u>\$ 957,340</u>	
a. Contract balances				
	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Notes receivable	\$ 28,568	\$ 3,893	\$ 2,152	\$ 1,171
Trade receivables (Note 10)	1,237,899	1,262,010	1,076,200	1,196,649
Trade receivables to related parties	<u>21,257</u>	<u>21,680</u>	<u>32,184</u>	<u>23,976</u>
	<u>\$ 1,287,724</u>	<u>\$ 1,287,583</u>	<u>\$ 1,110,536</u>	<u>\$ 1,221,796</u>
Contract assets - current				
Sale of goods	<u>\$ 2,619</u>	<u>\$ 2,619</u>	<u>\$ 1,700</u>	<u>\$ 1,700</u>
Contract assets - non-current				
Sale of goods	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,619</u>	<u>\$ 2,619</u>
Contract liabilities - current				
Sale of goods	<u>\$ 43,968</u>	<u>\$ 69,261</u>	<u>\$ 71,527</u>	<u>\$ 97,936</u>

b. The credit risk management of contract assets and trade receivables is the same, refer to Note 36.

## 24. NET LOSS

a. Interest income

		For the Three Months Ended March 31	
		2025	2024
Bank deposits		\$ 7,095	\$ 6,859
Resale bonds		520	532
Financial assets at amortized cost		1	-
Others		<u>10</u>	<u>9</u>
		<u>\$ 7,626</u>	<u>\$ 7,400</u>

b. Other income

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Rental income	\$ 804	\$ 40
Dividend income	7,634	8,376
Government grants (Note 27)	748	-
Others	<u>5,186</u>	<u>2,300</u>
	<u>\$ 14,372</u>	<u>\$ 10,716</u>

c. Other gains and losses

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	\$ (13,401)	\$ 17,991
Net foreign exchange gains	6,449	44,967
Gain on lease modification	47	-
Others	<u>(600)</u>	<u>(144)</u>
	<u>\$ (7,505)</u>	<u>\$ 62,814</u>

d. Finance costs

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Interest on bank loans	\$ 24,468	\$ 13,242
Interest on finance leases	<u>990</u>	<u>903</u>
	25,458	14,145
Less: Amounts included in the cost of qualifying assets	<u>(6,791)</u>	<u>(5,094)</u>
	<u>\$ 18,667</u>	<u>\$ 9,051</u>

Information on capitalized interest is as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Capitalized interest amount	<u>\$ 6,791</u>	<u>\$ 5,094</u>
Capitalization rate	0.81%-2.44%	0.37%-1.24%

e. Depreciation and amortization

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
An analysis of depreciation by function		
Operating costs	\$ 222,471	\$ 117,627
Operating expenses	<u>26,223</u>	<u>16,355</u>
	<u>\$ 248,694</u>	<u>\$ 133,982</u>
An analysis of amortization by function		
Operating costs	\$ 5,019	\$ 1,686
Operating expenses	<u>9,343</u>	<u>3,666</u>
	<u>\$ 14,362</u>	<u>\$ 5,352</u>

f. Employee benefits expense

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Wages and salaries	\$ 279,292	\$ 253,991
Labor and health insurance fees	23,435	21,310
Post-employment benefits		
Defined contribution plans	10,691	9,723
Defined benefit plans	1,341	1,838
Other employee benefits	<u>5,420</u>	<u>4,441</u>
Total employee benefits expense	<u>\$ 320,179</u>	<u>\$ 291,303</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 170,727	\$ 142,627
Operating expenses	<u>149,452</u>	<u>148,676</u>
	<u>\$ 320,179</u>	<u>\$ 291,303</u>

g. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, if the Company has profit during the year, the Company shall distribute bonus to the employees that account for 10%-20% and pay remuneration to the directors that shall not be higher than 10% of the total distributed amount. If the Company has an accumulated deficit, earnings should be used to cover losses. Employees' compensation can be distributed in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. In accordance with the amendment to the Securities and Exchange Act in August 2024, the Company expects to resolve the amendment to the Articles of Association at the shareholders' meeting in 2025, stipulating that the total employee remuneration for the current year should be allocated no less than 10% of the remuneration of grass-roots employees, except that the net loss before tax for the three months ended March 31, 2025 and 2024, no employee remuneration (including remuneration of grass-roots employees) and directors' remuneration are estimated.

