

E&R ENGINEERING CO., LTD.
AND SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
AND
INDEPENDENT AUDITORS' REVIEW REPORT

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
E&R ENGINEERING CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of E&R Engineering Co., Ltd. and subsidiaries (the “Group”) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as disclosed in basis for qualified conclusion, we conducted our reviews in accordance with Statement of Review Standards No. 2410, “Review of Financial Information Performed by the Independent Review of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards in the Republic of China 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 4(3), the financial statements of non-significant subsidiaries and related information declared in Note 13 were consolidated based on their unreviewed financial statements as of and for the same periods. These subsidiaries' total assets amounted to \$1,328,121 thousand and \$1,093,747 thousand, representing 31.84 % and 26.41% of the consolidated assets, and their total liabilities amounted to \$1,049,048 thousand and \$685,801 thousand, representing 75.09 % and 41.40 % of the consolidated liabilities as of March 31, 2025 and 2024, respectively; as well as their total comprehensive income amounted to \$(46,109) thousand and \$(12,697) thousand, representing 72.48 % and 126.45 % of the consolidated comprehensive income for the three months ended March 31, 2025 and 2024.

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 certain subsidiaries described in basis for qualified conclusion paragraph and related information declared in Note 13 been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Jen Yao Hsieh and Kuo Ming Li.

Crowe (TW) CPAs
Kaohsiung, Taiwan
Republic of China
April 25, 2025

Notice to Readers

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

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

E&R ENGINEERING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)
 March 31, 2025 • December 31, 2024 and March 31, 2024

Assets	Note	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
Cash and cash equivalents	6.1	\$760,829	18	\$730,387	17	\$700,711	17
Financial assets at fair value through profit or loss - current	6.2	232,216	6	233,751	6	350,821	8
Notes receivable, net	6.3	7,992	-	6,997	-	3,110	-
Accounts receivable, net	6.4	491,162	12	524,768	12	426,477	10
Other receivables		23,322	1	6,311	-	5,505	-
Current tax assets		321	-	118	-	396	-
Inventories	6.5	868,582	20	897,451	22	1,007,840	25
Prepayments		119,124	3	98,537	2	79,119	2
Other financial assets - current	6.6	17,919	-	117,419	3	340,320	8
Total Current Assets		2,521,467	60	2,615,739	62	2,914,299	70
NONCURRENT ASSETS							
Financial assets at fair value through other comprehensive income or loss - noncurrent	6.7	83,261	2	84,619	2	67,010	2
Property, plant and equipment	6.8	1,323,088	33	1,259,492	31	885,682	22
Right-of-use assets	6.9	164,963	4	165,523	4	173,527	4
Intangible assets	6.10	12,648	-	13,739	-	15,987	-
Deferred tax assets		47,524	1	44,884	1	56,979	1
Refundable deposits	6.11	11,924	-	11,828	-	11,284	1
Current prepayments for investments		-	-	-	-	10,000	-
Other financial assets - noncurrent	8	5,900	-	5,900	-	6,900	-
Total Noncurrent Assets		1,649,308	40	1,585,985	38	1,227,369	30
TOTAL ASSETS		\$4,170,755	100	\$4,201,724	100	\$4,141,668	100
Liabilities and Equity							
CURRENT LIABILITIES							
Short-term loans	6.12	\$26,500	1	\$5,000	-	\$2,675	-
Financial liabilities at fair value through profit or loss - current	6.2	1,335	-	-	-	-	-
Contract liabilities - current	6.26	36,894	1	29,347	1	15,265	-
Notes payable		3,412	-	3,814	-	4,003	-
Accounts payable		211,941	5	212,684	5	206,813	5
Other payables	6.13	159,559	4	162,168	4	176,791	4
Current tax liabilities		573	-	417	-	24,064	1
Provisions – current	6.14	34,539	1	35,446	1	32,123	1
Lease liabilities – current	6.9	18,228	-	19,806	-	21,058	1
Advance receipts	6.17	1,224	-	854	-	398	-
Current portion of long-term loans	6.16	35,400	1	26,029	1	17,242	-
Total Current Liabilities		529,605	13	495,565	12	500,432	12
NONCURRENT LIABILITIES							
Bonds payable	6.15	368,011	7	373,695	24	720,216	18
Long-term loans	6.16	272,262	7	282,502	2	204,014	5
Deferred tax liabilities		4,895	-	3,251	-	3,317	-
Lease liabilities - noncurrent	6.9	114,242	3	119,094	3	127,295	3
Long-term deferred revenue	6.17	35,924	-	21,912	1	22,654	1
Net defined benefit liability - noncurrent		1,150	-	4,912	-	7,545	-
Guarantee deposits	9	71,056	2	71,056	1	71,056	1
Total Noncurrent Liabilities		867,540	20	876,422	21	1,156,097	28
TOTAL LIABILITIES		1,397,145	33	1,371,987	33	1,656,529	40
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							
Share capital	6.19						
Common stock		1,083,814	26	1,064,275	26	985,954	24
Bond conversion entitlement certificates		1,143	-	18,026	-	37,169	-
Advance Receipts for Ordinary Share				1,468			
Capital surplus	6.20	1,740,894	42	1,734,570	41	1,430,795	34
Retained earnings	6.22						
Legal reserve		77,177	2	77,177	2	77,177	2
Special reserve		31,456	-	31,456	1	36,409	-
Unappropriated earnings		(4,291)	2	56,412	-	75,960	2
Other equity	6.23	(3,959)	-	(2,704)	-	(12,072)	-
Treasury shares	6.24	(166,725)	(4)	(166,725)	(4)	(166,725)	(4)
Total equity attributable to owners of the parent		2,759,509	67	2,813,955	67	2,464,667	60
NON-CONTROLLING INTERESTS	6.25	14,121	-	15,782	-	20,472	-
Total Equity		2,773,630	67	2,829,737	67	2,485,139	60
TOTAL LIABILITIES AND EQUITY		\$4,170,755	100	\$4,201,724	100	\$4,141,668	100

