

Gemtek Technology Co., Ltd.
And Subsidiary Companies

Consolidated Financial Statements
and
Independent Auditors' Review Report
For the Three-Month Periods Ended
March 31, 2025 and 2024

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Gemtek Technology Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Gemtek Technology Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of March 31, 2025 and 2024, 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

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 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements

were not reviewed. As of March 31, 2025 and 2024, the combined total assets of these non-significant subsidiaries were NT\$931,720 thousand and NT\$621,512 thousand, respectively, representing 4.62% and 2.64%, respectively, of the Group's consolidated total assets, and the combined total liabilities of these non-significant subsidiaries as of March 31, 2025 and 2024 were NT\$43,829 thousand and NT\$53,088 thousand, respectively, representing 0.60% and 0.53%, respectively, of the Group's consolidated total liabilities; for the three months ended March 31, 2025 and 2024, the amounts of comprehensive income (loss) of these subsidiaries were NT\$9,147 thousand and NT\$9,775 thousand, respectively, representing (5.04)% and 10.69%, respectively, of the Group's consolidated comprehensive income (loss). As disclosed in Note 14 to the consolidated financial statements, the balances of investments accounted for under the equity method amounted to NT\$8,365 thousand and NT\$2,385 thousand as of March 31, 2025 and 2024, respectively. In addition, as of March 31, 2025 and 2024, the related balances of certain investments accounted for under the equity method were NT\$154,494 thousand and NT\$34,994 thousand respectively. For the three-months ended March 31, 2025 and 2024, the balance of share of losses of subsidiaries and associates recognized under the equity method was NT\$(1,094) thousand and NT\$(3,960) thousand, respectively. The aforementioned investment information and disclosures included in Note 34 to the consolidated financial statements are based on the investees' financial statements for the same periods, which have not been reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments 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, its consolidated financial performance and its consolidated cash flows for the three-month periods ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" by the Financial Supervisory Commission of the ROC.

Deloitte & Touche Taiwan
Certified Public Accountant
Han-ni Fang

Deloitte & Touche Taiwan
Certified Public Accountant
Jing-ting Yang

Financial Supervisory Commission
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Date: May 2, 2025

Gemtek Technology CO., Ltd. And Subsidiary Companies
CONSOLIDATED BALANCE SHEET
March 31, 2025 and 2024, and December 31, 2024
(In Thousands of New Taiwan Dollars)

Code	ASSET	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (note 4 and 6)	\$ 4,611,482	23	\$ 4,696,870	22	\$ 4,214,103	18
1110	Financial assets at fair value through profit or loss - current (note 4 and 7)	129	-	516	-	201,319	1
1136	Financial assets at amortized cost - current (note 4 and 9)	278,254	1	305,831	2	232,078	1
1150	Notes receivable (note 10 and 24)	-	-	-	-	5,412	-
1170	Accounts receivable, net (note 4, 10 and 24)	5,292,764	26	6,132,441	28	6,683,391	28
1180	Accounts receivable from related parties (note 4, 24 and 30)	53,125	-	36,890	-	79,416	-
1200	Other receivables (note 4 and 30)	163,284	1	86,392	-	153,546	1
1220	Current tax assets (note 4 and 26)	26,463	-	25,781	-	259	-
130X	Inventories (note 4 and 11)	2,428,027	12	2,629,372	12	3,626,987	16
1460	Non-current Assets Held for Sale (note 12)	-	-	-	-	17,060	-
1470	Other current assets (note 4, 18 and 30)	92,671	1	133,083	1	74,293	-
11XX	Total current assets	<u>12,946,199</u>	<u>64</u>	<u>14,047,176</u>	<u>65</u>	<u>15,287,864</u>	<u>65</u>
	NON-CURRENT ASSETS						
1517	Financial assets at fair value through other comprehensive income - non-current (note 4 and 8)	1,510,718	8	1,738,477	8	2,658,464	11
1535	Financial assets at amortized cost - non-current (note 4, 9 and 31)	33,701	-	32,813	-	56,512	-
1550	Investments accounted for using the equity method (note 4, 13 and 14)	1,311,733	7	1,363,967	6	1,167,671	5
1600	Property, plant and equipment (note 4 and 15)	3,441,834	17	3,529,130	16	3,503,309	15
1755	Right-of-use assets (note 4 and 16)	366,494	2	366,666	2	344,550	2
1805	Goodwill (note 4 and 17)	245,224	1	245,224	1	245,224	1
1821	Other intangible assets	28,348	-	32,314	-	44,237	-
1840	Deferred tax assets (note 4 and 26)	71,035	-	71,319	1	75,300	-
1990	Other non-current assets (note 4 and 18)	226,289	1	196,104	1	148,865	1
15XX	Total non-current assets	<u>7,235,376</u>	<u>36</u>	<u>7,576,014</u>	<u>35</u>	<u>8,244,132</u>	<u>35</u>
1XXX	Total assets	<u>\$ 20,181,575</u>	<u>100</u>	<u>\$ 21,623,190</u>	<u>100</u>	<u>\$ 23,531,996</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings (note 19)	\$ 638,695	3	\$ 1,277,253	6	\$ 1,734,077	7
2120	Financial liabilities at fair value through profit or loss - current (note 7)	-	-	-	-	3,030	-
2130	Contract liabilities (note 4 and 24)	347,033	2	341,599	2	434,615	2
2170	Accounts payable	4,132,812	21	4,585,087	21	5,418,716	23
2219	Other payables (note 21 and 30)	851,456	4	961,356	5	772,644	3
2230	Current tax liabilities (note 4 and 26)	130,589	1	113,788	1	130,544	1
2280	Lease liabilities - current (note 4 and 16)	15,899	-	91,826	-	95,480	1
2321	Bonds payable - current portion (note 4 and 20)	629,405	3	626,279	3	-	-
2399	Other current liabilities (note 21)	83,694	-	83,956	-	61,673	-
21XX	Total current liabilities	<u>6,829,583</u>	<u>34</u>	<u>8,081,144</u>	<u>38</u>	<u>8,650,779</u>	<u>37</u>
	NON-CURRENT LIABILITIES						
2530	Bonds payable (note 20)	-	-	-	-	1,053,531	5
2570	Deferred tax liabilities (note 4 and 26)	393,518	2	410,542	2	326,899	1
2580	Lease liabilities - non-current (note 4 and 16)	20,618	-	21,373	-	4,153	-
2670	Other non-current liabilities (note 14 and 21)	35,829	-	33,513	-	12,611	-
25XX	Total non-current liabilities	<u>449,965</u>	<u>2</u>	<u>465,428</u>	<u>2</u>	<u>1,397,194</u>	<u>6</u>
2XXX	Total liabilities	<u>7,279,548</u>	<u>36</u>	<u>8,546,572</u>	<u>40</u>	<u>10,047,973</u>	<u>43</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (note 4, 23 and 28)						
	Share Capital						
3110	Ordinary shares	4,278,886	21	4,277,007	20	4,001,211	17
3140	Capital collected in advance	-	-	1,879	-	118,907	1
3100	Total share Capital	<u>4,278,886</u>	<u>21</u>	<u>4,278,886</u>	<u>20</u>	<u>4,120,118</u>	<u>18</u>
3200	Capital surplus	<u>5,757,129</u>	<u>29</u>	<u>5,757,129</u>	<u>27</u>	<u>5,446,847</u>	<u>23</u>
	Retained earnings						
3310	Legal reserve	1,054,650	5	1,054,650	5	1,003,186	4
3320	Special reserve	195,638	1	195,638	1	195,638	1
3350	Unappropriated earnings	1,659,208	8	1,597,425	7	1,662,638	7
3300	Total retained earnings	<u>2,909,496</u>	<u>14</u>	<u>2,847,713</u>	<u>13</u>	<u>2,861,462</u>	<u>12</u>
3490	Other equity	(390,539)	(2)	(150,377)	(1)	695,121	3
31XX	Total equity attributable to owners of parent	<u>12,554,972</u>	<u>62</u>	<u>12,733,351</u>	<u>59</u>	<u>13,123,548</u>	<u>56</u>
36XX	Non-controlling interests (note 23)	<u>347,055</u>	<u>2</u>	<u>343,267</u>	<u>1</u>	<u>360,475</u>	<u>1</u>
3XXX	Total equity	<u>12,902,027</u>	<u>64</u>	<u>13,076,618</u>	<u>60</u>	<u>13,484,023</u>	<u>57</u>
	Total liabilities and equity	<u>\$ 20,181,575</u>	<u>100</u>	<u>\$ 21,623,190</u>	<u>100</u>	<u>\$ 23,531,996</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the independent auditors' review report of Deloitte & Touche Taiwan on May 2, 2025)

Chairman: Hong-wen Chen

General Manager: Rong-chang Li

Accounting Supervisor: Zhi-hong Lin

Gemtek Technology CO., Ltd. And Subsidiary Companies
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
For the Three Months Ended March 31, 2025 and 2024
(In Thousands of New Taiwan Dollars, Except Earning Per Share)

Code		For the Three Months Ended March 31			
		2025		2024	
		AMOUNT	%	AMOUNT	%
4000	Operating revenue (note 4, 24 and 30)	\$ 5,154,711	100	\$ 5,760,954	100
5000	Operating costs (note 11, 22, 25 and 30)	(4,530,597)	(88)	(5,071,535)	(88)
5900	Gross profit	<u>624,114</u>	<u>12</u>	<u>689,419</u>	<u>12</u>
	Operating expenses (note 22, 25 and 30)				
6100	Selling expenses	(136,877)	(3)	(127,983)	(2)
6200	General and administrative expenses	(156,376)	(3)	(163,377)	(3)
6300	Research and development expenses	(268,479)	(5)	(275,036)	(5)
6450	Expected credit gains (losses)	<u>2,076</u>	<u>-</u>	<u>(5,426)</u>	<u>-</u>
6000	Total operating expenses	<u>(559,656)</u>	<u>(11)</u>	<u>(571,822)</u>	<u>(10)</u>
6900	Profit from operations	<u>64,458</u>	<u>1</u>	<u>117,597</u>	<u>2</u>
	Non-operating income and expenses				
7100	Interest income (note 25)	13,182	-	18,511	-
7010	Other income (note 25 and 30)	4,669	-	13,373	-
7020	Other gains and losses (note 25)	(4,931)	-	79,434	2
7050	Finance costs (note 25)	(10,536)	-	(34,689)	-
7060	Share of profit of subsidiaries and associates (note 4 and 14)	<u>18,263</u>	<u>1</u>	<u>12,621</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>20,647</u>	<u>1</u>	<u>89,250</u>	<u>2</u>
7900	Profit before income tax	85,105	2	206,847	4
7950	Income tax (note 4 and 26)	<u>(19,570)</u>	<u>(1)</u>	<u>(131,822)</u>	<u>(2)</u>
8200	Net profit for the period	<u>65,535</u>	<u>1</u>	<u>75,025</u>	<u>2</u>

(Continued)

		For the Three Months Ended March 31			
		2025		2024	
Code		AMOUNT	%	AMOUNT	%
	Other comprehensive income (loss)				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(\$ 304,563)	(6)	(\$ 173,733)	(3)
8330	Share of other comprehensive income (losses) of subsidiaries and associates	(1,943)	-	-	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations	75,311	1	237,709	4
8370	Share of other comprehensive income (losses) of subsidiaries and associates	(1,056)	-	(72)	-
8399	Income tax related to item that will be reclassified subsequently to profit or loss (note 26)	(14,844)	-	(47,499)	(1)
8300	Other comprehensive income (loss), net	(247,095)	(5)	16,405	-
8500	Total comprehensive income (loss)	(\$ 181,560)	(4)	\$ 91,430	2
	Net profit attributable to:				
8610	Owner of the company	\$ 61,783	1	\$ 70,956	2
8620	Non-controlling interests	3,752	-	4,069	-
8600		\$ 65,535	1	\$ 75,025	2
	Total comprehensive income (loss) attributable to:				
8710	Owner of the company	(\$ 185,348)	(4)	\$ 87,222	2
8720	Non-controlling interests	3,788	-	4,208	-
8700		(\$ 181,560)	(4)	\$ 91,430	2
	Earnings per share (note 27)				
9750	Basic earnings per share	\$ 0.15		\$ 0.18	
9850	Diluted earnings per share	\$ 0.14		\$ 0.17	

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the independent auditors' review report of Deloitte & Touche Taiwan on May 2, 2025)

Chairman: Hong-wen Chen General Manager: Rong-chang Li Accounting Supervisor: Zhi-hong Lin

Gemtek Technology CO., Ltd. And Subsidiary Companies
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Three Months Ended March 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