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

Due to the net loss before income tax as of 2024, the Company decided not to estimate employees' compensation. The appropriations of employees' compensation and remuneration of directors for the three months ended March 31, 2023 that were resolved by the board of directors on February 27, 2024 was as follows:

Amount

	<b>For the Year Ended December 31, 2023</b>
Employees' compensation	\$ 34,306
Remuneration of directors	17,153

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the ended 2024 and 2023.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2025 and 2024 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 25. INCOME TAXES

- a. Major components of income tax expense recognized in profit or loss

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Current tax		
In respect of the current year	\$ 4,958	\$ 4,700
Deferred tax		
In respect of the current year	<u>(3,338)</u>	<u>(963)</u>
Income tax expense recognized in profit or loss	<u>\$ 1,620</u>	<u>\$ 3,737</u>

- b. Income tax assessments

The income tax returns of the Company through 2022 have been assessed by the tax authority.

The income tax returns of Ho Chung Investment, River Asset, Star Asia, Wan Zun Guang and ProAsia through 2023 have been assessed by the tax authority.

The income tax returns of United-Asia and Champ-Asia have not been assessed by the tax authorities because both of them were established in 2023.

## 26. LOSS PER SHARE

The losses and weighted average number of ordinary shares outstanding in the computation of losses per share were as follows:

### Net Loss for the Year

	For the Three Months Ended March 31	
	2025	2024
Earnings used in the computation of basic and diluted loss per share	<u>\$ (342,312)</u>	<u>\$ (35,571)</u>

(Unit: NT\$ Per Share)

	For the Three Months Ended March 31	
	2025	2024
Weighted average number of ordinary shares outstanding in computation of basic loss per share (in thousands)	<u>437,868</u>	<u>437,868</u>
Weighted average number of ordinary shares outstanding in computation of diluted loss per share (in thousands)	<u>437,868</u>	<u>437,868</u>

If the Company offers to settle compensation paid to employees in cash or shares, the Group shall assume that the entire amount of the compensation will be settled in shares, and the resulting potentially dilutive shares shall be included in the weighted average number of shares outstanding used in the computation of diluted loss per share. Such dilutive effect of the potential shares shall be included in the computation of diluted loss per share until the number of shares to be distributed to employees is resolved in the following year.

## 27. GOVERNMENT GRANTS

The Corporation and subsidiaries have obtained a government loan of \$1,764,412 thousand with preferential interest rates under the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan and Subsidy for Low-Carbon and Intelligent Infrastructure Transformation Projects of Regulated Factories for capital expenditures on equipment purchases. The loan will be repaid in installments over a period of two to seven years. The fair value of the loan is estimated to be \$1,734,447 thousand based on the market interest rate of 1.45%-2.22% when the loan was taken out. The difference between the amount obtained and the fair value of the loan is in the amount of \$29,965 thousand as a government low-interest loan grant and recognized as unearned revenue. The portion of deferred income, resulting from the early repayment of unearned government low-interest loan subsidies, is considered unearned. Upon repayment, the Company recognized a deferred income of \$2,966 thousand, along with a government low-interest loan subsidy of \$1,643 thousand that was granted during the actual loan period. The unearned revenue is reclassified to profit or loss over the useful life of the relevant assets. Other income recognized by the Company and subsidiaries for the three months ended March 31, 2025 is \$748 thousand. And the interest expense on the loan was recognized in March 31, 2025 and 2024 are \$2,371 thousand and \$2,125 thousand, respectively.

If the Company fails to meet the key points of the above project during the loan period, and the National Development Fund terminates the government grant, then the Company will pay the original interest rate plus the annual interest rate.

## 28. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity in the consolidated balance sheets plus net debt. As of March 31, 2025, December 31, 2024 and March 31, 2024, the gearing ratios were 28.66%, 25.02% and 4.32%, respectively.

## 29. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

The management considers that the carrying amounts of financial instruments that are not measured at fair value in the consolidated financial statements approximate the fair values.