E&R ENGINEERING CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Item	Note	Three Month Ended March 31			
		2025		2024	
		Amount	%	Amount	%
OPERATING REVENUE	6.26	\$314,912	100	\$287,847	100
OPERATING COST	6.5	(215,751)	(69)	(194,933)	(68)
GROSS PROFIT (LOSS)		99,161	31	92,914	32
OPERATING EXPENSES					
Sales and marketing		(55,867)	(18)	(59,238)	(21)
General and administrative		(57,964)	(18)	(44,111)	(15)
Research and development expense		(58,420)	(18)	(63,158)	(21)
Expected credit losses (reversal)	6.4	(2,446)	(1)	1,294	-
Total operating expenses		(174,697)	(55)	(165,213)	(57)
INCOME (LOSS) FROM OPERATIONS		(75,536)	(24)	(72,299)	(25)
NON-OPERATING INCOME AND EXPENSES					
Interest income	6.28	2,907	1	3,831	1
Other income	6.29	2,490	1	2,045	1
Other gains and losses	6.30	12,027	4	40,012	14
Finance cost	6.31	(4,771)	(2)	(4,913)	(2)
Total non-operating income and expenses		12,653	4	40,975	14
INCOME (LOSS) BEFORE INCOME TAX		(62,883)	(20)	(31,324)	(11)
INCOME TAX BENEFIT (EXPENSE)	6.32	519		1,026	
NET INCOME (LOSS)		(62,364)	(20)	(30,298)	(11)
OTHER COMPREHENSIVE INCOME (LOSS)	6.33				
Items that will not be reclassified subsequently to profit or loss:					
Unrealized gain (loss) on financial assets at fair value through other comprehensive income		(4,622)	(1)	5,444	2
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		3,463	1	15,176	5
Income tax benefit (expense) related to items that may be reclassified subsequently to profit or loss		(96)	-	(363)	-
Total other comprehensive income (loss), net of income tax		(1,255)	-	20,257	7
TOTAL COMPREHENSIVE INCOME (LOSS)		(\$63,619)	(20)	(\$10,041)	(4)