		Share Capital (note 23)				Retained Earnings (note 23)			Other Equity (Note 23 and 28)						
Code		Shares (in Thousands)	Amount	Capital Collected in Advance	Capital Surplus (note 23)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Compensation	Subtotal	Non-controlling interests (note 23)	Total equity	
A1	BALANCE AT JANUARY 1, 2024	<u>400,121</u>	<u>\$ 4,001,211</u>	<u>\$ 54,846</u>	<u>\$ 5,329,633</u>	<u>\$ 1,003,186</u>	<u>\$ 195,638</u>	<u>\$ 1,591,682</u>	<u>(\$ 428,972)</u>	<u>\$ 1,196,667</u>	<u>(\$ 104,495)</u>	<u>\$ 663,200</u>	<u>\$ 356,195</u>	<u>\$13,195,591</u>	
D1	Net profit for the three months ended March 31, 2024	-	-	-	-	-	-	70,956	-	-	-	-	4,069	75,025	
D3	Other comprehensive income (loss) for the three months ended March 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,999</u>	<u>(173,733)</u>	<u>-</u>	<u>16,266</u>	<u>139</u>	<u>16,405</u>	
D5	Total comprehensive income (loss) for the three months ended March 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,956</u>	<u>189,999</u>	<u>(173,733)</u>	<u>-</u>	<u>16,266</u>	<u>4,208</u>	<u>91,430</u>	
M7	Changes in ownership interests in subsidiaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,863</u>	
I1	Corporate bond converted to ordinary shares	<u>-</u>	<u>-</u>	<u>64,061</u>	<u>115,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,412</u>	
T1	Share-based payment expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,655</u>	<u>15,655</u>	<u>-</u>	<u>15,655</u>	
O1	Changes of non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>	<u>72</u>	
Z1	BALANCE AT MARCH 31, 2024	<u>400,121</u>	<u>\$ 4,001,211</u>	<u>\$ 118,907</u>	<u>\$ 5,446,847</u>	<u>\$ 1,003,186</u>	<u>\$ 195,638</u>	<u>\$ 1,662,638</u>	<u>(\$ 238,973)</u>	<u>\$ 1,022,934</u>	<u>(\$ 88,840)</u>	<u>\$ 695,121</u>	<u>\$ 360,475</u>	<u>\$13,484,023</u>	
A1	BALANCE AT JANUARY 1, 2025	<u>427,700</u>	<u>\$ 4,277,007</u>	<u>\$ 1,879</u>	<u>\$ 5,757,129</u>	<u>\$ 1,054,650</u>	<u>\$ 195,638</u>	<u>\$ 1,597,425</u>	<u>(\$ 173,113)</u>	<u>\$ 62,560</u>	<u>(\$ 39,824)</u>	<u>(\$ 150,377)</u>	<u>\$ 343,267</u>	<u>\$13,076,618</u>	
D1	Net profit for the three months ended March 31, 2025	-	-	-	-	-	-	61,783	-	-	-	-	3,752	65,535	
D3	Other comprehensive income (loss) for the three months ended March 31, 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,375</u>	<u>(306,506)</u>	<u>-</u>	<u>(247,131)</u>	<u>36</u>	<u>(247,095)</u>	
D5	Total comprehensive income (loss) for the three months ended March 31, 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,783</u>	<u>59,375</u>	<u>(306,506)</u>	<u>-</u>	<u>(247,131)</u>	<u>3,788</u>	<u>(181,560)</u>	
I1	Corporate bond converted to ordinary shares	<u>188</u>	<u>1,879</u>	<u>(1,879)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
T1	Share-based payment expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,969</u>	<u>6,969</u>	<u>-</u>	<u>6,969</u>	
Z1	BALANCE AT MARCH 31, 2025	<u>427,888</u>	<u>\$ 4,278,886</u>	<u>\$ -</u>	<u>\$ 5,757,129</u>	<u>\$ 1,054,650</u>	<u>\$ 195,638</u>	<u>\$ 1,659,208</u>	<u>(\$ 113,738)</u>	<u>(\$ 243,946)</u>	<u>(\$ 32,855)</u>	<u>(\$ 390,539)</u>	<u>\$ 347,055</u>	<u>\$12,902,027</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the independent auditors' review report of Deloitte & Touche Taiwan on May 2, 2025)

Chairman: Hong-wen Chen

General Manager: Rong-chang Li

Accounting Supervisor: Zhi-hong Lin

Gemtek Technology CO., Ltd. And Subsidiary Companies
CONSOLIDATED CASH FLOW STATEMENT
For the Three Months Ended March 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Code		For the Three Months Ended March 31	
		2025	2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	Income before income tax	\$ 85,105	\$ 206,847
A20010	Adjustments for:		
A20100	Depreciation expense	141,402	137,636
A20200	Amortization expense	32,856	56,783
A20300	Expected credit losses (gain) recognized on receivables	(2,076)	5,426
A20400	Loss (gain) on financial assets and financial liabilities at fair value through profit or loss, net	(379)	(123)
A20900	Finance costs	10,536	34,689
A21200	Interest income	(13,182)	(18,511)
A21900	Share-based payment expenses	6,969	15,813
A22300	Share of profit of subsidiaries and associates	(18,263)	(12,621)
A22500	Loss (gain) on disposal of property, plant and equipment	(2,527)	46,005
A23700	Inventory write-down (reversal of write-downs)	(7,968)	32,375
A24100	Loss (gain) on foreign exchange, net	(40,386)	(120,127)
A29900	Gains on lease modification	(36)	-
A30000	Changes in operating assets and liabilities		
A31115	Financial assets at fair value through profit or loss	766	359
A31130	Notes receivable	-	(5,412)
A31150	Accounts receivable	923,914	219,023
A31160	Accounts receivable from related parties	(15,279)	1,322
A31180	Other receivables	(21,521)	(27,331)
A31200	Inventories	236,909	(531,054)
A31240	Other current assets	40,855	10,756
A31990	Net defined benefit asset	(459)	(542)
A32125	Contract liabilities	2,757	57,849
A32150	Accounts payable	(506,592)	462,693
A32180	Other payables	(111,923)	(33,826)
A32230	Other current liabilities	(274)	(6,073)
A33000	Cash generated from operations	741,204	531,956
A33100	Interest received	27,813	15,240
A33300	Interest paid	(10,118)	(24,609)
A33500	Income tax paid	(5,347)	(110,577)
AAAA	Net cash generated from operating activities	<u>753,552</u>	<u>412,010</u> (Continued)

		For the Three Months Ended March 31	
Code		2025	2024
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(\$ 15,500)	\$ -
B00050	Proceeds from disposal of financial assets at amortized cost	30,166	12,933
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	-	119,540
B01800	Acquisition of investments accounted for using equity method	-	(1,800)
B02000	Increase in prepayments for long-term investment	(45,295)	-
B02700	Acquisition of property, plant and equipment	(61,728)	(78,851)
B02800	Proceeds from disposal of property, plant and equipment	37,844	31,714
B03700	Decrease (increase) in refundable deposits paid	484	(76)
B06800	Increase in other non-current assets	(44,291)	(57,424)
B07100	Increase in prepayments for equipment	(12,414)	-
BBBB	Net cash generated from (used in) investing activities	(110,734)	26,036
	CASH FLOWS FROM INVESTING ACTIVITIES		
C00100	Increase in short-term borrowings	-	777,149
C00200	Decrease in short-term borrowings	(648,806)	-
C04020	Repayment of the principal portion of lease liabilities	(87,231)	(4,465)
C04300	Increase (decrease) in other non-current liabilities	250	(8,575)
CCCC	Net cash generated from (used in) financing activities	(735,787)	764,109
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	7,581	66,607
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(85,388)	1,268,762
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,696,870	2,945,341
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,611,482	\$ 4,214,103
			(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the independent auditors' review report of Deloitte & Touche Taiwan on May 2, 2025)

Chairman: Hong-wen Chen General Manager: Rong-chang Li Accounting Supervisor: Zhi-hong Lin

**GEMTEK TECHNOLOGY CO., LTD. AND SUBSIDIARY
COMPANIES
NOTES TO CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Unless Stated
Otherwise)**

I. COMPANY HISTORY

Gemtek Technology Co., Ltd. (the “Company”) was incorporated on June 29, 1988. It researches, develops, manufactures, purchases, sells, exports, and imports electronic components, semi-finished products, finished products, computer software, hardware and peripheral equipment.

The Company’s shares were listed on the Taipei Exchange (OTC) in January of 2002, and have been listed on the Taiwan Stock Exchange (TWSE) since June 30, 2003.

The consolidated financial statements of the Company and its subsidiaries (collectively, referred to as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

II. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on May 2, 2025.

III. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- (1) 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).

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities

Issuers and the IFRSs endorse and issued into effect by the FSC did not have material impact on the Group's accounting policies.

Amendment to IAS 21 "Lack of Exchangeability"

The amendment to IAS 21 "Lack of Exchangeability" is not expected to result in any material impact to the accounting policies of the consolidated entities of the Company.

- (2) The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" Amendments to the application guidance on the classification of financial assets	January 1, 2026 (Note 1)

Note 1: Applicable to annual reporting periods beginning after January 1, 2026. Enterprises may also choose to apply in advance on January 1, 2025. When the amendment is first applied, it should be applied retrospectively without restatement of comparative periods, and the impact of the initial application should be recognized on the date of initial application. However, if an enterprise is able to restate without the benefit of hindsight, it may choose to restate the comparative period.

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

Amendments to the application guidance on the classification of financial assets

The amendments primarily revise the classification requirements for financial assets, including:

1. If a financial asset includes a contingent feature that may alter the timing or amount of contractual cash flows—where such a feature is not directly linked to changes in lending risks or costs (e.g., a borrower's achievement of a specified carbon emissions reduction target), the contractual cash flows may still be considered solely payments of principal and interest on the principal amount outstanding, provided the following two conditions are met:

- In all possible scenarios, both before and after the occurrence of the contingent event, the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

- The contractual cash flows under all scenarios do not differ significantly from those of a financial instrument with identical contractual terms but without the contingent feature.

2. The amendment clarifies that a financial asset with a non-recourse feature refers to an instrument in which the entity's ultimate right to receive cash flows is contractually limited to those generated by specified assets.

3. It also clarifies that contractually linked instruments (CLIs) involve the creation of multiple tranches of securities through a waterfall payment structure that establishes a hierarchy of payment priorities among holders of the financial asset. This structure results in concentrations of credit risk, where shortfalls in cash flows from the underlying pool of assets are distributed disproportionately across different tranches.

Upon initial application of the amendment, entities are required to apply it retrospectively; however, restatement of comparative periods is not mandatory. The cumulative effect of initial application should be recognized on the date of initial application. Nevertheless, if an entity can restate comparative periods without the use of hindsight, it may elect to do so.

As of the date this consolidated financial report was authorized for issue, the Group is still assessing the potential impact of the amendment on its financial position and financial performance.

- (3) IFRS accounting standards issued by the IASB but not yet approved and issued by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB (Note 1)
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" Amendments to the application guidance on the classification of financial assets	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 9 and IFRS 17 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB (Note 1)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless stated otherwise, the above-mentioned 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 replace IAS 1 "Presentation of Financial Statements". Major changes to the standard include:

- The income statement should classify income and expense items into operating, investing, financing, income tax and discontinued operations.
- The profit and loss statement should present operating profit and loss, profit and loss before financing and income taxes, and the subtotals and totals of profit and loss.
- Guidance is provided to strengthen aggregation and segmentation requirements: aggregating companies are required to identify assets, liabilities, equity, income, losses and cash flows arising from separate transactions or other events and to group and aggregate them on the basis of common characteristics so that each line item presented in the principal financial statements has at least one similar characteristic. Items with different characteristics should be separated in the primary financial statements and notes. The Group will label such items as "Other" only when a more informative name cannot be found.
- Increase disclosure of management-defined performance measures: When the Group conducts public communications outside the financial statements and communicates with users of the financial statements about management's views on a certain aspect of the Group's overall financial performance, it should disclose relevant information on management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, its reconciliation with the subtotals or totals specified in IFRS accounting standards, and the income tax and non-controlling interest effects of the related reconciling items.

As of the date of approval and issuance of this consolidated financial report, the Group is still evaluating the other impacts of the amendments to various standards and interpretations on its financial position and financial performance, and the relevant impacts will be disclosed when the evaluation is completed.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosure required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards.

(2) Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

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:

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

(3) 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 Company. 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.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive

income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The retained investment in the former subsidiary is initially recognized at fair value on the date control is lost and serves as the original cost for subsequent accounting under the equity method.

For details of subsidiaries, shareholding ratios and business items, please refer to Note 13, Table 6 and Table 7.

(4) Other significant accounting policies

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

1) Defined benefit – 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.

2) Taxation

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.

V. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of inflation and market rate of interest fluctuations into significant accounting estimates when making its critical significant accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Inventory Write-Downs

Net realizable value of inventories is determined based on the estimated selling price in the normal course of business, less the estimated costs to complete and sell the products. These estimates are made with reference to current market conditions and historical sales data for similar products. However, shifts in market dynamics could significantly affect these estimates. Furthermore, ongoing uncertainty surrounding future developments in U.S. tariff policies has led to greater volatility in product pricing, thereby increasing the uncertainty in estimating net realizable value.