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

#### 1) Fair value hierarchy

##### March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 46,238	\$ -	\$ -	\$ 46,238
The investment case of movie	-	-	16,279	16,279
	<u>\$ 46,238</u>	<u>\$ -</u>	<u>\$ 16,279</u>	<u>\$ 62,517</u>
Financial assets at FVTOCI				
Listed shares	\$ 280,941	\$ -	\$ -	\$ 280,941
Unlisted shares	-	-	415,156	415,156
Private-placement funds	-	-	202,826	202,826
	<u>\$ 280,941</u>	<u>\$ -</u>	<u>\$ 617,982</u>	<u>\$ 898,923</u>

##### December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 59,639	\$ -	\$ -	\$ 59,639
The investment case of movie	-	-	16,279	16,279
	<u>\$ 59,639</u>	<u>\$ -</u>	<u>\$ 16,279</u>	<u>\$ 75,918</u>

(Continued)



	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed shares	\$ 253,367	\$ -	\$ -	\$ 253,367
Unlisted shares	-	-	466,530	466,530
Private-placement funds	-	-	241,553	241,553
	<u>\$ 253,367</u>	<u>\$ -</u>	<u>\$ 708,083</u>	<u>\$ 961,450</u>
				(Concluded)

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 89,620	\$ -	\$ -	\$ 89,620
Unlisted shares	20,644	-	-	20,644
The investment case of movie	-	-	20,000	20,000
	<u>\$ 110,264</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 130,264</u>
Financial assets at FVTOCI				
Listed shares	\$ 302,476	\$ -	\$ -	\$ 302,476
Unlisted shares	-	-	614,670	614,670
Private-placement funds	-	-	166,026	166,026
	<u>\$ 302,476</u>	<u>\$ -</u>	<u>\$ 780,696</u>	<u>\$ 1,083,172</u>

There were no transfers between Levels 1 and 2 in the current and prior period.

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

For the three months ended March 31, 2025

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2025	\$ 16,279	\$ 708,083	\$ 724,362
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	(90,101)	(90,101)
Balance at March 31, 2025	<u>\$ 16,279</u>	<u>\$ 617,982</u>	<u>\$ 634,261</u>

For the three months ended March 31, 2024

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
	Equity Instruments	Equity Instruments	
Balance at January 1, 2024	\$ 20,000	\$ 731,998	\$ 751,998
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	(11,302)	(11,302)
Purchases	-	60,000	60,000
Balance at March 31, 2024	<u>\$ 20,000</u>	<u>\$ 780,696</u>	<u>\$ 800,696</u>

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

The fair values of unlisted equity securities and private equity funds were determined using the market approach and asset approach.

The market approach uses the value multiples of other similar enterprises in market transactions as a reference for evaluating the value of the target enterprise. The theoretical basis is that, if the target enterprise to be evaluated is similar to the similar enterprises that have already traded in the market in terms of operation, market, management, technology and products, then the value of the target enterprise to be evaluated should be similar to that of the analogous enterprise; The asset approach is for each asset and liability on the balance sheet, re-estimate the fair market value, replacement cost or liquidation value. The assets or liabilities out of the balance sheet, including contingent liabilities, should also be assessed. The total assets minus the total liabilities are the desired equity value.

The present value of the expected return on the investment is calculated by discounting the cash flows using either the income approach or the cost approach.

The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair Value at March 31, 2025	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets					
Unlisted shares	\$ 415,156	Market comparable companies	Price to earnings ratio multiple Enterprise value multiple P/B ratio  Discount for lack of volatility	10.11-12.45 1.93-3.98 1.16  24%-30%	The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value The higher the discount for lack of marketability, the lower the fair value
Private fund	202,826	Net asset value	Discount for lack of volatility	23.29% - 72.81%	The higher the discount for risk, the lower the fair value
The investment case of movie	16,279	Discounted cash flow method	Weighted average cost of capital	-	The higher the discount for risk, the lower the fair value

	Fair Value at December 31, 2024	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets					
Unlisted shares	\$ 466,530	Market comparable companies	Price to earnings ratio multiple Enterprise value multiple P/B ratio	12.16-16.90 1.13-9.44 1.50	The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value
Private fund	241,553	Net asset value	Discount for lack of volatility	24%-30%	The higher the discount for lack of marketability, the lower the fair value
The investment case of movie	16,279	Discounted cash flow method	Discount for lack of volatility Weighted average cost of capital	23.29% -	The higher the discount for risk, the lower the fair value The higher the discount for risk, the lower the fair value

	Fair Value at March 31, 2024	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets					
Unlisted shares	\$ 614,670	Market comparable companies	Price to earnings ratio multiple Enterprise value multiple P/B ratio	11.88-16.17 1.84-9.11 1.5-1.44	The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value
Private fund	166,026	Net asset value	Discount for lack of volatility	30%-35%	The higher the discount for lack of marketability, the lower the fair value
The investment case of movie	20,000	Discounted cash flow method	Discount for lack of volatility Weighted average cost of capital	28.41% -	The higher the discount for risk, the lower the fair value The higher the discount for risk, the lower the fair value

c. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 62,517	\$ 75,918	\$ 130,264
Financial assets at amortized cost (1)	3,702,684	3,738,242	3,984,271
Financial assets at FVTOCI			
Equity instruments	898,923	961,450	1,083,172
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	6,737,176	6,632,276	4,486,809