Item	Note	Three Month Ended March 31			
		2025		2024	
		Amount	%	Amount	%
NET INCOME (LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent		(\$60,703)	(19)	(\$27,420)	(10)
Non-controlling interests		(1,661)	(1)	(2,878)	(1)
		<u>(\$62,364)</u>	<u>(20)</u>	<u>(\$30,298)</u>	<u>(11)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent		(\$61,958)	(19)	(\$8,036)	(3)
Non-controlling interests		(1,661)	(1)	(2,005)	(1)
		<u>(\$63,619)</u>	<u>(20)</u>	<u>(\$10,041)</u>	<u>(4)</u>
EARNINGS (LOSS) PER SHARE					
Basic	6.35	<u>(\$0.57)</u>		<u>(\$0.29)</u>	
Diluted	6.35	<u>(\$0.57)</u>		<u>(\$0.29)</u>	

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

E&R ENGINEERING CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent												
	Capital Stock				Retained Earnings			Other Adjustment Item					
	Common Stock	Certificate of Bond Exchange Rights	Proceeds-New Issued	Capital Surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Treasury stock	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
BALANCE AT JANUARY 1, 2024	\$985,954	-	-	\$1,237,824	\$77,177	\$36,409	\$166,014	(\$15,465)	(\$15,991)	(\$166,725)	\$2,305,197	\$44,175	\$2,349,372
Allocate and appropriated retained earnings:													
Cash dividend of common stock	-	-	-	-	-	-	(49,829)	-	-	-	(49,829)	-	(49,829)
Net income (loss) for three month ended March 31,2024	-	-	-	-	-	-	(27,420)	-	-	-	(27,420)	(2,878)	(30,298)
Other comprehensive income (loss) for three month ended March 31,2024, net of income tax	-	-	-	-	-	-	-	13,940	5,444	-	19,384	873	20,257
Total comprehensive income (loss) for three month ended March 31,2024	-	-	-	-	-	-	(27,420)	13,940	5,444	-	(8,036)	(2,005)	(10,041)
Conversion of Convertible Bonds	37,169	-	192,370	-	-	-	-	-	-	-	229,539	-	229,539
The difference between the actual acquisition or disposal of the subsidiary company's equity price and book value	-	-	-	-	-	-	(12,805)	-	-	-	(12,805)	-	(12,805)
Share-based payment transactions	-	-	-	601	-	-	-	-	-	-	601	-	601
Changes in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	(21,698)	(21,698)
BALANCE AT MARCH 31, 2024	\$985,954	\$37,169	-	\$1,430,795	\$77,177	\$36,409	\$75,960	(\$1,525)	(\$10,547)	(\$166,725)	\$2,464,667	\$20,472	\$2,485,139
BALANCE AT JANUARY 1, 2025	1,064,275	\$18,026	1,468	1,734,570	77,177	31,456	56,412	4,223	(6,927)	(166,725)	2,813,955	15,782	2,829,737
Allocate and appropriated retained earnings:													
Net income (loss) for three month ended March 31,2025	-	-	-	-	-	-	(60,703)	-	-	-	(60,703)	(1,661)	(62,364)
Other comprehensive income (loss) for three month ended March 31,2025, net of income tax	-	-	-	-	-	-	-	3,367	(4,622)	-	(1,255)	-	(1,255)
Total comprehensive income (loss) for three month ended March 31,2025	-	-	-	-	-	-	(60,703)	3,367	(4,622)	-	(61,958)	(1,661)	(63,619)
Conversion of Convertible Bonds	1,143	-	5,979	-	-	-	-	-	-	-	7,122	-	7,122
Bond conversion entitlement certificate	18,026	(18,026)	-	-	-	-	-	-	-	-	-	-	-
Share-based payment transactions	1,513	-	(1,468)	345	-	-	-	-	-	-	390	-	390
BALANCE AT MARCH 31, 2025	\$1,083,814	\$1,143	\$-	\$1,740,894	\$77,177	\$31,465	(\$4,291)	\$7,590	(\$11,549)	(\$166,725)	\$2,759,509	\$14,121	\$2,773,630