VI. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 2,179	\$ 2,085	\$ 2,735
Checking accounts and demand deposits	3,229,048	3,538,173	1,902,330
Cash equivalents			
Time deposits with original maturities of less than 3 months	<u>1,380,255</u>	<u>1,156,612</u>	<u>2,309,038</u>
	<u>\$ 4,611,482</u>	<u>\$ 4,696,870</u>	<u>\$ 4,214,103</u>

VII. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets - current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Financial Products	\$ -	\$ -	\$ 201,319
Bonds Payable			
- Conversion option	<u>129</u>	<u>516</u>	<u>-</u>
	<u>\$ 129</u>	<u>\$ 516</u>	<u>\$ 201,319</u>
<u>Financial liabilities - current</u>			
Mandatorily classified as at FVTPL			
Bonds Payable			
- Conversion option	\$ -	\$ -	\$ 992
Derivatives (unspecified hedge)			
- Forward foreign exchange contracts (1)	<u>-</u>	<u>-</u>	<u>2,038</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,030</u>

- (1) At the end of the reporting period, outstanding foreign exchange forward contracts and foreign exchange swaps not under hedge accounting were as follows:

March 31, 2024

	Currency	Maturity Date	Contract Amount (In Thousands)
Sell	USD/NTD	2024.02.17-2024.04.01	USD5,000 /NTD158,055
	USD/NTD	2024.03.27-2024.04.29	USD5,000 /NTD160,030

The Group entered into foreign exchange forward and foreign exchange swaps to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

VIII.FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic Investments			
Listed shares	\$ 1,267,611	\$ 1,561,179	\$ 2,499,923
Unlisted shares	<u>207,176</u>	<u>141,508</u>	<u>98,390</u>
Total	<u>1,474,787</u>	<u>1,702,687</u>	<u>2,598,313</u>
Overseas Investments			
Listed shares	6,639	6,498	8,534
Unlisted shares	<u>29,292</u>	<u>29,292</u>	<u>51,617</u>
Total	<u>35,931</u>	<u>35,790</u>	<u>60,151</u>
	<u>\$ 1,510,718</u>	<u>\$ 1,738,477</u>	<u>\$ 2,658,464</u>

Foreign 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.

Please refer to Table 2 for the stock holdings of the Group at the end of the period.

IX. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Domestic Investment			
Time deposits with original maturities of more than 3 months (1)	<u>\$ 278,254</u>	<u>\$ 305,831</u>	<u>\$ 232,078</u>
<u>Non-current</u>			
Domestic Investment			
Time deposits with original maturities of more than 3 months (1)	<u>\$ 33,701</u>	<u>\$ 32,813</u>	<u>\$ 56,512</u>

(1) The interest rates for time deposits with original maturities of more than 3 months ranged from 0.04% to 4.7%, 0.04%~4.6% and 1.29%~4.50% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

(2) For information on pledges of financial assets measured at amortized cost, please refer to Note 31.

X. ACCOUNTS RECEIVABLE

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes Receivable</u>			
At amortized cost			
Gross carrying amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,412</u>
<u>Accounts Receivable</u>			
At amortized cost			
Gross carrying amount	\$ 5,300,347	\$ 6,142,100	\$ 6,724,661
Less: Allowance for impairment loss	(<u>7,583</u>)	(<u>9,659</u>)	(<u>41,270</u>)
	<u>\$ 5,292,764</u>	<u>\$ 6,132,441</u>	<u>\$ 6,683,391</u>

The average credit period on sales of goods is 90 days with no accrued interest. The allowance for doubtful receivables was assessed by referring to the collectability of receivables based on an individual trade term analysis, aging analysis, the historical payment behavior and current financial condition of customers.

The Group measures the loss allowance for accounts receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. 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.

In the event there is evidence indicating that the customer is under severe financial difficulty and the Group cannot reasonably estimate the recoverable amounts, the Group writes off relevant accounts receivable. However, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, the recoverable amounts are recognized in profit or loss.

The following table details the loss allowance of note receivables and accounts receivables based on the Group's provision matrix.

March 31, 2025

	Not overdue	Overdue under 180 days	Overdue 181 to 365 days	Over 366 days	Total
Expected Credit Loss Rate	-	2.79%	100%	100%	
Gross Carrying Amount	\$ 5,242,009	\$ 52,213	\$ 2	\$ 6,123	\$ 5,300,347
Loss Allowance (Lifetime ECL)	-	(1,458)	(2)	(6,123)	(7,583)
Amortized Cost	<u>\$ 5,242,009</u>	<u>\$ 50,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,292,764</u>

December 31, 2024

	Not overdue	Overdue under 180 days	Overdue 181 to 365 days	Over 366 days	Total
Expected Credit Loss Rate	-	5.35%	-	100%	
Gross Carrying Amount	\$ 6,106,585	\$ 27,317	\$ -	\$ 8,198	\$ 6,142,100
Loss Allowance (Lifetime ECL)	-	(1,461)	-	(8,198)	(9,659)
Amortized Cost	<u>\$ 6,106,585</u>	<u>\$ 25,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,132,441</u>

March 31, 2024

	Not overdue	Overdue under 180 days	Overdue 181 to 365 days	Over 366 days	Total
Expected Credit Loss Rate	0.01%	3.56%	-	100%	
Gross Carrying Amount	\$ 6,566,982	\$ 127,262	\$ -	\$ 35,829	\$ 6,730,073
Loss Allowance (Lifetime ECL)	(912)	(4,529)	-	(35,829)	(41,270)
Amortized Cost	<u>\$ 6,566,070</u>	<u>\$ 122,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,688,803</u>

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

	For the three-month periods ended March 31	
	2025	2024
Balance at January 1	\$ 9,659	\$ 35,844
Add: Impairment loss recognized during the period	-	5,426
Less: Impairment loss reversed during the period	(2,076)	-
Balance at March 31	<u>\$ 7,583</u>	<u>\$ 41,270</u>

XI. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 479,742	\$ 674,648	\$ 398,504
Work in process	484,512	441,601	686,495
Raw materials and supplies	1,310,931	1,371,422	2,158,799
Inventory in transit	<u>152,842</u>	<u>141,701</u>	<u>383,189</u>
	<u>\$ 2,428,027</u>	<u>\$ 2,629,372</u>	<u>\$ 3,626,987</u>

The cost of goods sold related to inventory for the three months ended March 31, 2025 and 2024 are NT\$4,530,597 thousand and NT\$5,071,535 thousand, respectively. Cost of goods sold included inventory write-down and obsolete inventory losses (recovery gains) of NT\$ (7,968) thousand and NT\$32,375 thousand, respectively. The gains from inventory impairment and recovery of obsolete items were mainly due to the sale of inventories for which impairment losses were recorded.

XII. NON-CURRENT ASSETS HELD FOR SALE

	March 31, 2025	December 31, 2024	March 31, 2024
Right-of-use assets - land	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,060</u>

On May 29, 2023, the board of directors of the Group approved the disposal of the real estate, plant and equipment and right-of-use assets - land of Gemtek Electronics (ChangShu) Co., Ltd., and in June 2023, it signed an asset purchase and sale contract with Changshu Zhirong New Energy Industry Development Co., Ltd., and it is expected that the disposal procedures will be completed within 12 months. As of December 31, 2023, the Group has completed the delivery procedures and delisted the relevant assets, with a disposal price of NT\$37,320 thousand and a disposal profit of NT\$20,620 thousand.

Since the anticipated selling price is expected to exceed the carrying amount of the related net assets, no impairment loss was recognized at the time the disposal group was classified as non-current assets held for sale.

XIII. SUBSIDIARIES

(1) Subsidiaries included in consolidated financial statements:

Investor	Investee	Main Business	% of Ownership		
			March 31, 2025	December 31, 2024	March 31, 2024
Gemtek Technology Co., Ltd.	Brightech International Co., Ltd.	Investment	100%	100%	100%
Gemtek Technology Co., Ltd.	G-Technology Investment Co., Ltd.	Investment	100%	100%	100%
Gemtek Technology Co., Ltd.	Gemtek Vietnam Co., Ltd.	Telecommunications	100%	100%	100%
Gemtek Technology Co., Ltd.	BROWAN Communications Incorporation ("BROWAN Company")	Telecommunications	50.47%	50.47%	50.44%
Gemtek Technology Co., Ltd.	5V Technologies, Ltd. ("5V Company")	Telecommunications	98.05%	98.05%	97.92%
Gemtek Technology Co., Ltd.	Genix Networks Inc. (Formerly Lionic Networks Inc.)	Telecommunications	90.91%	90.91%	90.91%
Brightech International Co., Ltd.	Gemtek Electronics (Suzhou) Co., Ltd.	Telecommunications	80.46%	80.46%	80.46%
G-Technology Investment Co., Ltd.	Gemtek Electronics (Kuanshan) Co., Ltd.	Telecommunications	100%	100%	100%
G-Technology Investment Co., Ltd.	AMPAK International Holdings Ltd.	Investment	100%	100%	100%
G-Technology Investment Co., Ltd.	Primax Communication (B.V.I.) Inc.	Investment	100%	100%	100%
G-Technology Investment Co., Ltd.	Gemtek CZ., s.r.o.	Telecommunications	100%	100%	100%
AMPAK International Holdings Ltd.	Gemtek Electronics (ChangShu) Co., Ltd.	Telecommunications	100%	100%	100%
Primax Communication (B.V.I.) Inc.	Gemtek Electronics Suzhou Co. Ltd.	Telecommunications	19.54%	19.54%	19.54%

Lionic Networks Inc. was renamed Genix Networks Inc. in January 2024.

In July 2024, BROWAN Company canceled restricted employee shares, resulting in an increase in the Group's ownership percentage from 50.44% to 50.47%.

The Group completed the cash capital increase of Gemtek Vietnam Co., Ltd. on June 4, 2024, with a total amount of NT\$323,950 thousand (US\$10,000 thousand), and the Group subscribed 100% and held 100% of the shares.

In October 2024, the Group increased its investment in its subsidiary 5V Company by NT\$22 thousand, and its shareholding ratio increased from 97.92% to 98.05%.

All subsidiaries included in the consolidated financial statements as of March 31, 2025 and 2024 were reviewed by independent auditors, with the exception of BROWAN Company, which was not subject to auditor review.

(2) Subsidiaries not included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership		
			March 31, 2025	December 31, 2024	March 31, 2024
Gemtek Technology Co., Ltd.	Wi Tek Investment Co., Ltd.	Investment	100%	100%	100%
G-Technology Investment Co., Ltd.	PT. South Ocean	Telecommunications	95%	95%	95%
Wi Tek Investment Co., Ltd.	Browan Communications (Xi'An) Inc.	Telecommunications	100%	100%	100%

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group held 100% of the shares of Wi Tek Investment Co., Ltd., with total assets of NT\$7 thousand, NT\$6 thousand and NT\$6 thousand, respectively, accounting for 0% of the consolidated assets, and operating income of NT\$0 thousand, accounting for 0% of the consolidated total operating income. Therefore, the company was not included in the consolidated financial statements.

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group held 95% of PT. South Ocean's shares, with total assets of NT\$3,047 thousand, NT\$3,008 thousand and NT\$2,936 thousand, respectively, accounting for 0.01% of the consolidated assets, and operating income of NT\$0 thousand, accounting for 0% of the consolidated total operating income. Therefore, the company was not included in the consolidated financial statements.

In January 2025, the Group participated in a capital increase of Browan Communication (Xi'an) Co., Ltd. in the amount of NT\$23,129 thousand (RMB 5,000 thousand) through its wholly owned subsidiary, Gemtek Electronics (Suzhou) Co., Ltd. As the registration of the capital increase had not been completed as of March 31, 2025, the amount was recognized as a prepayment for investment.

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group held 100% of Browan Communications (Xi'An) Inc. through Wi Tek Investment

Co., Ltd., with total assets of NT\$18,721 thousand, NT\$7,566 thousand, and NT\$10,337 thousand, respectively, accounting for 0.09%, 0.03% and 0.04% of the consolidated assets, and operating income of NT\$830 thousand, NT\$1,869 thousand, and NT\$801 thousand, respectively, accounting for 0.01% of the consolidated total operating income. Therefore, the company was not included in the consolidated financial statements.

XIV. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2025	December 31, 2024	March 31, 2024
Investment in subsidiaries	\$ 3,047	\$ 3,008	\$ 2,936
Investment in associates	<u>1,308,686</u>	<u>1,360,959</u>	<u>1,164,735</u>
	<u>\$ 1,311,733</u>	<u>\$ 1,363,967</u>	<u>\$ 1,167,671</u>

(1) Investment in subsidiaries

	March 31, 2025	December 31, 2024	March 31, 2024
Unlisted company			
Wi Tek Investment Co., Ltd.	(\$ 8,365)	(\$ 6,299)	(\$ 2,385)
PT. South Ocean	<u>3,047</u>	<u>3,008</u>	<u>2,936</u>
	(5,318)	(3,291)	551
Add: Account for other liabilities	<u>8,365</u>	<u>6,299</u>	<u>2,385</u>
	<u>\$ 3,047</u>	<u>\$ 3,008</u>	<u>\$ 2,936</u>

Proportion of ownership and voting rights:

	March 31, 2025	December 31, 2024	March 31, 2024
WiTek Investment Co., Ltd.	100%	100%	100%
PT. South Ocean	95%	95%	95%

The Group's share of profit or loss and other comprehensive income of subsidiaries accounted for under the equity method for the three-month periods ended March 31, 2025 and 2024, was recognized based on their respective unaudited financial statements for the same periods.

These subsidiaries were not included in the consolidated financial statements.
Please refer to Note 13 for further details.

(2) Investments in associates

	March 31, 2025	December 31, 2024	March 31, 2024
Material associate			
AMPAK Technology Inc. ("AMPAK Company")	\$ 1,157,239	\$ 1,209,827	\$ 1,132,677
Associate that is not individually material			
Wavesplitter Technologies, Inc. ("Wavesplitter Company")	121,688	120,924	-
Free PP Worldwide Co.,Ltd.	22,990	23,040	23,834
ANTEK NETWORKS INC. ("ANTEK Company")	5,819	5,901	6,428
BandRich Inc. (" BandRich Company")	950	1,267	1,796
	<u>\$ 1,308,686</u>	<u>\$ 1,360,959</u>	<u>\$ 1,164,735</u>

In March 2024, the Group did not subscribe for the cash capital increase of ANTEK Company according to its shareholding ratio, but increased its investment by NT\$1,800 thousand, and the shareholding ratio of the Group increased from 15.25% to 16.62%.