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, trade receivables to related parties, other receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, trade payables to related parties, other payables, other payables to related parties, current portion of long-term liabilities, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments included cash and cash equivalents, equity and debt investments, mutual funds, notes receivable, trade receivables, trade payables, lease liabilities and borrowings. The Group's finance division provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through the analysis of exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the USD, EUR, CNY and JPY.

The following table details the Group's sensitivity to a 1% increase and a 1% decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period under the assumption of a 1% change in foreign currency rates. On the table below, if the amount is positive (negative), it indicates a decrease (increase) in pre-tax loss when functional currencies of the Group entities weakened (strengthened) by 1% against the relevant currency.

	<b>USD Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss	\$ (13,959)	\$ (12,454)
	<b>EUR Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss	\$ (310)	\$ -

	<b>CNY Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss	\$ 62	\$ (1,045)

  

	<b>JPY Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss	\$ 2,789	\$ (879)

This was mainly attributable to the exposure on outstanding USD, EUR, CNY and JPY receivables and payables which were not hedged at the end of the reporting period.

b) Interest rate risk

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Fair value interest rate risk			
Financial assets	\$ 1,258,130	\$ 1,273,949	\$ 1,835,863
Financial liabilities	415,077	317,410	297,821
Cash flow interest rate risk			
Financial assets	1,098,130	1,046,133	1,021,007
Financial liabilities	5,053,602	4,718,065	3,157,767

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A sensitivity rate of 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax loss for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$(9,889) thousand and \$(5,342) thousand, respectively.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in variable rate borrowings.

c) Other price risk

The Group was exposed to price risk through its investments in equity securities. The Group has appointed a special team to monitor the price risk and make plans to manage the price risk.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to the price risks of the aforementioned investments at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$625 thousand and \$1,303 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$8,989 thousand and \$10,832 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial losses to the Group. As of the end of the reporting period, the Group's maximum credit risk exposure that may cause financial losses due to the counterparty's failure to perform its obligations mainly comes from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to mitigate credit risks, the Group's management has assigned a dedicated team to be responsible for the determination of credit limits, credit approval and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the Group will review the recoverable amounts of receivables one by one on the balance sheet date to ensure that appropriate impairment losses have been made for uncollectible receivables. Accordingly, the Group's management believes that the Group's credit risk has been significantly reduced.

The objects of accounts receivable cover many customers and are scattered in different industries and geographical regions. The Group continues to evaluate the financial conditions of its customers with accounts receivable.

In addition, because the counterparties of liquidity and derivative financial instruments are financial institutions and corporate organizations with good credit ratings, the credit risk is limited.

The Group's customer base is vast and unrelated to each other, so the concentration of credit risk is not high.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings are a significant source of liquidity. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had available unutilized short-term and long-term bank loan facilities set out in (b) below.

a) Liquidity and interest risk rate table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

March 31, 2025

	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,470,224	\$ -	\$ -	\$ -	\$ -
Lease liabilities	25,158	25,339	23,716	35,257	91,312
Variable interest rate liabilities	2,090,757	943,889	947,956	1,220,174	5,008
Fixed interest rate liabilities	<u>214,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,800,794</u>	<u>\$ 969,228</u>	<u>\$ 971,672</u>	<u>\$ 1,255,431</u>	<u>\$ 96,320</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 25,158</u>	<u>\$ 84,312</u>	<u>\$ 62,974</u>	<u>\$ 28,338</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024

	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,818,629	\$ -	\$ -	\$ -	\$ -
Lease liabilities	25,672	25,002	24,224	38,291	98,265
Variable interest rate liabilities	1,962,424	805,191	849,306	1,201,577	45,130
Fixed interest rate liabilities	<u>106,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,912,876</u>	<u>\$ 830,193</u>	<u>\$ 873,530</u>	<u>\$ 1,239,868</u>	<u>\$ 143,395</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 25,672</u>	<u>\$ 87,517</u>	<u>\$ 65,510</u>	<u>\$ 32,755</u>	<u>\$ -</u>	<u>\$ -</u>