E&R ENGINEERING CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Item	Three Month Ended March 31	
	2025	2024
1.CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(\$62,883)	(\$31,324)
Adjustments for:		
Income and expenses having no effect on cash flows:		
Depreciation	40,817	33,719
Amortization expense	2,499	1,962
Expected credit losses (reversal)	2,446	(1,294)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	2,406	(11,942)
Interest expense	4,771	4,913
Interest income	(2,907)	(3,831)
Share-Based Benefit Compensation Cost	256	601
Loss (gain) on disposal and retirement of property, plant and Equipment		218
Loss (gain) on lease modification	488	(28)
Others	(218)	(99)
Total income and expenses having no effect on cash flows	<u>50,558</u>	<u>24,219</u>
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Financial assets at fair value through profit or loss	866	(4,653)
Notes receivable	(995)	2,554
Accounts receivable	31,134	10,355
Other receivables	(2,237)	1,186
Inventories	28,304	(58,071)
Prepayments	(20,587)	(17,744)
Other financial assets	<u>100,000</u>	<u></u>
Total net changes in operating assets	<u>136,485</u>	<u>(66,373)</u>
Net changes in operating liabilities:		
Contract liabilities	7,547	(7,773)
Notes payable	(402)	351
Accounts payable	(743)	20,781
Other payables	(4,925)	(23,785)
Provisions	(907)	662
Net defined benefit liability	<u>(3,762)</u>	<u>(2,039)</u>
Total net changes in operating liabilities	<u>(3,192)</u>	<u>(11,803)</u>

Item	Three Month Ended March 31	
	2025	2024
Total changes in operating assets and liabilities	\$133,293	(\$78,176)
Total adjustments	183,851	(53,957)
Cash generated from (used in) operations	120,968	(85,281)
Interest received	2,690	4,485
Interest paid	(3,574)	(1,545)
Income tax refund (paid)	(549)	(533)
Net cash generated from (used in) operating activities	119,535	(82,874)
2.CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(3,264)	(10,296)
Acquisition of investments accounted for using equity method	(100,428)	(51,152)
Proceeds from disposal of property, plant and equipment	-	22
Increase in refundable deposits	(96)	-
Decrease in refundable deposits	-	4
Acquire intangible assets	(1,400)	(1,261)
Right-of-use asset	(6,073)	-
Increase in other financial assets	(500)	-
Decrease in other financial assets		2,313
Net cash generated from (used in) investing activities	(111,761)	(60,370)
3.CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	21,500	-
Decrease in short-term loans	-	(94,325)
Increase in long-term loans	-	132,730
Repayment of long-term loans	(4,221)	(4,145)
Repayments of principal of lease liabilities	(6,444)	(5,424)
Increase in long-term deferred revenue	14,600	--
Employee stock options exercised	134	
Changes in non-controlling interests	-	(34,503)
Net cash generated from (used in) financing activities	25,569	(5,667)
4.EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
5.NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,442	(145,702)
6.CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	730,387	846,413
7.CASH AND CASH EQUIVALENTS, END OF MARCH 31	\$760,829	\$700,711

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

E&R ENGINEERING CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 and 2024
(Reviewed, Not Audited)
(In Thousands of New Taiwan Dollars, Except Stated Otherwise)

1. GENERAL INFORMATION

E&R Engineering Co., Ltd. (collectively as the “Company”) was incorporated in October 1994, and stocks were traded at emerging stock market since January 3, 2003. The board of directors decided to impose the withdrawal of trading at emerging stock market on November 13, 2008 and re-registered on November 12, 2013. Stocks were approved for sale on the counter by Taipei Exchange (TPEx) on March 27, 2015. The Company engages mainly in the planning, designing, manufacturing, installing and selling of automatic machines, related components, computer software and pollution controlling equipment.

The principal operating activities of Company and its subsidiaries (collectively as the “Group”) are described in Note 4(3)B. In addition, the Company has no ultimate parent company.

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

2. THE AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on April 25, 2025.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

(1) Effect of adoption of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

New standards, interpretations and amendments endorsed by the FSC and effective from 2025 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group has evaluated the aforementioned standards and interpretations, and there is no significant effect to the Group’s financial position and performance.

(2) Effect of new issuances or amendments to IFRSs as endorsed by the FSC but not yet adopted:

New standards, interpretations and amendments endorsed by the FSC and effective from 2025 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	January 1, 2026

A. The FSC has approved the early application of the implementation guidance under **Section 4.1 of IFRS 9** (Classification of Financial Assets), along with the relevant disclosure requirements in **paragraphs 20B, 20C, and 20D of IFRS 7**. The amendments include:

- (a). Clarifications and additional guidance for assessing whether a financial asset meets the SPPI (solely payments of principal and interest) criteria, particularly for contractual terms that may change the cash flows due to contingent events (e.g., interest rates linked to ESG targets), non-recourse features, and contractually linked instruments.
- (b). Introduces new disclosure requirements for certain instruments with contractual terms that may result in variable cash flows (e.g., instruments with features linked to the achievement of environmental, social, and governance (ESG) targets). These disclosures include a qualitative description of the nature of the contingent features, quantitative information on the potential variability of contractual cash flows arising from such features, and the total carrying amount of financial assets and the amortized cost of financial liabilities subject to these terms.