In July 2024, the Group acquired a 30.51% equity interest in Wavesplitter Company for NT\$112,000 thousand in cash; in October 2024, the Group did not subscribe for the cash capital increase of Wavesplitter Company according to its shareholding ratio, and the Group's shareholding ratio was reduced from 30.51% to 28.32%.

AMPAK Company issued unsecured convertible corporate bonds. Bondholders requested conversion into bond conversion certificates in September and December 2024, equivalent to a total of 622 thousand common shares, resulting in a reduction in the Group's shareholding ratio from 30.20% to 29.91%.

1. Material associate:

	% of Ownership		
	March 31, 2025	December 31, 2024	March 31, 2024
AMPAK Company	29.91%	29.91%	30.20%

Level 1 fair value information of related companies with publicly quoted market prices is as follows:

	% of Ownership		
	March 31, 2025	December 31, 2024	March 31, 2024
AMPAK Company	<u>\$ 2,160,064</u>	<u>\$ 3,010,090</u>	<u>\$ 2,560,076</u>

For more information regarding the nature of activities, principal place of business and country of incorporation of the associates, please refer to Table 6.

The following summary financial information is prepared based on the financial statements of the associated companies in accordance with IFRS accounting standards and reflects the adjustments made when adopting the equity method.

AMPAK Company

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 2,450,895	\$ 2,458,177	\$ 2,143,896
Non-current assets	987,678	961,784	996,224
Current liabilities	(964,374)	(785,492)	(986,591)
Non-current liabilities	(<u>561,636</u>)	(<u>557,305</u>)	(<u>358,096</u>)
Equity	1,912,563	2,077,164	1,795,433
Non-controlling interests	(<u>18,197</u>)	(<u>7,031</u>)	(<u>9,925</u>)
	<u>\$ 1,894,366</u>	<u>\$ 2,070,133</u>	<u>\$ 1,785,508</u>
The Company's shareholding ratio	29.91%	29.91%	30.20%

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
The Company's rights and interests	\$ 566,765	\$ 619,353	\$ 539,223
Goodwill and other adjustments	<u>590,474</u>	<u>590,474</u>	<u>593,454</u>
Carrying amount	<u>\$ 1,157,239</u>	<u>\$ 1,209,827</u>	<u>\$ 1,132,677</u>

(Concluded)

	For the three-month periods ended March 31	
	2025	2024
Operating Revenue	<u>\$ 600,929</u>	<u>\$ 520,051</u>
Net profit for the year	\$ 65,284	\$ 64,764
Other Comprehensive income	(<u>6,495</u>)	<u>587</u>
Total comprehensive income	<u>\$ 58,789</u>	<u>\$ 65,351</u>
Dividends received from AMPAK Company	<u>\$ 70,002</u>	<u>\$ 70,065</u>

2. Aggregate information of associates that are not individually material

	For the three-month periods ended March 31	
	2025	2024
The Group's share of total comprehensive income	(<u>\$ 83</u>)	(<u>\$ 2,997</u>)

For the three-month periods ended March 31, 2025 and 2024, the Group's share of profit or loss and other comprehensive income of associates accounted for under the equity method was recognized based on their respective financial statements for the same periods. Except for AMPAK Company, which was recognized based on audited financial statements, the results of the remaining associates were recognized based on unaudited financial statements.

XV. PROPERTY, PLANT AND EQUIPMENT

					Construction in Progress and Equipment Pending Acceptance	
	Land	Buildings	Machinery and Equipment	Other Equipment		Total
<u>Cost</u>						
Balance on January 1, 2024	\$ 368,719	\$ 2,551,810	\$ 2,521,759	\$ 1,360,056	\$ 83,700	\$ 6,886,044
Additions	-	7,863	30,382	22,786	17,820	78,851
Transferred from prepayments for equipment	-	-	3,330	245	-	3,575
Disposals	-	-	(172,926)	(168,950)	-	(341,876)
Reclassified as held for sale	-	-	3,160	3,926	129,829	136,915
Effect of foreign currency exchange differences	-	42,729	91,747	28,563	5,992	169,031
Balance on March 31, 2024	<u>\$ 368,719</u>	<u>\$ 2,602,402</u>	<u>\$ 2,477,452</u>	<u>\$ 1,246,626</u>	<u>\$ 237,341</u>	<u>\$ 6,932,540</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2024	\$ -	\$ 1,248,279	\$ 1,310,831	\$ 915,218	-	\$ 3,474,328
Disposals	-	-	(144,821)	(119,336)	-	(264,157)
Depreciation expenses	-	21,596	72,566	38,468	-	132,630
Effect of foreign currency exchange differences	-	20,732	45,038	20,660	-	86,430
Balance on March 31, 2024	<u>\$ -</u>	<u>\$ 1,290,607</u>	<u>\$ 1,283,614</u>	<u>\$ 855,010</u>	<u>\$ -</u>	<u>\$ 3,429,231</u>
Net value on March 31, 2024	<u>\$ 368,719</u>	<u>\$ 1,311,795</u>	<u>\$ 1,193,838</u>	<u>\$ 391,616</u>	<u>\$ 237,341</u>	<u>\$ 3,503,309</u>
<u>Cost</u>						
Balance on January 1, 2025	\$ 368,719	\$ 2,915,303	\$ 2,682,602	\$ 1,179,628	\$ 92,774	\$ 7,239,026
Additions	-	4,581	23,681	7,239	26,227	61,728
Disposals	-	(762)	(63,724)	(37,275)	-	(101,761)
Reclassified	-	1,400	3,269	576	(12,356)	(7,111)
Effect of foreign currency exchange differences	-	18,503	32,057	8,180	1,314	60,054
Balance on March 31, 2025	<u>\$ 368,719</u>	<u>\$ 2,939,025</u>	<u>\$ 2,677,885</u>	<u>\$ 1,158,348</u>	<u>\$ 107,959</u>	<u>\$ 7,251,936</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2025	\$ -	\$ 1,366,522	\$ 1,483,826	\$ 859,548	\$ -	\$ 3,709,896
Disposals	-	(465)	(35,603)	(30,376)	-	(66,444)
Depreciation expenses	-	25,148	76,952	32,412	-	134,512
Reclassified	-	8,455	17,587	6,096	-	32,138
Effect of foreign currency exchange differences	-	1,399,660	1,542,762	867,680	-	3,810,102
Net value on December 31, 2024 and January 1, 2025	<u>\$ 368,719</u>	<u>\$ 1,548,781</u>	<u>\$ 1,198,776</u>	<u>\$ 320,080</u>	<u>\$ 92,774</u>	<u>\$ 3,529,130</u>
Net value on March 31, 2025	<u>\$ 368,719</u>	<u>\$ 1,539,365</u>	<u>\$ 1,135,123</u>	<u>\$ 290,668</u>	<u>\$ 107,959</u>	<u>\$ 3,441,834</u>

For the three-month periods ended March 31, 2025 and 2024, no indicators of impairment were identified; therefore, the Group did not perform an impairment assessment.

The property, plant and equipment of the Group are depreciated on a straight-line basis over the following useful lives:

Buildings	
Main buildings	50 years
Others	3 ~ 50 years
Machinery and equipment	2 ~ 10 years
Other equipment	2 ~ 10 years

XVI. LEASE ARRANGEMENTS

(1) Right-of-use Assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amounts			
Land	\$ 330,544	\$ 328,950	\$ 326,916
Building	33,885	36,030	15,802
Transportation equipment	<u>2,065</u>	<u>1,686</u>	<u>1,832</u>
	<u>\$ 366,494</u>	<u>\$ 366,666</u>	<u>\$ 344,550</u>

	For the three-month periods ended March 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 2,589</u>	<u>\$ 414</u>
Depreciation for right-of-use assets		
Land	\$ 2,618	\$ 540
Buildings	3,930	3,838
Transportation equipment	<u>342</u>	<u>628</u>
	<u>\$ 6,890</u>	<u>\$ 5,006</u>

Except for the addition and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Group's right-of-use assets for the three-month periods ended March 31, 2025 and 2024.

(2) Lease Liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amounts			
Current	<u>\$ 15,899</u>	<u>\$ 91,826</u>	<u>\$ 95,480</u>
Non-current	<u>\$ 20,618</u>	<u>\$ 21,373</u>	<u>\$ 4,153</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	2.22%~6.82%	0.67%~6.63%	0.67%~4.34%
Transportation equipment	4.72%~7.80%	0.95%~7.80%	0.67%~4.41%

(3) Other lease information

	For the three-month periods ended March 31	
	2025	2024
Total cash outflow for leases	<u>(\$ 87,776)</u>	<u>(\$ 4,553)</u>

XVII. GOODWILL

	March 31, 2025	December 31, 2024	March 31, 2024
Goodwill	<u>\$ 245,224</u>	<u>\$ 245,224</u>	<u>\$ 245,224</u>

The Group's goodwill has been tested for impairment at the end of the annual reporting period, and the recoverable amount is determined based on the value in use. The value in use was calculated based on the cash flow forecasts derived from the financial budgets approved by the Group's management, covering a five-year period.

XVIII. OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Prepaid expenses	\$ 13,269	\$ 22,543	\$ 35,966
Prepayments	57,564	62,987	4,020
Temporary payments	6,410	23,928	4,148
Offset against business tax payable	<u>15,428</u>	<u>23,625</u>	<u>30,159</u>
	<u>\$ 92,671</u>	<u>\$ 133,083</u>	<u>\$ 74,293</u>
<u>Non-current</u>			
Deferred expenses	\$ 105,985	\$ 83,379	\$ 96,727
Refundable deposits	5,026	5,510	6,312
Accounts receivable collection	196,741	196,741	219,160
Allowance for losses - collection	(196,741)	(196,741)	(219,160)
Net defined benefit assets	31,558	31,099	24,422
Prepaid equipment	38,425	25,948	21,404
Prepaid investment (Note)	<u>45,295</u>	<u>50,168</u>	<u>-</u>
	<u>\$ 226,289</u>	<u>\$ 196,104</u>	<u>\$ 148,865</u>

Note: The Group established Genix Japan Co., Ltd. with a capital contribution of NT\$22,166 thousand (JPY 99,000 thousand) and increased its investment in Browan Communication (Xi'an) Co., Ltd. by NT\$23,129 thousand (RMB 5,000 thousand). The Group holds a 100% ownership interest in both entities. As of March 31, 2025, the registration of these changes had not yet been completed.

XIX. BORROWINGS

<u>Short-term borrowings</u>			
	March 31, 2025	December 31, 2024	March 31, 2024
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 638,695</u>	<u>\$ 1,277,253</u>	<u>\$ 1,734,077</u>
Interest rate range	3.50%	3.20%~4.00%	3.20%~5.70%

XX. BONDS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
6th Domestic unsecured convertible bonds	\$ 629,405	\$ 626,279	\$ 1,053,531
Less: Due within 1 year	(<u>629,405</u>)	(<u>626,279</u>)	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,053,531</u>

On June 2, 2023, the Company issued 15 thousand units of the sixth domestic three-year unsecured conversion corporate bonds with a zero coupon rate, with a total principal amount of NT\$1,500,000 thousand, issued at 103.82% of the face value, and the face value of each bond was NT\$100 thousand.

The conversion price per share as of the end of March 31, 2025 is NT\$28.2, and the conversion period is from June 2, 2023 to June 2, 2026.

Two years after the issuance of the convertible corporate bonds, bond holders may request the Company to redeem the converted corporate bonds they hold in cash at 101.0025% of the face value of the bonds on the base date of sale. From the day after three months after the issuance of the convertible corporate bonds to 40 days before the expiration of the issuance period, if the closing price of the company's common stock exceeds the then - current conversion price by 30% (inclusive) for 30 consecutive business days, the Company may redeem all of its bonds in cash at their face value. From the day after the three months after the issuance of the convertible corporate bonds to 40 days before the expiration of the issuance, if the outstanding balance of the convertible corporate bonds is less than 10% of the original issuance amount, the Company may redeem all of its bonds in cash at their face value. Except for conversion into ordinary shares of the Company and early withdrawal by the Company in accordance with the redemption terms, the shares will be repaid in cash upon maturity.

This convertible corporate bond includes liability and equity components. The equity component is expressed as capital surplus - stock options under equity. The original recognized effective interest rate for the liability component was 2.02%.

Components of liabilities as of January 1, 2024	\$ 1,226,783
Interest calculated based on effective interest rate 2.02%	6,160
Conversion of corporate bonds payable into ordinary shares	(<u>179,412</u>)
Components of liabilities as of March 31, 2024	<u>\$ 1,053,531</u>
Components of liabilities as of January 1, 2025	\$ 626,279
Interest calculated based on effective interest rate 2.02%	<u>3,126</u>
Components of liabilities as of March 31, 2025	<u>\$ 629,405</u>

XXI. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Other payables - current</u>			
Other accrued expenses	\$ 308,399	\$ 349,011	\$ 263,367
Payables for salaries or bonuses	540,750	609,193	504,799
Other payables to related parties (Note 30)	<u>2,307</u>	<u>3,152</u>	<u>4,478</u>
	<u>\$ 851,456</u>	<u>\$ 961,356</u>	<u>\$ 772,644</u>
<u>Other liabilities - current</u>			
Temporary credits	\$ 69,899	\$ 69,195	\$ 44,281
Others	<u>13,795</u>	<u>14,761</u>	<u>17,392</u>
	<u>\$ 83,694</u>	<u>\$ 83,956</u>	<u>\$ 61,673</u>
<u>Other payables - non-current</u>			
Deposits received	\$ 2,861	\$ 2,924	\$ 786
Credit balance of long-term investment	8,365	6,299	2,385
Provision for restoration obligations	24,327	24,019	9,440
Others	<u>276</u>	<u>271</u>	<u>-</u>
	<u>\$ 35,829</u>	<u>\$ 33,513</u>	<u>\$ 12,611</u>

XXII. RETIREMENT BENEFIT PLANS

For the three-month periods ended March 31, 2025 and 2024, the recognized pension expenses related to the defined benefit plans were calculated using the actuarially determined pension cost rates as of December 31, 2024 and 2023, respectively. The amounts recognized were NT\$67 thousand and NT\$52 thousand.