### March 31, 2024

	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,276,407	\$ -	\$ -	\$ -	\$ -
Lease liabilities	26,330	25,441	24,935	43,049	111,499
Variable interest rate liabilities	455,813	543,377	730,000	1,305,099	262,341
Fixed interest rate liabilities	<u>66,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,825,158</u>	<u>\$ 568,818</u>	<u>\$ 754,935</u>	<u>\$ 1,348,148</u>	<u>\$ 373,840</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 26,330</u>	<u>\$ 93,425</u>	<u>\$ 68,918</u>	<u>\$ 42,581</u>	<u>\$ -</u>	<u>\$ -</u>

#### b) Financing facilities

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Secured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 1,647,250	\$ 1,256,190	\$ 1,000,000
Amount unused	<u>402,750</u>	<u>793,810</u>	<u>-</u>
	<u>2,050,000</u>	<u>2,050,000</u>	<u>1,000,000</u>
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	3,760,742	3,627,918	2,222,819
Amount unused	<u>1,691,500</u>	<u>2,381,757</u>	<u>10,926,140</u>
	<u>5,452,242</u>	<u>6,009,675</u>	<u>13,148,959</u>
	<u>\$ 7,502,242</u>	<u>\$ 8,059,675</u>	<u>\$ 14,148,959</u>

### 30. TRANSACTIONS WITH RELATED PARTIES

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

#### a. Related parties and relationships:

<b>Name of Related Party</b>	<b>Relationship with the Group</b>
Nichia Taiwan Corp.	Investor that has significant influence over the Group
Nichia Corp.	Investor that has significant influence over the Group
New Smart Technology Co., Ltd.	Associate
TASC Employee Benefits Committee	Other related party



b. Operating revenue

Related Party Category/Name	For the Three Months Ended March 31	
	2025	2024
Nichia Corp.	\$ 66,857	\$ 97,469
Other related party	<u>339</u>	<u>-</u>
	<u>\$ 67,196</u>	<u>\$ 97,469</u>

The selling prices charged to the above related parties are not materially different from those charged to non-related parties.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended March 31	
	2025	2024
Investors that have significant influence over the Group	\$ 29,385	\$ 28,825
Associate	<u>9,639</u>	<u>3,738</u>
	<u>\$ 39,024</u>	<u>\$ 32,563</u>

The purchase prices charged by the above related parties were not materially different from those charged by non-related parties.

d. Receivables from related parties

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Trade receivables to related parties	Investors that have significant influence over the Group	\$ 21,257	\$ 21,680	\$ 32,184
Allowance for impairment loss	Investors that have significant influence over the Group	<u>-</u>	<u>(2)</u>	<u>-</u>
		<u>\$ 21,257</u>	<u>\$ 21,678</u>	<u>\$ 32,184</u>
Other trade receivables	Associate	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 14</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2025 and 2024, no impairment losses were recognized for trade receivables from related parties. For the year ended December 31, 2024, impairment losses were recognized the amount \$2 thousands for trade receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Trade payables to related parties	Investors that have significant influence over the Group	\$ 61,656	\$ 64,366	\$ 40,510
	Associate	<u>9,678</u>	<u>15,481</u>	<u>3,894</u>
		<u>\$ 71,334</u>	<u>\$ 79,847</u>	<u>\$ 44,404</u>
Other payables to related parties	Associate	<u>\$ 28,154</u>	<u>\$ 29,467</u>	<u>\$ 53,432</u>

The payment terms with the above related parties were not materially different from non-related parties, the outstanding trade payables to related parties are unsecured.

f. Acquisition of property, plant and equipment

Related Party Category/Name	For the Three Months Ended March 31	
	2025	2024
Associate	<u>\$ 17,827</u>	<u>\$ 40,760</u>

g. Prepayments

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments rental	Investors that have significant influence over the Group	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>
Prepayments to suppliers	Associate	<u>\$ 1,042</u>	<u>\$ 3,321</u>	<u>\$ -</u>
Prepayment for equipment	Associate	<u>\$ 96,397</u>	<u>\$ 92,348</u>	<u>\$ 75,671</u>
Other prepayments	Associate	<u>\$ 1,134</u>	<u>\$ 1,451</u>	<u>\$ -</u>

h. Lease arrangements

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2025	2024
Interest expenses	Investors that have significant influence over the Group	<u>\$ 154</u>	<u>\$ 197</u>