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

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Involving Renewable Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial application IFRS 17 and IFRS 9 – Compare Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability Disclosures”	January 1, 2027
Annual Improvements to IFRSs – 2023 (Cycle 11)	January 1, 2026

Except as stated below, The Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

A. Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments.

Partially endorsed by the FSC; unendorsed portions are described below:

(a). Clarification on the recognition and derecognition dates of certain financial assets and liabilities:

An entity may derecognize a financial liability (or a portion thereof) prior to settlement when settled through an electronic payment system, but only if all of the following conditions are met at the time the payment instruction is initiated:

- i. The entity no longer has the ability to revoke, stop, or cancel the payment instruction;
- ii. The entity no longer has practical access to the cash to be delivered due to the payment instruction;
- iii. The settlement risk related to the electronic payment system is not significant.

(b). Updates to disclosures for equity instruments designated at fair value through other comprehensive income (FVTOCI) under the irrevocable election:

Entities are now required to disclose the fair value of such equity instruments by class, rather than individually for each instrument. In addition, disclosures must include:

- The amount of fair value gains or losses recognized in other comprehensive income during the reporting period, presented separately for:
 - a. Those related to investments derecognized during the period, and
 - b. Those related to investments still held at the end of the reporting period; and
- The cumulative gain or loss transferred to equity upon derecognition of an investment during the reporting period.

B. Amendments to IFRS 9 and IFRS 7 – Contracts Involving Renewable Electricity

These amendments address contracts where the quantity of electricity generated depends on uncontrollable natural conditions (e.g., weather). Key clarifications include the following:

(a). Clarification of the application of the “own use” exception to contracts for purchasing or selling natural power:

When a contract requires an entity to purchase and take delivery of electricity as it is generated, and the design and operation of the electricity market require the entity to sell any unused electricity within a specified time frame, the entity must assess whether it qualifies as a net purchaser of electricity.

This assessment should be based on reasonable and supportable information regarding past, current, and expected future electricity transactions over a period of no more than 12 months. If the entity purchases sufficient electricity to offset sales of unused electricity in the same market, it may qualify for the “own use”

exemption.

Entities applying this exemption to renewable electricity contracts must disclose the following:

- i. The risk of fluctuations in base electricity volumes, and the risk of being required to purchase electricity during delivery gaps when the power cannot be used;
- ii. Unrecognized contractual commitments, including expected future cash outflows for electricity purchases under such contracts;
- iii. The impact of such contracts on the entity's financial performance during the reporting period.

(b). Clarification on hedge accounting for renewable electricity contracts:

Entities may designate the forecast electricity transactions as the hedged item in terms of variable nominal amounts, where those amounts are consistent with the variable quantity of renewable electricity expected to be delivered by the generating facility referenced in the hedging instrument.

Additionally, when a renewable electricity contract is designated as a hedging instrument in a cash flow hedge relationship, and the occurrence of the forecast transaction is conditional upon a specified event, the transaction is presumed to be highly probable.

Entities that designate renewable electricity contracts as hedging instruments must disclose the terms and conditions of such instruments by risk category, in accordance with the disclosure requirements of IFRS 7.

C. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendment resolves the difference between IFRS10 and IAS28, Transactions in which investors sell (invest) assets to their affiliated companies or joint ventures. Depending on the nature of the trading assets, all or part of the disposal gains and losses will be recognized.

When the assets traded are in line with the "business", all gains and losses from the disposal will be recognized; when the assets traded are not in line with the "business", only part of the gains and losses from the disposal within the scope of the interests of the non-related investors in the related enterprises or joint ventures can be recognized.

D. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS1 and update the structure of the consolidated income statement. Added new disclosures on management performance measurement, and strengthened the aggregation and segmentation principles applied to the main financial statements and notes.