XXIII. EQUITY

(1) Share Capital

<u>Common stock</u>	March 31, 2025	December 31, 2024	March 31, 2024
Authorized shares (in thousands of shares)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Authorized shares	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Issued and paid shares (in thousands of shares)	<u>427,888</u>	<u>427,700</u>	<u>400,121</u>
Issued capital	<u>\$ 4,278,886</u>	<u>\$ 4,277,007</u>	<u>\$ 4,001,211</u>
Advance receipts for share capital	<u>-</u>	<u>1,879</u>	<u>118,907</u>
	<u>\$ 4,278,886</u>	<u>\$ 4,278,886</u>	<u>\$ 4,120,118</u>

A holder of issued ordinary shares with par value of NT\$10 is entitled to the proportional rights to vote and to dividends.

At the Annual Shareholders' Meeting on May 29, 2023, the Company approved the issuance of restricted shares for employees with a total amount of NT\$43,000 thousand, comprising 4,300 thousand shares at an issue price of NT\$10 per share. It has been approved by the Financial Supervisory Commission of the Republic of China in Letter No. 1120347892 issued by the

Financial Supervisory Commission on July 11, 2023, and has been approved by the Board of Directors to set August 15, 2023 as the base date for capital increase.

During 2024, as certain restricted employee shares did not meet the vesting conditions, the Company's Board of Directors resolved to reclaim 135 thousand, and 42 thousand restricted employee shares, respectively, and to reduce capital on August 9, 2024 and November 7, 2024, respectively. The base dates for capital reduction were August 15, 2024 and November 7, 2024, respectively.

The number of common shares converted from the exercise of conversion rights for the Company's sixth domestic unsecured convertible corporate bonds are 5,485 thousand shares, 6,406 thousand shares, 3,717 thousand shares, 12,148 thousand shares, and 188 thousand shares, respectively, and the base dates for capital increase are March 13, 2024, May 10, 2024, August 15, 2024, November 7, 2024, and March 10, 2025, respectively.

(2) Capital Surplus

	March 31, 2025	December 31, 2024	March 31, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Share Premium	\$ 970,862	\$ 970,862	\$ 970,862
Corporate bond conversion premium	4,262,558	4,262,558	3,983,374
Expired stock options	150,691	150,691	150,691

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>May only be used to offset a deficit (2)</u>			
Changes in ownership interests in subsidiaries	\$ 39,522	\$ 39,522	\$ 41,030
Changes in net equity value of subsidiaries and associated companies recognized using the equity method	194,193	194,193	157,849
<u>May not be used for any purpose</u>			
Restricted employee shares	138,830	138,830	142,568
Others	473	473	473
	<u>\$ 5,757,129</u>	<u>\$ 5,757,129</u>	<u>\$ 5,446,847</u>
			(Concluded)

1. The capital surplus arising from shares issued in excess of par value (including share premium from issuance of ordinary shares), and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
2. The capital surplus arises from changes in the equity of subsidiaries and associates accounted for under the equity method, without the Company actually acquiring or disposing of their shares. It also includes adjustments to capital surplus recognized by the Company under the equity method for such subsidiaries and associates.

(3) Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For information on the accrual basis of the employees' compensation and remuneration of directors and the actual appropriations, refer to Note 25 (7) employees' compensation and remuneration of directors.

Appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company has set aside and reversed special surplus reserves in accordance with the provisions of the Financial Regulatory Letter No. 1010012865, the Financial Regulatory Letter No. 1010047490 and the "Questions and Answers on the Applicability of Special Surplus Reserves after Adoption of International Financial Reporting Standards (IFRS Accounting Standards)". On January 1, 2013, the Company set aside a special surplus reserve of NT\$195,638 thousand.

On March 10, 2025, the Board of Directors proposed, and on May 29, 2024, the shareholders' meeting approved, the earnings distribution plans for the years ended December 31, 2024 and 2023, respectively, as outlined below:

	<u>2024</u>	<u>2023</u>
Legal reserve	<u>\$ 67,278</u>	<u>\$ 51,464</u>
Cash dividends	<u>\$ 641,833</u>	<u>\$ 615,576</u>
Cash dividends per share (NT\$)	<u>\$ 1.5</u>	<u>\$ 1.5</u>

The appropriation of earnings for 2024 is still subject to the resolution of the Annual Shareholders' Meeting scheduled for May 28, 2025.

(4) Special Reserve

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Beginning balance and ending balance	<u>\$ 195,638</u>	<u>\$ 195,638</u>	<u>\$ 195,638</u>

The special surplus reserve due to the exchange differences on the translation of the financial statements of foreign operating entities (including subsidiaries) when adopting IFRS accounting standards for the first time is reversed in proportion to the disposal of the consolidated company and is fully reversed when the consolidated company loses its significant influence. When distributing earnings, a special surplus reserve should be provided for the difference between the net reduction in other shareholders' equity at the end of the reporting period and the special surplus reserve provided for the first time using IFRS accounting standards. If there is a subsequent reversal of the balance of other shareholders' equity reduction items, the reversed portion may be distributed as earnings.

(5) Other Equity Items

1. Exchange differences on translation of financial statements of foreign operations

	For the three-month periods ended March 31	
	2025	2024
Beginning balance	(\$ 173,113)	(\$ 428,972)
Recognized for the period		
Exchange differences on translation of financial statements of foreign operations	60,431	190,071
Share from subsidiaries and associates accounted for using the equity method	(1,056)	(72)
Ending balance	<u>(\$ 113,738)</u>	<u>(\$ 238,973)</u>

2. Unrealized gains (losses) on financial assets at fair value through other comprehensive income

	For the three-month periods ended March 31	
	2025	2024
Beginning balance	\$ 62,560	\$ 1,196,667
Recognized for the period		
Unrealized gains and losses		
Equity instruments	(304,563)	(173,733)
Share from subsidiaries and associates accounted for using the equity method	(1,943)	-
Ending balance	<u>(\$ 243,946)</u>	<u>\$ 1,022,934</u>

3. Unearned employee compensation

The Company's shareholders' meeting resolved to issue restricted shares for employees on May 29, 2023 and June 9, 2020. Please refer to Note 28 for relevant explanations.

	For the three-month periods ended March 31	
	2025	2024
Beginning balance	(\$ 39,824)	(\$ 104,495)
Recognized share-based payment expenses	<u>6,969</u>	<u>15,655</u>
Ending balance	<u>(\$ 32,855)</u>	<u>(\$ 88,840)</u>

(6) Non- controlling interests

	For the three-month periods ended March 31	
	2025	2024
Beginning balance	\$ 343,267	\$ 356,195
Net profit for the period	3,752	4,069
Exchange differences on translation of financial statements of foreign operations	36	139
Non-controlling interests related to restricted shares issued by a subsidiary to employees	<u>-</u>	<u>72</u>
Ending balance	<u>\$ 347,055</u>	<u>\$ 360,475</u>

XXIV. REVENUE

	For the three-month periods ended March 31	
	2025	2024
Revenue from contracts		
Revenue from product sales	<u>\$ 5,154,711</u>	<u>\$ 5,760,954</u>

(1) Contract balance

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Notes receivable (Note 10)	\$ -	\$ -	\$ 5,412	\$ -
Accounts receivable (Note 10)	5,300,347	6,142,100	6,724,661	6,784,115
Accounts receivable from related party (Note 30)	<u>53,125</u>	<u>36,890</u>	<u>79,416</u>	<u>80,086</u>
	<u>\$ 5,353,472</u>	<u>\$ 6,178,990</u>	<u>\$ 6,809,489</u>	<u>\$ 6,864,201</u>
Contract liabilities – current				
Product sales	<u>\$ 347,033</u>	<u>\$ 341,599</u>	<u>\$ 434,615</u>	<u>\$ 388,615</u>

(2) Breakdown of customer contract revenue

Please refer to Note 35 for revenue breakdown information.

XXV. NET PROFIT

(1) Interest income

	For the three-month periods ended March 31	
	2025	2024
Bank deposit	<u>\$ 13,182</u>	<u>\$ 18,511</u>

(2) Other income

	For the three-month periods ended March 31	
	2025	2024
Rental incomes	\$ 944	\$ 638
Other income	<u>3,725</u>	<u>12,735</u>
	<u>\$ 4,669</u>	<u>\$ 13,373</u>

(3) Other gains and losses

	For the three-month periods ended March 31	
	2025	2024
Gain on financial assets and liabilities measured at FVTPL	\$ 379	\$ 123
Foreign currency exchange gain	88,992	125,628
Gain (loss) on disposal of property, plant and equipment	2,527	(46,005)
Others	(<u>96,829</u>)	(<u>312</u>)
	<u>(\$ 4,931)</u>	<u>\$ 79,434</u>

(4) Finance costs

	For the three-month periods ended March 31	
	2025	2024
Interest on convertible bond	\$ 3,126	\$ 6,160
Interest on bank loans	6,865	28,441
Interest on lease liabilities	<u>545</u>	<u>88</u>
	<u>\$ 10,536</u>	<u>\$ 34,689</u>

(5) Depreciation and amortization

	For the three-month periods ended March 31	
	2025	2024
Depreciation expense summarized by function		
Operating costs	\$ 104,842	\$ 102,237
Operating expenses	<u>36,560</u>	<u>35,399</u>
	<u>\$ 141,402</u>	<u>\$ 137,636</u>
Amortization expense summarized by function		
Operating costs	\$ 165	\$ 18,604
Operating expenses	<u>32,691</u>	<u>38,179</u>
	<u>\$ 32,856</u>	<u>\$ 56,783</u>

(6) Employee benefits expenses

	For the three-month periods ended March 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	\$ 14,737	\$ 17,410
Defined benefit plans (Note 22)	<u>67</u>	<u>52</u>
	<u>14,804</u>	<u>17,462</u>
Share-based payments		
Equity-settled	6,969	15,813
Other employee benefit	<u>694,362</u>	<u>685,975</u>
Total employee benefits expenses	<u>\$ 716,135</u>	<u>\$ 719,250</u>
Summarized by function		
Operating costs	\$ 364,282	\$ 337,799
Operating expenses	<u>351,853</u>	<u>381,451</u>
	<u>\$ 716,135</u>	<u>\$ 719,250</u>

(7) Employee compensation and remuneration of directors

In accordance with the Company's Articles of Association, employees' compensation and directors' remuneration are allocated at rates of not less than 13.5% and not more than 1.8%, respectively, based on the pre-tax profit before deducting such compensation and remuneration for the current year.

Pursuant to the amendment to the Securities and Exchange Act in August 2024, the Company plans to amend its Articles of Association, subject to approval at the 2025 annual shareholders' meeting. The revised provision will specify that not less than 13.5% of pre-tax profit before deducting employee and director/supervisor remuneration shall be allocated for employees' compensation, of which no less than 1.5% shall be reserved for non-managerial staff.

The estimated amounts of employees' compensation and directors' remuneration for the three-month periods ended March 31, 2025 and 2024, were as follows:

Accrual Rate

	For the three-month periods ended March 31	
	2025	2024
Employees' compensation	13.5%	13.5%
Remuneration of directors	1.8%	1.8%

Amount

	For the three-month periods ended March 31	
	2025	2024
Employees' compensation	\$ 11,740	\$ 16,349
Remuneration of directors	\$ 1,565	\$ 2,180

If there is still a change in the amount after the annual consolidated financial report is released, it will be treated as a change in accounting estimates and will be adjusted and accounted for in the next year.

The employees' compensation and directors' remuneration for the years ended December 31, 2024 and 2023 were approved by the Board of Directors on March 10, 2025 and March 13, 2024, respectively, as follows:

	2024	2023
	<u>Cash</u>	<u>Cash</u>
Employees' compensation	\$ 122,803	\$ 110,935
Remuneration of directors	16,374	14,791

There is no difference between the actual amount of employees' compensation and remuneration of directors in 2024 and 2023 and the amount recognized in the consolidated financial reports of 2024 and 2023.

For information on employee and director remuneration resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

XXVI. INCOME TAXES

(1) Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the three-month periods ended March 31	
	<u>2025</u>	<u>2024</u>
Current income tax		
In respect of the current year	\$ 50,512	\$106,563
Adjustments for prior years	439	-
Deferred tax		
In respect of the current year	(<u>31,381</u>)	<u>25,259</u>
Income tax expense recognized in profit or loss	<u>\$ 19,570</u>	<u>\$131,822</u>

Gemtek Vietnam Co., Ltd., registered in Vietnam, is subject to the Pillar II Income Tax Act, which has come into effect in that jurisdiction. Under this Act, Gemtek Vietnam Co., Ltd. is required to pay supplementary tax in Vietnam on profits its groups where the individual tax rates are lower than the effective tax rate of 15%. The above income tax expenses have taken into account the possible impact of the Pillar II Income Tax Act.