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Lease liabilities	Investors that have significant influence over the Group	<u>\$ 18,531</u>	<u>\$ 19,877</u>	<u>\$ 23,850</u>

In the lease contract with related parties, the rent is negotiated with reference to market conditions, and paid in accordance with general conditions.

i. Other

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>For the Three Months Ended March 31</b>	
		<b>2025</b>	<b>2024</b>
Rental revenue	Associate	<u>\$ 61</u>	<u>\$ 40</u>

In the lease contract with related parties, the rent is negotiated with reference to market conditions, and received in accordance with general conditions.

j. Compensation of key management personnel

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$ 20,500	\$ 17,774
Post-employment benefits	<u>1,309</u>	<u>1,692</u>
	<u>\$ 21,809</u>	<u>\$ 19,466</u>

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

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

The following assets had been mortgaged as collateral for bank credit lines, performance guaranty, and a deposit for management and maintenance of public open space:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Demand deposits (included in financial assets at amortized cost - current)	\$ 23,160	\$ 23,160	\$ 22,960
Carrying amount of property, plant and equipment	<u>1,581,061</u>	<u>1,586,998</u>	<u>579,537</u>
	<u>\$ 1,604,221</u>	<u>\$ 1,610,158</u>	<u>\$ 602,497</u>

### 32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group as of March 31, 2024 were as follows:

- a. As of March 31, 2025, December 31, 2024 and March 31, 2024, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$0 thousand, \$0 thousand and \$10,900 thousand, respectively.
- b. Unrecognized commitments were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Acquisition of property, plant and equipment	\$ 399,879	\$ 400,156	\$ 770,970

- c. As of March 31, 2025, December 31, 2024 and March 31, 2024, the guarantees provided by the Company through banks amounted to approximately \$54,691 thousand, \$67,550 thousand and \$61,894 thousand, respectively.

### 33. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On April 11, 2024, the Company's board of directors passed a resolution to loan \$300,000 thousand to Champ-Asia Semiconductor Corporation. The loan is due on June 18, 2025. Assessing Champ-Asia's funding needs, the Company intends to apply for a renewal loan of \$300,000 thousand to repay the original loan.

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

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

March 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 48,709	33.155 (USD:NTD)	\$ 1,614,947
JPY	230,628	0.2207 (JPY:NTD)	50,900
CNY	2,115	4.548 (CNY:NTD)	9,619
EUR	969	35.770 (EUR:NTD)	34,661
<u>Financial liabilities</u>			
Monetary items			
USD	6,587	33.255 (USD:NTD)	219,051
JPY	1,467,748	0.2247 (JPY:NTD)	329,803
CNY	3,433	4.598 (CNY:NTD)	15,785
EUR	100	36.170 (EUR:NTD)	3,617

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 44,635	32.735 (USD:NTD)	\$ 1,461,127
JPY	242,740	0.2079 (JPY:NTD)	50,466
CNY	1,579	4.453 (CNY:NTD)	7,031
EUR	964	33.940 (EUR:NTD)	32,718

Financial liabilities

Monetary items			
USD	11,632	32.835 (USD:NTD)	381,937
JPY	1,377,558	0.2119 (JPY:NTD)	291,905
CNY	283	4.503 (CNY:NTD)	1,274
EUR	371	34.340 (EUR:NTD)	12,740

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 46,372	31.915 (USD:NTD)	\$ 1,479,962
JPY	548,783	0.209 (JPY:NTD)	114,696
CNY	23,871	4.379 (CNY:NTD)	104,531

Financial liabilities

Monetary items			
USD	7,315	32.065 (USD:NTD)	234,555
JPY	125,256	0.214 (JPY:NTD)	26,805

For the Three Months Ended March 31				
2025			2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ <u>6,449</u>	1 (NTD:NTD)	\$ <u>44,967</u>

### 35. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions:
  - 1) Financing provided to others: Table 1.
  - 2) Endorsements/guarantees provided: Table 2.
  - 3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3.
  - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
  - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
  - 6) Intercompany relationships and significant intercompany transactions: None.
- b. Information on investees (excluding investees in mainland China): Table 5.
- c. Information on investments in mainland China
  - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: None.
  - 2) Any of significant transactions with investee companies in mainland China, either directly or indirectly through a company in third area, and their prices, payment terms, and unrealized gains or losses: None.
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
    - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
    - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

### 36. OPERATING SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were LED and silicon vendor chips group, displays and lighting group, and power business group.

a. Segment revenues and results:

The information of the Group's revenues and results by segment is as follows:

	<b>LED and Silicon Send or Chips Group</b>	<b>Displays and Lighting Group</b>	<b>Power Business Group</b>	<b>Other Segment</b>	<b>Consolidated</b>
<u>For the three months ended March 31, 2025</u>					
Revenue from external customers	<u>\$ 717,573</u>	<u>\$ 247,332</u>	<u>\$ 1,738</u>	<u>\$ -</u>	<u>\$ 966,643</u>
Segment income	<u>\$ (81,650)</u>	<u>\$ 39,359</u>	<u>\$ (307,036)</u>	<u>\$ (17,745)</u>	<u>\$ (367,072)</u>
<u>For the three months ended March 31, 2024</u>					
Revenue from external customers	<u>\$ 757,410</u>	<u>\$ 199,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 957,340</u>
Segment income	<u>\$ (43,287)</u>	<u>\$ 27,721</u>	<u>\$ -</u>	<u>\$ (18,684)</u>	<u>\$ (34,250)</u>

The segment revenue reported above is generated from transactions with external customers. There were no inter-segment sales from January 1 to March 31, 2025 and 2024.

b. Total segment assets and liabilities

The amount of assets measured by the Group is not provided to the operating decision makers, so the amount of assets measured by the department is zero.

TABLE 1

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limits (Note 4)	Note
													Item	Value			
0	Taiwan-Asia Semiconductor Corporation	Champ-Asia Semiconductor Corporation	Other receivables - related parties	Y	\$ 300,000	\$ 300,000	\$ 300,000	2.5666	b	\$ -	Purchase equipment	\$ -	-	\$ -	\$ 729,106	\$ 2,916,425	-
		ProAsia Semiconductor Corporation	Other receivables - related parties	Y	200,000	200,000	200,000	2.5666	b	-	Purchase equipment, construction of a cleanroom	-	-	-	729,106	2,916,425	-

- Note 1: The Corporation is number zero (0), investee companies by company sequentially numbered starting from 1.
- Note 2: Funding nature:
- a. Business associate clients marked a.
  - b. Clients needing short-term loans marked b.
- Note 3: Limit on loans granted to a single party, which has the needs of short-term financing with the Company should not exceed 10% of the Company’s latest net asset value (\$7,291,063 thousand × 10% = \$729,106 thousand). Besides, limit on loans granted to a single party, which has business relationship with the subsidiaries should not exceed total amount that the two sides trade in the recent six-month period.
- Note 4: Total amount of loans of the Company should not exceed 40% of the net value of the Company’s latest net asset value (\$7,291,063 thousand × 40% = \$2,916,425 thousand).
- Note 5: The above transactions have been eliminated in the preparation of the consolidated financial statements.



TABLE 2

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Taiwan-Asia Semiconductor Corporation	ProAsia Semiconductor Corporation	Subsidiary	\$ 1,458,212	\$ 1,400,000	\$ 1,400,000	\$ 1,350,000	\$ -	19.20	\$ 3,645,531	Y	N	N	-

Note: The calculation and amount of ceiling on providing endorsement/guarantee to others shall be disclosed. It there was contingent loss recognized in the financial statements, the recognized amount shall be disclosed under the Company’s “Procedures for Provision of Endorsements and Guarantees”, the Company’s total guarantees and endorsements to others should not exceed 50% of the Company’s net asset value, and total guarantees and endorsements provided for a single party should not exceed 20% of the Company’s net asset value. The calculation is shown below:

- a. \$7,291,063 thousand × 50% = \$3,645,531 thousand.
- b. \$7,291,063 thousand × 20% = \$1,458,212 thousand.

**TABLE 3**

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)**  
**MARCH 31, 2025**  
**(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2025			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Taiwan-Asia Semiconductor Corporation	<u>Shares</u>						
	AXT, Inc. (Note 3)	-	Financial assets at FVTPL - non-current	124,100	\$ -	-	\$ -
	Top Increasing Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	10,000,000	-	16.67	-
	Nichia Corp.	The Company is the parent company of Nichia Taiwan Corp.	Financial assets at FVTOCI - non-current	10,000	277,590	0.45	277,590
	Viking Tech Corporation.	-	Financial assets at FVTOCI - non-current	2,873,994	94,842	2.45	94,842
	Giga Epitaxy Technology Corp.	-	Financial assets at FVTOCI - non-current	4,950,491	23,621	15.00	23,621
	Shin-Etsu Opto Electronic Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,000,000	113,945	10.00	113,945
	Fubon Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	250,000	13,050	-	13,050
	<u>Private fund</u>						
	Wisdom Capital Limited Partnership	-	Financial assets at FVTOCI - non-current	-	202,826	-	202,826
Ho Chung Investment Co., Ltd.	<u>Shares</u>						
	Taiwan-Asia Semiconductor Corporation	Parent company	Financial assets at FVTPL - current	754,543	16,939	0.17	16,939
	Shangya Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	6,800,000	173,049	15.35	173,049
River Asset Co., Ltd.	<u>Shares</u>						
	Leadtrend Tech. Corp.	-	Financial assets at FVTPL - current	887,481	46,238	1.47	46,238