E. IFRS 19 – Subsidiaries without Public Accountability: Disclosures

This Standard permits eligible subsidiaries to apply the recognition, measurement, and presentation requirements of IFRSs with reduced disclosure requirements.

Except for the items mentioned above, as of the date the company consolidated financial statements are authorized for issue, the Group is still evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Group completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2024. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The consolidated financial statements should be read with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - a. Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - b. Financial assets at fair value through other comprehensive income or loss.
 - c. Liabilities on cash-settled share-based payment arrangement measured at fair value.
 - d. Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - a. All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group.

The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

- b. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- c. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- d. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. 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.
- e. When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. The consolidated entities were as follows:

Investee / Subsidiary	Main Businesses	Percentage of Ownership		
		March 31, 2025	December 31, 2024	March 31, 2024
1. E&R Engineering Co., Ltd.				
E&R Semiconductor	Selling of semiconductor	100.00%	100.00%	90.00%
Materials Ltd.	packaging materials			
Tech Wave Technology Co., Ltd.	Manufacturing machining and selling of flexible	51.43%	51.43%	51.43%

Investee / Subsidiary	Main Businesses printed circuit	Percentage of Ownership		
		March 31, 2025	December 31, 2024	March 31, 2024
Enrichment Tech. Corporation	Investments	100.00%	100.00%	100.00%
Excellent Internation Holdings limited	Investments	100.00%	100.00%	100.00%
EXCELLENT TECHKNOWLEDGIES HOLDINGS PTE LTD	Investments	100.00%	100.00%	-
2. E&R Semiconductor				
Materials Ltd				
DG E&R Semiconductor Materials	Manufacturing and selling of semiconductor packing materials	100.00%	100.00%	100.00%
3. Enrichment Tech.				
Corporation				
ENR Applied Packing	Investments	100.00%	100.00%	100.00%
Material Corporation				
Chen-Tai Trade. (shanghai) Co., Ltd	Customer service of automatic equipment	100.00%	100.00%	100.00%
Suzhou E&R Precision Equipment Co., Ltd.	Manufacturing and selling of automatic equipment	-	-	100.00%
4. ENR Applied Packing				
Material Corporation Co., Ltd.				
Wuxi E&R Semiconductor Material . Technology	Manufacturing and selling of semiconductor packing materials	100.00%	100.00%	100.00%
5. Excellent International Holdings Limited				
Superior Technology Semiconductor Co., Ltd. (note.)	Manufacturing and selling of automatic equipment	90.61%	90.61%	90.61%
6. Chen-Tai Trade (shanghai) Co., Ltd	Manufacturing and selling of automatic equipment	9.39%	9.39%	9.39%
Superior Technology Semiconductor Co., Ltd..(note.)				

(note) Formerly named Jiangsu E&R Engineering Co., Ltd., the company was officially renamed Jiangsu Superior Technology Semiconductor Co., Ltd., in August 2024 (Year 113 of the ROC calendar) upon approval.

(1) All subsidiaries included in consolidation financial statement were not audit by Accountant.

(2) Consolidated subsidiaries increase or decrease:

(a). In May 2024, the Group established and acquired a 100% equity interest in EXCELLENT TECHKNOWLEDGIES HOLDINGS PTE LTD through a new investment.

(b). Suzhou E&R Precision Equipment Co., Ltd. was liquidated in April 2024.

(c). In March 2024, the Group acquired the remaining 9.39% outstanding equity interest of its subsidiary, Jiangsu Superior Technology Semiconductor Co., Ltd., Please refer to Note 6 (34) for further details.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Material restrictions: Cash on hand and cash in banks of \$139,199 thousand in China are under exchange controls and will be restricted to export (Expect for export by normal dividends).

F. Contents of the parent company's securities held by subsidiaries: None.

G. Subsidiaries that have non-controlling interest that are material to the Group: None.

(4) Retirement benefits

The 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.

(5) Income taxes

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. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and this is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

Except for the following, please refer to Note 6 to the consolidated financial statements for year ended December 31, 2024.

(1) Cash and cash equivalents

Item	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$1,036	\$1,135	\$1,375
Checking account	653	951	390
Demand deposits	290,170	226,939	375,586
Cash equivalents			
Time deposits with original maturities less than 3 months	468,970	501,362	323,360
Total	<u>\$760,829</u>	<u>\$730,387</u>	<u>\$700,711</u>

- A. The financial institutions dealing with the Group are credit worthy, and the Group does transactions with a number of financial institutions to diversify credit risk that are unlikely to be expected to default
- B. The Group had no cash and cash equivalents pledged to others.