(2) Income tax recognized in other comprehensive income

	For the three-month periods ended March 31	
	2025	2024
Deferred tax		
In respect of the current year		
Foreign operations translation	<u>\$ 14,844</u>	<u>\$ 47,499</u>

(3) Income tax examination

The tax returns of the Company and BROWAN Company before 2022 have been approved by the tax collection authorities. The tax returns of 5V Company before 2023 have been approved by the tax collection authorities.

XXVII. EARNINGS PER SHARE

Current net income

	For the three-month periods ended March 31	
	2025	2024
Net income in computation of basic earnings per share	\$ 61,783	\$ 70,956
Effect of potentially dilutive ordinary shares		
Interest after tax for convertible bonds	<u>2,501</u>	<u>4,928</u>
Net income in computation of diluted earnings per share	<u>\$ 64,284</u>	<u>\$ 75,884</u>

Ordinary shares

Unit: Thousand Shares

	For the three-month periods ended March 31	
	2025	2024
Weighted average number of ordinary shares in computation of basic earnings per share	424,921	402,252
Effect of potentially dilutive ordinary shares		
Convertible bonds	22,879	43,183
Restricted stock awards	2,968	4,300
Employees' compensation	<u>3,295</u>	<u>2,907</u>
Weighted average number of ordinary shares in computation of diluted earnings per share	<u>454,063</u>	<u>452,642</u>

If the Group offered to settle compensation or bonuses paid to employees in cash or shares, the Group assumed the entire amount of the compensation or bonuses would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

XXVIII. SHARE-BASED PAYMENT ARRANGEMENT

Restricted Stock Awards

On May 29, 2023, the Company's Annual Shareholders' Meeting approved the issuance of restricted stock awards totaling NT\$43,000 thousand, representing 4,300 thousand shares to be issued at a price of NT\$10 per share. The issuance was approved by the Financial Supervisory Commission of the Republic of China under Letter No. 1120347892 dated July 11, 2023. Accordingly, the board of directors resolved to set August 15, 2023 as the record date for the capital increase.

If an employee still serves the Company after the subscription of restricted stock awards, provided that the employee has not violated the Company's labor contract, work rules, or company regulations, and under the circumstance that the overall business operations and employee performances have reached the reasonable targets set out by the Company for the preceding year, the following ratio of shares for each vesting anniversary are:

1. First anniversary: 30% of subscription ;
2. Second anniversary: 30% of subscription ;
3. Third anniversary: 40% of subscription

Vesting restrictions if conditions have not been fulfilled:

(1) Measures to be taken when employees fail to meet the vesting conditions:

1. Before vesting conditions are met, restricted stock awards received by the employee are not to be sold, mortgaged, transferred, gifted, pledged, or otherwise sanctioned except in the event of inheritance.

2. The attendance, proposal, speech, and voting rights of the shareholders meeting shall be implemented in accordance with the trust custody agreement. Any cash dividends, stock dividends, and capital reserve cash (stocks) allocated to the restricted stock awards shall be placed under the custody of the trust. For those restricted stocks whom their owners have not yet fulfilled the vesting conditions, the cash dividends, stock dividends, and capital reserves (stocks) generated shall be forfeited and being reclaimed or cancelled by the Company in accordance with relevant laws and regulations.
- (2) Based upon the above trust custody agreement, employees who have received restricted stock awards are eligible to retain certain rights, including but not limited to: the right to receive dividends, bonuses, and capital reserves, the right to subscribe shares for cash increase, and voting rights, which are equivalent to the rights of common shares issued by the Company.
 - (3) Restricted stock awards that are issued in accordance with this arrangement shall be handled via trust and custody before vesting conditions are fulfilled.

XXIX. FINANCIAL INSTRUMENTS

- (1) Fair value of financial instruments measured at fair value on a recurring basis

1. Fair Value Hierarchy

<u>March 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at</u>				
<u>FVTPL</u>				
Bond payable				
Conversion option	\$ -	\$ -	\$ 129	\$ 129
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Equity instrument				
investment				
Domestic and				
overseas listed				
shares	\$ 1,274,250	\$ -	\$ -	\$ 1,274,250
Domestic and				
overseas				
unlisted shares	-	-	236,468	236,468
Total	<u>\$ 1,274,250</u>	<u>\$ -</u>	<u>\$ 236,468</u>	<u>\$ 1,510,718</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at</u>				
<u>FVTPL</u>				
Bond payable				
Conversion option	\$ -	\$ -	\$ 516	\$ 516
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Equity instrument				
investment				
Domestic and				
overseas listed				
shares	\$ 1,567,677	\$ -	\$ -	\$ 1,567,677
Domestic and				
overseas				
unlisted shares	-	-	170,800	170,800
Total	\$ 1,567,677	\$ -	\$ 170,800	\$ 1,738,477

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at</u>				
<u>FVTPL</u>				
Financial products	\$ -	\$ -	\$ 201,319	\$ 201,319
<u>Financial liabilities at</u>				
<u>FVTPL</u>				
Conversion option	\$ -	\$ -	\$ 992	\$ 992
Foreign exchange				
forward contracts	-	-	2,038	2,038
	\$ -	\$ -	\$ 3,030	\$ 3,030
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Equity instrument				
investment				
Domestic and				
overseas listed				
shares	\$ 2,508,457	\$ -	\$ -	\$ 2,508,457
Domestic and				
overseas				
unlisted shares	-	-	150,007	150,007
Total	\$ 2,508,457	\$ -	\$ 150,007	\$ 2,658,464

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

2. Valuation techniques and inputs for Level 3 fair value measurements

The fair value of stocks of unlisted companies without an active market is assessed using the market approach. The fair value of financial products is assessed using the income approach.

The market approach estimates the fair value of an investment target by referring to the transaction prices and related information of comparable targets in the market; the income approach calculates the present value of the expected income from holding the investment target by discounting cash flows.

There is no market price available for reference for hybrid financial assets - convertible corporate bonds. The fair value assessed by the Company is assessed using the binary tree convertible bond valuation model, which is based on the volatility of the conversion price, the risk-free interest rate, the risk discount rate and the number of split periods.

(2) Categories of Financial Instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatory measurement at FVTPL	\$ 129	\$ 516	\$ 201,319
Financial assets at FVTOCI			
Equity instrument investment	1,510,718	1,738,477	2,658,464
Financial assets at amortized cost (Note 1)	10,437,636	11,296,747	11,430,770

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial liabilities</u>			
Financial liabilities at FVTPL	\$ -	\$ -	\$ 3,030
Financial liabilities at amortized cost (Note 2)	6,255,229	7,452,899	8,979,754 (Concluded)

Note 1: Including cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, accounts receivable from related parties, other receivables and refundable deposits.

Note 2: Including short-term borrowings, accounts payable, other payables, deposits received and bonds payable.

(3) Financial Risk Management Objective and Policies

The main financial instruments of the Group include equity instrument investments, accounts receivable, accounts payable, corporate bonds payable, loans and lease liabilities. The financial management department of the Group provides services to each business unit and coordinates the entry into domestic and international financial markets. Operations, oversees and manages the financial risks associated with the Group's operations through internal risk reporting that analyzes critical risks according to the degree and breadth of risk. These risks include market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group uses derivative financial instruments to avoid risks and mitigate the impact of these risks. The use of derivative financial instruments is governed by policies adopted by the board of directors of the Group, which are written principles for exchange rate risk, interest rate risk, credit risk,

the use of derivative financial instruments and non-derivative financial instruments, and the investment of remaining liquidity. Internal auditors continuously review compliance with policies and risk exposure limits. The Group does not engage in transactions in financial instruments (including derivative financial instruments) for speculative purposes.

If the Finance Department should engage in derivative transactions, the results are reported to the Board of Directors on a regular basis.

1. Market Risk

The Group's operating activities exposed it primarily to the financial risks arising from changes in foreign currency exchange rates (see (A) below), interest rates (see (B) below) and other price (see (C) below).

There had been no change to the Group's exposure to market risks or the way these risks were managed and measured.

A. Exchange rate risk

The Group engages in sales and purchases denominated in foreign currencies, thereby exposing the Group to foreign exchange rate risk.

The management of foreign exchange risk within the Group is conducted within the scope permitted by the policy, utilizing forward foreign exchange contracts to hedge the risk.

The carrying amounts of the significant monetary assets and liabilities not denominated in functional currency (including those eliminated on consolidation) at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollars (the functional currency) against the relevant foreign currencies. If the loss of the financial asset measured at fair value through profit and loss reaches the 3% cap as laid out in the contract, the situation must be reported to the management, and a reassessment of the exchange rate fluctuation should be made. The sensitivity analysis included only outstanding foreign currency denominated monetary items plus forward exchange contracts designated as a cash flow hedge, and their translations are adjusted at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with New Taiwan dollars weakens 1% against the relevant currency; a negative number below indicates a decrease in pre-tax profit associated with New Taiwan dollars strengthen 1% against the relevant currency.

	Impact of USD	
	For the three-month periods ended	
	March 31	
	2025	2024
Profit or Loss	\$ 28,740	\$ 5,198

The impact of foreign currencies on profit and loss listed in the above table mainly derived from the USD-denominated non-derivative financial assets and liabilities of the Group that are still in circulation on the balance sheet date and have not undergone cash flow hedging.

The Group's sensitivity to exchange rates has not changed in the current year compared to the previous year.

B. Interest rate risk

The Group is exposed to interest rate risk arising from borrowing at both fixed and floating interest rates.

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:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Financial assets	\$ 1,692,210	\$ 1,495,256	\$ 2,597,628
Financial liabilities	1,268,100	1,903,532	2,787,608
Cash flow interest rate risk			
Financial assets	3,228,938	3,538,062	1,902,219

Sensitivity Analysis

The following sensitivity analysis is determined based on the interest rate exposure of non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is based on the assumption that the amount of liabilities outstanding on the balance sheet date remains outstanding during the reporting period. The rate of change used when reporting interest rates within the Group to key management is -100 basis points for an increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If the interest rate increases/decreases by 100 basis points, with all other variables remaining unchanged, the pre-tax net profit of the Group for the

three-month periods ended March 31, 2025 and 2024 will increase/decrease by NT\$8,072 thousand and NT\$4,756 thousand, mainly due to the Group's net position of variable-rate bank deposits and variable-rate borrowings and the exposure to fair value interest rate risk attributable to the Company's redeemable corporate bonds.

There was no significant change in the Group's sensitivity to interest rates for the three-month periods ended March 31, 2025 and 2024.

C. Other price risks

The Group holds equity securities in domestic and foreign markets, including listed stocks, stocks traded on the over-the-counter (OTC) market, unlisted equity securities, and convertible corporate bonds, and is therefore exposed to equity price risk. The Group assigns relevant personnel to monitor price risk and assess when it is necessary to increase the hedge position of the hedged risk.

Sensitivity analysis

The following sensitivity analysis is conducted based on the equity price risk as of the balance sheet date.

If the equity price increases/decreases by 1%, the pre-tax profit for the three-month periods ended March 31, 2025 and 2024 will increase/decrease by NT\$1 thousand and NT\$2,013 thousand due to the increase/decrease in the fair value of financial assets at fair value through profit or loss. Other comprehensive income before tax for the three-month periods ended March 31, 2025 and 2024 will increase/decrease by NT\$15,107 thousand and NT\$26,585 thousand, respectively, due to the increase/decrease in the fair value of financial assets at fair value through other comprehensive income.

There was no significant change in the sensitivity of the Group's equity securities investments compared to the previous year.

2.Credit risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations and causes financial losses to the Group. As of the balance sheet date, the Group's greatest credit risk exposure to financial losses resulting from the counterparty's failure to perform its obligations and the Group's provision of financial guarantees is primarily attributable to the carrying amount of financial assets recognized in the consolidated balance sheet.

The policy adopted by the Group is to trade only with parties of good reputation and, where necessary, to obtain adequate security to mitigate the risk of financial loss arising from default.

3.Liquidity risk

The Group manages and maintains a sufficient position of cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. The management of the Group monitors the use of bank financing lines and ensures compliance with the terms of the loan contracts.

Bank borrowings represent an important source of liquidity for the Group. As of March 31, 2025, December 31, 2024, and March 31, 2024, details of the Group's unused credit facilities are disclosed in section (C) – Financing Facilities below.

A. Liquidity and interest rate risk statement for non-derivative financial liabilities

The analysis of remaining contractual maturity of non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities (comprising principal and estimated interest) based on the earliest date on which the Group could be required to pay. Therefore, the bank loans that the Group may be required to repay immediately are compiled in the earliest period in the table below, without considering the probability of the bank exercising such right immediately; the maturity analysis of other non-derivative financial liabilities is compiled based on the agreed repayment date.

The undiscounted interest amount of interest cash flows paid at a floating rate is derived based on the daily yield curve on the balance sheet.