Note 1: The term “marketable securities” in this table refers to stocks, bonds, mutual funds and marketable securities derived from the above items that fall within the scope of IFRS No. 9 “Financial Instruments”.

Note 2: The information on investment in subsidiaries, please refer to Table 5.

Note 3: The 124,000 shares of AXT, Inc. which are owned by the Company, are preferred stocks.

**TABLE 4**

**TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)  
FOR THE THREE MONTHS ENDED MARCH 31, 2025  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan-Asia Semiconductor Corporation	Champ-Asia Semiconductor Corporation ProAsia Semiconductor Corporation	Subsidiary Subsidiary	\$ 372,931 251,342	(Note 1) (Note 2)	\$ -	-	\$ -	\$ -
					-	-	-	-

Note 1: The receivables included intercompany loan \$300,000 thousand, goods \$531 thousand and equipment \$72,400 thousand.

Note 2: The receivables included intercompany loan \$200,000 thousand, goods \$8,557 thousand and equipment \$42,785 thousand.

Note 3: All the transactions had been eliminated when preparing consolidated financial statements.

TABLE 5

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
Taiwan-Asia Semiconductor Corporation	Ho Chung Investment Co., Ltd.	Taiwan	Investment business	\$ 400,000	\$ 400,000	40,000,000	100.00	\$ 272,388	\$ (5,263)	\$ 94	(Note 1)
	River Asset Co., Ltd.	Taiwan	Investment business	400,000	400,000	40,000,000	100.00	318,021	(16,766)	(16,766)	
	Star Asia Vision Corporation	Taiwan	Manufacture and sales of lighting equipment	164,360	164,360	16,436,000	74.37	266,309	21,867	16,262	
	New Smart Technology Co., Ltd.	Taiwan	Automatic control equipment engineering business	14,000	14,000	1,000,000	4.48	14,098	(10,399)	122	
	Wan Zun Guang Investment Co., Ltd.	Taiwan	Investment business	2,020,010	2,020,010	202,001,000	100.00	1,513,711	(185,836)	(186,064)	
	Champ-Asia Semiconductor Corporation	Taiwan	Manufacturing of electronic parts	1,270,000	1,000,000	122,500,000	97.92	1,074,654	(99,196)	(98,203)	
River Asset Investment Co., Ltd.	New Smart Technology Co., Ltd.	Taiwan	Automatic control equipment engineering business	56,000	56,000	4,000,000	17.92	56,460	(10,399)	488	(Note 1)
	Intelligence AnAsia Technology Corp.	Taiwan	Integrated circuits and modules design, manufacturing, testing and selling	10,500	10,500	1,050,000	30.00	6,705	(5,410)	(1,623)	(Note 1)
Wan Zun Guang Investment Co., Ltd.	ProAsia Semiconductor Corporation	Taiwan	Development, manufacture and sales of silicon-based semiconductor power components and silicon carbide compound semiconductor power components	1,972,510	1,972,510	154,834,000	82.78	1,507,150	(216,878)	(185,805)	(Note 1)
Ho Chung Investment Co., Ltd.	United-Asia Semiconductor Corporation	Taiwan	Assembling and testing of electronic parts	101,000	101,000	10,100,000	100.00	90,636	183	183	(Note 1)
	Champ-Asia Semiconductor Corporation	Taiwan	Manufacturing of electronic parts	1,000	1,000	100,000	0.08	878	(99,196)	(90)	(Note 1)

Note 1: The calculation is based on the financial statements of the investee company that have been reviewed by an accountant during the same period and the Company’s shareholding ratio.

Note 2: The amount was eliminated upon consolidation, excluding New Smart Technology Co., Ltd and Intelligence AnAsia Technology Corp.