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

Item	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets - current			
Domestic listed stock and ETF	\$67,736	\$73,745	\$8,422
Mutual funds	164,480	158,801	340,609
Corporation bonds	-	-	1,213
Bond call options	-	622	76
Foreign Exchange Swaps	-	583	501
Total	<u>\$232,216</u>	<u>\$233,751</u>	<u>\$350,821</u>
Financial liabilities – current			
Bond call options	\$1,335	\$-	\$-
Total	<u>\$1,335</u>	<u>\$-</u>	<u>\$-</u>

- A. The Group recognized net gain (loss) of financial assets at fair value through profit or loss of (\$2,406) thousand and \$11,942 thousand for the three months ended March 31, 2025 and 2024, respectively.
- B. The Group's purpose of engaging in derivative financial instrument transactions is mainly to avoid risks arising from exchange rate fluctuations in foreign currency assets and liabilities.
 - a. Foreign Exchange Swaps

March 31, 2025: None

December 31, 2024

Contract content	Contract period	Execution price	Contract amount
Buy USD and sold TWD	113.11~114.01	32.35	USD 570
Buy USD and sold TWD	113.11~114.01	32.39	USD 1,000

March 31, 2024

Contract content	Contract period	Execution price	Contract amount
Buy USD and sold TWD	113.2~113.4	31.39	USD 1,000

C. The Group had no financial assets at fair value through profit or loss pledged to others.

D. Please refer to Note 12 for credit risk management and evaluation method.

(3) Notes receivable, net

Item	March 31, 2025	December 31, 2024	March 31, 2024
At amortized cost			
Notes receivable	\$7,995	\$7,000	\$3,113
Less: Loss allowance	(3)	(3)	(3)
Net	<u>\$7,992</u>	<u>\$6,997</u>	<u>\$3,110</u>

A. The Group had no notes receivable pledged to others.

B. Please refer to Note 6(4) for the relevant disclosure of loss allowance for notes receivable.

(4) Accounts receivable, net

Item	March 31, 2025	December 31, 2024	March 31, 2024
At amortized cost			
Accounts receivable	\$498,455	\$529,589	\$436,044
Less: Loss allowance	(7,293)	(4,821)	(9,567)
Net	<u>\$491,162</u>	<u>\$524,768</u>	<u>\$426,477</u>

A. The accounts receivable that were neither past due nor impaired was following the Group's credit policy determined by reference to the industry characteristics, operation scale and current financial position of the counterparties. The average credit period on sales of goods for automated equipment was 4-6 months, 6-9 months for soft board equipment (except for the final payment, the final payment is generally about 10%-30%, and the credit period is based on the agreement, usually within 1 year after delivery.); other divisions were 3-4 months.

B. The Group had no account receivable pledged to others.

C. The Group applies the simplified approach to provisions for expected credit losses

prescribed by IFRS 9, which permits the use of a lifetime expected credit losses provision for trade receivables. The expected credit losses on trade receivables are estimated by reference to preparation matrix, past account aging records of the debtor, an analysis of the debtor's current financial position, and industrial trend. As the Group's historical credit losses experience does not show significantly different loss patterns for different customer segments, the provision for losses based on past due status of notes receivable and accounts receivable is not further distinguished between the Group's different customer base.

D. The Group measures the loss allowance for notes receivable, accounts receivable and other receivables according to the preparation matrix (including related parties):

March 31, 2025	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0%~1%	\$455,001	(\$2,710)	\$452,291
Past due within 30 days	0%-20%	18,170	(660)	17,510
Past due 31-180 days	0%-20%	24,264	(1,468)	22,796
Past due 181~365 days	0%-50%	5,558	(1,225)	4,333
Past over than 1 year	0%~100%	3,434	(1,210)	2,224
Counterparties show Signs of default	100%	23	(23)	-
Total		\$506,450	(\$7,296)	\$499,154