March 31, 2025

	On Demand or Less than 1 Month	1 ~ 3 Month	3 Month ~ 1 Year	1 ~ 5 Year
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest-bearing debt	\$ 2,094,486	\$ 2,338,079	\$ 551,703	\$ -
Lease liability	1,554	3,109	12,975	21,568
Fixed rate instruments	-	638,695	645,200	-
	<u>\$ 2,096,040</u>	<u>\$ 2,979,883</u>	<u>\$ 1,209,878</u>	<u>\$ 21,568</u>

December 31, 2024

	On Demand or Less than 1 Month	1 ~ 3 Month	3 Month ~ 1 Year	1 ~ 5 Year
<u>Non-derivative financial liabilities</u>				
Non-interest-bearing debt	\$ 2,535,143	\$ 2,269,781	\$ 741,519	\$ -
Lease liability	1,661	3,161	97,149	22,969
Fixed rate instruments	<u>638,954</u>	<u>642,970</u>	<u>645,200</u>	<u>-</u>
	<u>\$ 3,175,758</u>	<u>\$ 2,915,912</u>	<u>\$ 1,483,868</u>	<u>\$ 22,969</u>

March 31, 2024

	On Demand or Less than 1 Month	1 ~ 3 Month	3 Month ~ 1 Year	1 ~ 5 Year
<u>Non-derivative financial liabilities</u>				
Non-interest-bearing debt	\$ 4,685,833	\$ 1,121,535	\$ 383,992	\$ -
Lease liability	1,755	3,511	90,842	4,266
Fixed rate instruments	<u>1,447,733</u>	<u>294,077</u>	<u>-</u>	<u>1,102,000</u>
	<u>\$ 6,135,321</u>	<u>\$ 1,419,123</u>	<u>\$ 474,834</u>	<u>\$ 1,106,266</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

B. Liquidity and interest rate risk statement for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to

the projected interest rates as illustrated by the yield curves at the end of the reporting period.

March 31, 2024

	On Demand or Less than 1 Month	1 ~ 3 Month	3 Month ~ 1 Year	1 ~ 5 Year	More than 5 Years
<u>Netting settlement</u>					
Forward exchange	(\$ 2,038)	\$ -	\$ -	\$ -	\$ -

C. Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loan facilities			
Amount used	\$ 638,695	\$ 1,277,253	\$ 1,734,077
Amount unused	<u>13,191,850</u>	<u>13,031,925</u>	<u>8,787,003</u>
	<u>\$13,830,545</u>	<u>\$14,309,178</u>	<u>\$10,521,080</u>

XXX. RELATED PARTY TRANSACTION

Transactions, account balances, income and losses between the Company and its subsidiaries (which are related parties of the Company) are all eliminated on consolidation and are therefore not disclosed in this note. Except as disclosed in other notes, the transactions between the Group and other related parties are as follows.

(1) Name of related parties and their relationship

<u>Related Party Name</u>	<u>Relationship</u>
AMPAK Company	Associate
SparkLAN Communications Inc. ("SparkLAN Company")	Associate
ANTEK Company	Associate
BandRich Company	Associate
Wavesplitter Company	Associate

(2) Operating revenue

<u>Related Party Category/ Name</u>	<u>For the three-month periods ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Associate	<u>\$ 29,112</u>	<u>\$ 21,520</u>

The Group sells goods to the above-mentioned related parties, and its transaction price is not significantly different from that of ordinary customers.

(3) Purchases of goods

<u>Related Party Category/ Name</u>	<u>For the three-month periods ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Associate	<u>\$ 11,688</u>	<u>\$ -</u>

When the Group purchases goods from related parties, the transaction price has no significant counterpart for comparison, and the payment period is not significantly different from that of ordinary suppliers.

(4) Accounts receivable from related parties

Account	Related Party Category/ Name	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable from related parties	Associates			
	AMPAK Company	\$ 48,725	\$ 32,593	\$ 79,336
	SparkLAN Company	<u>4,400</u>	<u>4,297</u>	<u>80</u>
		<u>\$ 53,125</u>	<u>\$ 36,890</u>	<u>\$ 79,416</u>

There is no collection guarantee for outstanding amounts receivable from related parties. No provision for loss was made for amounts receivable from related parties for the three-month periods ended March 31, 2025 and 2024.

(5) Other receivables from related parties

Related Party Category/ Name	March 31, 2025	December 31, 2024	March 31, 2024
Associate			
AMPAK Company	\$ 70,002	\$ 413	\$ 70,065
Others	<u>918</u>	<u>892</u>	<u>233</u>
	<u>\$ 70,920</u>	<u>\$ 1,305</u>	<u>\$ 70,298</u>

The Group's other receivables from related companies are dividend receivables, rental receivables and advance payments.

(6) Other payables to related parties

Related Party Category/ Name	March 31, 2025	December 31, 2024	March 31, 2024
Associate	<u>\$ 2,307</u>	<u>\$ 3,152</u>	<u>\$ 4,478</u>

Other payables of the Group to its associated companies are advance payments.

(7) Prepayments

Related Party Category/ Name	March 31, 2025	December 31, 2024	March 31, 2024
Associate			
Wavesplitter Company	<u>\$ 38,234</u>	<u>\$ 40,805</u>	<u>\$ -</u>

(8) Other transactions with related parties

Related Party Category/ Name	For the three-month periods ended March 31	
	2025	2024
<u>Rental incomes</u>		
Associate		
AMPAK Company	\$ -	\$ 59
Others	<u>-</u>	<u>47</u>
	<u>\$ -</u>	<u>\$ 106</u>

Rental income of the Group collected from associates were based on the market price.

(9) Remuneration of key management

	For the three-month periods ended March 31	
	2025	2024
Short-term employee		
benefits	\$ 24,716	\$ 22,759
Post-employment benefits	<u>558</u>	<u>337</u>
	<u>\$ 25,274</u>	<u>\$ 23,096</u>

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

XXXI. PLEDGED ASSETS

Certain assets of the Group have been pledged as customs tariff guarantees for imported raw materials or as deposits for factory construction:

	March 31, 2025	December 31, 2024	March 31, 2024
Pledged bank deposits (accounted as financial assets at amortized cost)	<u>\$ 33,701</u>	<u>\$ 52,813</u>	<u>\$ 26,979</u>

XXXII. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

In addition to those mentioned in other notes, the major commitments, and contingencies of the Group on the balance sheet date are as follows:

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group's deposits for tariff performance guarantees and factory construction amounted to NT\$33,701 thousand, NT\$52,813 thousand, and NT\$26,979 thousand, respectively.

XXXIII. INFORMATION ON SIGNIFICANT FOREIGN CURRENCY ASSETS AND LIABILITIES

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

March 31, 2025

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 191,809	33.2050 (USD : NTD)	\$ 6,369,005
USD	2,094	7.1782 (USD : RMB)	<u>69,524</u>
			<u>\$ 6,438,529</u>

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Non-monetary items</u>			
Investments accounted for using equity method			
USD	532	33.2050 (USD : NTD)	\$ 17,672
Financial assets at FVTOCI			
USD	1,082	33.2050 (USD : NTD)	35,931
			<u>\$ 53,603</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	95,998	33.2050 (USD : NTD)	\$ 3,187,625
USD	11,351	7.1782 (USD : RMB)	376,901
			<u>\$ 3,564,526</u>
			(Concluded)

December 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 256,061	32.7850 (USD : NTD)	\$ 8,394,947
USD	6,424	7.1884 (USD : RMB)	210,614
			<u>\$ 8,605,561</u>
<u>Non-monetary items</u>			
Investments accounted for using equity method			
USD	602	32.7850 (USD : NTD)	\$ 19,749
Financial assets at FVTOCI			
USD	1,092	32.7850 (USD : NTD)	35,790
			<u>\$ 55,539</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	92,638	32.7850 (USD : NTD)	\$ 3,037,143
USD	28,582	7.1884 (USD : RMB)	937,051
			<u>\$ 3,974,194</u>

March 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency</u>			
<u>assets</u>			
<u>Monetary items</u>			
USD	\$ 257,502	32.00 (USD : NTD)	\$ 8,240,069
USD	59,632	7.0948 (USD : RMB)	<u>1,908,226</u>
			<u>\$ 10,148,295</u>
<u>Non-monetary</u>			
<u>items</u>			
Investments accounted for using equity method			
USD	762	32.00 (USD : NTD)	\$ 24,386
Financial assets at FVTOCI			
USD	1,880	32.00 (USD : NTD)	<u>60,151</u>
			<u>\$ 84,537</u>
<u>Foreign currency</u>			
<u>liabilities</u>			
<u>Monetary items</u>			
USD	235,099	32.00 (USD : NTD)	\$ 7,523,173
USD	65,792	7.0948 (USD : RMB)	<u>2,105,353</u>
			<u>\$ 9,628,526</u>

The total realized and unrealized foreign exchange gains and losses of the Group for the three-month periods ended March 31, 2025 and 2024 are presented in the Consolidated Statement of Comprehensive Income. As the Group engages in a wide range of foreign currency transactions and its subsidiaries operate using various functional currencies, it is not practicable to disclose foreign exchange gains and losses separately by each foreign currency with significant impact.

XXXIV. NOTES ON DISCLOSURES

(1) Information related to major transaction matters

1. Financings provided: See Table 1 attached;
2. Endorsement/guarantee provided: None;
3. Marketable securities held: See Table 2 attached;
4. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: See Table 3 attached;
5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 4 attached;
6. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: See Table 5 attached;

(2) Information related to reinvestment businesses: See Table 6 attached.

(3) Mainland investment information

1. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, share of profits (losses) of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: See Table 7 attached;
2. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss: See Table 3, 4 and 5 attached;
 - 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.

XXXV. DEPARTMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segment is the wireless telecommunication products department.

(1) Department income and operating results

The income and operating results of the continuing operating units of the Group are analyzed according to the reportable departments as follows:

	Segment Revenue		Segment Profit and Loss	
	For the three-month periods ended March 31		For the three-month periods ended March 31	
	2025	2024	2025	2024
Wireless telecommunication products department	<u>\$ 5,154,711</u>	<u>\$ 5,760,954</u>	\$ 220,834	\$ 280,974
Central administration cost			(156,376)	(163,377)
Interest income			13,182	18,511
Other income			4,669	13,373
Other gains and losses			(4,931)	79,434
Finance cost			(10,536)	(34,689)
Share of Profit or Loss of Subsidiaries and Associates Accounted for Using the Equity Method			<u>18,263</u>	<u>12,621</u>
Profit before income tax			<u>\$ 85,105</u>	<u>\$ 206,847</u>

Segment revenues reported above represents revenue generated from external customers. There were no inter-segment sales for the three-month periods ended March 31, 2025 and 2024.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs, interest income, other income, other gains or losses, finance cost, share of profit of subsidiaries and associates, and income tax expense. This was the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(2) Total assets of the department

The measured amounts of assets and liabilities of the Group are not provided to the operating decision-makers, so the measured amounts of departmental assets and liabilities are zero.

Gemtek Technology CO., Ltd. And Subsidiary Companies
FINANCINGS PROVIDED
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 1

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 2)	Transaction Amounts	Reason for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 1)
													Item	Value		
1	Gemtek Electronics (ChangShu) Co., Ltd.	Gemtek Electronics (Kuanshan) Co., Ltd.	Short-term financing	Yes	\$ 457,300	\$ 457,300	\$ -	1.65%	2	\$ -	Operating capital	\$ -	-	-	\$ 721,306	\$ 721,306
2	Gemtek Electronics (ChangShu) Co., Ltd.	Gemtek Electronics (Kuanshan) Co., Ltd.	Short-term financing	Yes	256,088	256,088	-	1.65%	2	-	Operating capital	-	-	-	721,306	721,306
3	G-Technology Investment Co., Ltd.	Gemtek Technology Co., Ltd.	Short-term financing	Yes	996,150	996,150	929,740	-	2	-	Operating capital	-	-	-	3,188,518	3,188,518
4	G-Technology Investment Co., Ltd.	Genix Networks Inc.	Short-term financing	Yes	66,410	66,410	46,487	-	2	-	Operating capital	-	-	-	3,188,518	3,188,518

Note 1: According to the "Operational Procedures for Fund Loans to Others " of Gemtek Electronics (ChangShu) Co., Ltd. and G-Technology Investment Co., Ltd. Financings provided by foreign subsidiaries in which the parent company holds 100% of the voting shares, directly or indirectly, to the ultimate parent company may be conducted occasionally, provided that the total amount of such financings does not exceed 100% of the lender's net worth, and the limit for any individual counterparty also does not exceed 100% of the lender's net worth.

Note 2: Nature for Financing:

1. Enter "1" for parties with business transactions.
2. Enter "2" for those with short-term financing needs.

Note 3: On April 10, 2025, the Board of Directors of Gemtek Electronics (Changshu) Co., Ltd. resolved to terminate in advance the loan agreement with Gemtek Electronics (Kunshan) Co., Ltd.

Note 4: The exchange rate on the financial reporting date is USD: NTD = 1: 33.205; RMB: NTD = 4.573.

Note 5: All transactions listed in the table above have been entirely eliminated in the preparation of the consolidated financial statements.

Gemtek Technology CO., Ltd. And Subsidiary Companies
MARKETABLE SECURITIES HELD
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, U.S. Dollars (USD), and Renminbi (RMB), Unless Specified Otherwise)

TABLE 2

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	MARCH 31, 2025				Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership %	Fair Value	
Gemtek Technology Co., Ltd.	<u>Stock</u>							
	TAI-SAW TECHNOLOGY CO., LTD.	None	Financial assets measured at fair value through other comprehensive income - non-current	691	\$ 14,993	0.67%	\$ 14,993	
	Green Packet Bhd.	None	"	26,273	6,639	2.81%	6,639	Preferred stock
	Greenwave holding, Inc.	None	"	3,965	-	0.96%	-	
	AIPTEK International Inc.	None	"	29	383	0.11%	383	
	Polaris Group	None	"	7,785	271,615	1.01%	271,615	
	PYRAS TECHNOLOGY INC.	The Corporation serves as corporate director	"	3,679	52,640	15.74%	52,640	
	GaN Power Technology Co., Ltd.	None	"	2,500	20,550	5.17%	20,550	Common Stock/ Preferred stock
	AVIX TECHNOLOGY INC.	The Corporation serves as corporate director	"	660	25,139	6.00%	25,139	
	Lionic Corporation	The Corporation serves as corporate director	"	1,675	34,767	5.46%	34,767	
	SKSpruce Holding Limited	None	"	2,241	29,292	2.32%	29,292	
	Sky Phy Networks Limited	None	"	4,943	-	13.82%	-	
	Sanjet Technology Corp.	None	"	3,882	-	12.33%	-	
	CSX Material CO., LTD.	None	"	4,000	38,280	18.60%	38,280	
	INTOWELL BIOMEDICAL TECHNOLOGY, INC.	None	"	1,790	35,800	5.42%	35,800	
G-Technology Investment Co., Ltd.	<u>Stock</u>							
	Polaris Group	None	Financial assets measured at fair value through other comprehensive income - non-current	26,467	980,620 (USD 29,532)	3.44%	980,620 (USD 29,532)	
	Greenwave holding, Inc.	None	"	16,710	-	4.05%	-	Preferred stock
	UBITUS Inc.	None	"	200	-	2.32%	-	

Note 1: For information on investment subsidiaries and associated companies, please refer to Table 6 and Table 7.

Note 2: The exchange rate on the financial reporting date is USD: NT\$ = 1: 33.2058.

Gemtek Technology CO., Ltd. And Subsidiary Companies
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 3

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% To Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% To Total	
Gemtek Technology Co., Ltd.	Gemtek Electronics (Kunshan) Co., Ltd	Investment in a subsidiary through a third jurisdiction	Purchase and processing expenses	\$ 507,386	11%	Note 1	Note 1	Note 1	(\$ 159,360)	(5%)	Note 2&3
Gemtek Technology Co., Ltd.	Gemtek Vietnam Co., Ltd.	Subsidiary	Purchase and processing expenses	3,771,149	85%	Note 1	Note 1	Note 1	(30,065)	(1%)	Note 2&3
Gemtek Technology Co., Ltd.	BROWAN Communications Incorporation	Subsidiary	Sales and processing income	(175,322)	(3%)	Note 1	Note 1	Note 1	226,044	4%	Note 2&3
BROWAN Communications Incorporation	Gemtek Technology Co., Ltd.	Parent company	Purchase and processing expenses	175,322	97%	Note 1	Note 1	Note 1	(226,044)	(91%)	Note 2&3
Gemtek Electronics (Kunshan) Co., Ltd	Gemtek Technology Co., Ltd.	Parent company	Sales and processing income	(507,386)	(94%)	Note 1	Note 1	Note 1	159,360	75%	Note 2&3
Gemtek Vietnam Co., Ltd.	Gemtek Technology Co., Ltd.	Parent company	Sales and processing income	(3,771,149)	(100%)	Note 1	Note 1	Note 1	30,065	36%	Note 2&3

Note 1: The Company purchases goods from related parties or entrusts related parties to process and then repurchases the finished products. This is part of the Group's strategic division of labor. There is no significant object for comparison of the transaction price, and the payment period is determined by the actual asset status of the company.

Note 2: The Company's receivables from and payables to related parties of Gemtek Electronics (Kunshan) Co., Ltd, Gemtek Vietnam Co., Ltd., and BROWAN Communications Incorporation are presented on a net basis.

Note 3: All transactions listed in the table above have been entirely eliminated in the preparation of the consolidated financial statements.

Gemtek Technology CO., Ltd. And Subsidiary Companies
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 4

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts	Note
					Amount	Actions Taken			
Gemtek Electronics (Kunshan) Co., Ltd.	Gemtek Technology Co., Ltd.	Parent company	\$ 159,360	2.94	\$ -	-	\$ 116,218	\$ -	Note
Gemtek Technology Co., Ltd.	BROWAN Communications Incorporation	Subsidiary	226,044	2.92	-	-	100,135	-	Note

Note: All transactions listed in the table above have been entirely eliminated in the preparation of the consolidated financial statements.

Gemtek Technology CO., Ltd. And Subsidiary Companies
THE BUSINESS RELATIONSHIP BETWEEN THE PARENT AND THE SUBSIDIARIES AND SIGNIFICANT TRANSACTIONS
BETWEEN THEM
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 5

No.	Company Name	Counterparty	Relationship	Transactions			
				Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	For the three-month periods ended March 31, 2025 Gemtek Technology Co., Ltd.	Gemtek Electronics (Kunshan) Co., Ltd	Parent company to subsidiary	Cost of goods sold - processing fee	\$ 507,386	Note 1	10%
		Gemtek Vietnam Co., Ltd.	Parent company to subsidiary	Accounts payable	159,360	Note 1	1%
				Cost of goods sold - processing fee	3,771,149	Note 1	73%
		BROWAN Communications Incorporation	Parent company to subsidiary	Sales revenue	175,322	Note 1	3%
		G-Technology Investment Co., Ltd.	Parent company to subsidiary	Accounts Receivable	226,044	Note 1	1%
				Other payables	929,740	Note 2	5%

Note 1: The Company purchases goods from related parties or entrusts related parties to process and then repurchases the finished products. This is part of the Group's strategic division of labor. There is no significant object for comparison of the transaction price, and the payment period is determined by the actual asset status of the company.

Note 2: As agreed by both parties.

Note 3: All transactions listed in the table above have been entirely eliminated in the preparation of the consolidated financial statements.

Gemtek Technology CO., Ltd. And Subsidiary Companies
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, and U.S. Dollars (USD), Unless Specified Otherwise)

TABLE 6

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss) of Investee	Note
				M a r c h 3 1 , 2 0 2 5	December 31 , 2024	Shares (In Thousands)	%	Carrying Value			
Gemtek Technology Co., Ltd.	G-Technology Investment Co., Ltd.	Cayman Islands	Investment	\$ 773,127	\$ 773,127	23,600	100.00%	\$ 3,188,518	(\$ 149,338)	(\$ 149,338)	Note 2
	Brightech International Co., Ltd.	Republic of Mauritius	Investment	(USD 23,600)	(USD 23,600)	6,145	100.00%	64,981	4	4	Note 2
	AMPAK Company	Hsinchu, Taiwan	Telecommunications	(USD 207,969)	(USD 207,969)	20,001	29.91%	1,157,239	64,697	19,357	
	Wi Tek Investment Co., Ltd.	Cayman Islands	Investment	(USD 6,145)	(USD 6,145)	4,000	100.00%	(8,365)	(1,011)	(1,011)	
	BROWAN Company	Hsinchu, Taiwan	Telecommunications	132,155	132,155	20,214	50.47%	539,853	9,147	2,619	Note 2
	Gemtek Vietnam Co., Ltd.	Vietnam	Telecommunications	(USD 442,154)	(USD 442,154)	-	100.00%	2,593,274	33,361	33,361	Note 2
	ANTEK Company	New Taipei, Taiwan	Telecommunications	1,551,634	1,551,634	1,080	16.62%	5,819	(485)	(81)	
	Genix Networks Inc.	U.S.A	Telecommunications	(USD 50,000)	(USD 50,000)	1,000	90.91%	54,125	11,794	10,722	Note 2
	BandRich Company	New Taipei, Taiwan	Telecommunications	30,720	30,720	5,500	27.04%	950	(1,175)	(318)	
	5V Company	Taipei, Taiwan	Telecommunications	(USD 1,000)	(USD 1,000)	1,352	98.05%	86,617	5,607	5,498	Note 2
	WaveSplitter Company	New Taipei, Taiwan	Electronics	55,000	55,000	7,000	28.32%	121,688	5,744	765	
				112,000	112,000					(Note 1)	
G-Technology Investment Co., Ltd.	Ampak International Holdings Ltd.	Samoa	Investment	543,133	543,133	18,000	100.00%	721,372	(1,196)	(1,196)	Note 2
	Gemtek CZ., s.r.o.	Czech Republic	Telecommunications	(USD 17,561)	(USD 17,561)	12,000	100.00%	(USD 21,725)	(USD -36)	(USD -36)	Note 2
	Primax Communication (B.V.I.) Inc.	British Virgin Islands	Investment	25,351	25,351	2,350	100.00%	(4,481)	648	648	
	PT. South Ocean	Indonesia	Telecommunications	(USD 692)	(USD 692)	24	95.00%	(USD -135)	(USD 20)	(USD 20)	Note 2
	Free PP Worldwide Co.,Ltd.	Republic of Seychelles	Investment	73,886	73,886	1,002	30.00%	15,769	1	1	
				(USD 2,297)	(USD 2,297)			(USD 475)	(USD -)	(USD -)	
				7,838	7,838			3,047	-	-	
				(USD 238)	(USD 238)			(USD 92)			
				30,260	30,260			22,990	(1,498)	(449)	
				(USD 1,000)	(USD 1,000)			(USD 692)	(USD -46)	(USD -14)	

Note 1: The net profit of the investee company of NT\$1,626 thousand was recognized based on the proportion of shareholding during the shareholding period, minus the adjustment of unrealized gross profit of sales of NT\$861 thousand.
Note 2: Investment transactions between investee companies have been eliminated in full when preparing consolidated financial statements.

Gemtek Technology CO., Ltd. And Subsidiary Companies
MAINLAND CHINA INVESTMENT INFORMATION
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, and U.S. Dollars (USD), Unless Specified Otherwise)

TABLE 7

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of March 31, 2025	Accumulated Inward Remittance of Earnings as of March 31, 2025	Note
					Outflow	Inflow							
Gemtek Electronics (Suzhou) Co., Ltd	Manufacturing of wireless telecommunication products such as wireless network cards and wireless gateways	\$ 277,262 (USD 8,350)	The invested companies, Brightech International Co Ltd and Primx Communication (B.V.I.) Inc. reinvested in mainland China companies	\$ 276,232 (USD 8,319)	\$ -	\$ -	\$ 276,232 (USD 8,319)	\$ 5 (USD -)	100%	\$ 5 (USD -)	\$ 80,702 (USD 2,430)	\$ -	Note 3&7
Gemtek Electronics (Kunshan) Co., Ltd	Manufacturing of wireless telecommunication products such as wireless network cards and wireless gateways	99,615 (USD 3,000)	The invested companies, G-Technology Investment Co., Ltd. reinvested in mainland companies	498,075 (USD 15,000)	-	-	498,075 (USD 15,000) Note 5	(138,575) (USD -4,213)	100%	(138,575) (USD -4,213)	421,523 (USD 12,695)	-	Note 3&7
Browan Communications (Xi'An) Inc.	R&D, production, sales and related technical consulting and services for wireless network products	132,820 (USD 4,000)	The invested companies, Wi Tek Investment Co., Ltd. reinvested in mainland companies	132,820 (USD 4,000)	-	-	132,820 (USD 4,000)	(1,011) (USD -31)	100%	(1,011) (USD -31)	(8,372) (USD -258)	-	
Gemtek Electronics (ChangShu) Co., Ltd.	R&D, production, sales and related technical consulting and services for wireless network products	597,690 (USD 18,000)	The invested companies, G-Technology Investment Co., Ltd. reinvested in mainland companies	1,195,380 (USD 36,000)	-	-	1,195,380 (USD 36,000) Note 6	(1,196) (USD -36)	100%	(1,196) (USD -36)	721,306 (USD 21,723)	-	Note 3&7

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 2,121,135 USD 63,880 (Note 1)	\$ 2,087,930 USD 62,880	\$ 7,532,983 (Note 4)

Note 1: (1) The investment amount remitted as of the end of the period exceeded the amount authorized by the Investment Commission, MOEA, by US\$1,000 thousand. This was due to the remittance made in prior years by AMPAK International Holdings Ltd., the original parent company of Gemtek Electronics (ChangShu) Co., Ltd.

(2) In July 2009, the Company acquired 100% equity interest in AMPAK International Holdings Ltd., the overseas holding company of Gemtek Electronics (ChangShu) Co., Ltd., through G-Technology Investment Co., Ltd., an overseas subsidiary, for US\$561 thousand (equivalent to NT\$17,413 thousand). The acquisition was approved by the Investment Review Committee of the Ministry of Economic Affairs No. 09800283840.

(3) The exchange rate used is the average spot buying and selling rate quoted by Taiwan banks as of March 31, 2025.

Note 2: For significant transactions with investee companies in Mainland China, either directly or indirectly through entities in third jurisdictions, please refer to Tables 3, 4, and 5.

Note 3: Calculated based on the investee company's financial statements audited by accountants as of March 31, 2025.

Note 4: The maximum cumulative amount of the Company in Mainland China is calculated based on 60% of the consolidated net equity.

Note 5: Gemtek Electronics (Kunshan) Co., Ltd reduced its capital by US\$12,000 thousand in cash in December 2024, which has not been remitted back to Taiwan as of March 31, 2025.

Note 6: Gemtek Electronics (ChangShu) Co., Ltd. reduced its capital by US\$18,000 thousand in cash in October 2024, which had not been remitted back to Taiwan as of March 31, 2025.

Note 7: Already eliminated in the preparation of the consolidated financial statements.