December 31, 2024	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0%-1%	\$499,986	(\$1,516)	\$498,470
Past due within 30 days	0%-20%	18,462	(685)	17,777
Past due 31-180days	0%-20%	8,993	(704)	8,289
Past due 181~365 days	0%-50%	7,163	(759)	6,404
Past over than 1 year	0%-100%	1,963	(1,138)	825
Counterparties show signs of default	100%	22	(22)	-
Total		\$536,589	(\$4,824)	\$531,765

March 31, 2024	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0%-1%	\$393,017	(\$3,138)	\$389,879
Past due within 30 days	0%-20%	8,953	(348)	8,605
Past due 31-180 days	0%-20%	20,974	(1,826)	19,148
Past due 181~365 days	0%-50%	10,376	(1,501)	8,875
Past over than 1 year	0%-100%	3,850	(770)	3,080

Counterparties show signs of default	100%	1,987	(1,987)	-
Total		<u><u>\$439,157</u></u>	<u><u>(\$9,570)</u></u>	<u><u>\$429,587</u></u>

E. Movements of the loss allowance for notes and accounts receivable were as follows:

	Three Months Ended March 31	
	2025	2024
Beginning balance	\$4,824	\$10,737
Provision (Reversal) for impairment	2,446	(1,294)
Foreign exchange differences	26	127
Ending balance	<u><u>\$7,296</u></u>	<u><u>\$9,570</u></u>

The above provision has already taken into consideration of collateral or other credit enhancement. The other credit enhancement possessed by above receivables was \$ 0 thousand, \$ 0 thousand and \$7,975 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

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

Where recoveries are made, these are recognized in profit or loss. The Group's trade receivables for offsetting the contract amount are \$0 thousand for the three months ended March 31, 2025 and 2024.

F. Please refer to Note 12 for the relevant credit risk management and assessment method.

(5) Inventories and operating costs

Item	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$443,913	\$507,125	\$531,609
Work in process	210,750	212,320	269,856
Finished goods	213,919	178,006	206,375
Net	<u><u>\$868,582</u></u>	<u><u>\$897,451</u></u>	<u><u>\$1,007,840</u></u>

A. The related inventory gain (loss) recognized as operating cost for the three months ended March 31, 2025 and 2024 were as follows:

Item	Three Months Ended March 31	
	2025	2024
Cost of goods sold	\$203,736	\$175,593
Gain (loss) on inventory valuation	12,015	19,340

Total	\$215,751	\$194,933
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B. The Group recognized inventory valuation loss (gain) of \$12,015 and \$19,340 thousand for the three months ended March 31, 2025 and 2024, respectively, as a result of inventory's write-down to net realizable value or increasing price of some products and decreasing part of inventory.

C. The Group had no inventories pledged to others.

(6) Other financial assets - current

Item	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits with maturities of more than three months	\$11,000	\$111,000	\$314,000
Restricted assets	6,919	6,419	26,320
Total	\$17,919	\$117,419	\$340,320

(7) Financial assets at fair value through other comprehensive income or loss - noncurrent

Item	March 31, 2025	December 31, 2024	March 31, 2024
Equity instruments			
Domestic listed stocks	\$-	\$-	\$26,261
Domestic unlisted stocks	94,810	91,546	51,296
Subtotal	\$94,810	\$91,546	\$77,557
Evaluation adjustment	(10,549)	(6,927)	(10,547)
Total	\$83,261	\$84,619	\$67,010

A. The Group invests in domestic unlisted stocks in accordance with its medium/long-term strategies and expects to make a profit through long-term investment. Management of the Group believes that it is not consistent with the afore-mentioned long-term investment planning if the short-term fair value changes of such investment are presented in profit or loss. Therefore, the Group elects to designate such investment as to be measured at FVTOCI.

B. Please refer to Note 12 for relevant credit risk management and assessment methods.

C. The financial assets at FVTOCI were not pledged as collateral.

(8) Property, plant and equipment

Item	March 31, 2025	December 31, 2024	March 31, 2024
Land	\$51,515	\$51,515	\$51,515
Buildings	823,848	815,725	298,984

Machinery and equipment	419,034	395,996	383,616
Transportation facilities	15,711	15,654	14,914
Office equipment	23,143	23,003	20,042
Miscellaneous equipment	605,520	599,508	595,143
Equipment to be inspected and construction in progress	296,129	230,534	315,404
Total cost	\$2,234,900	\$2,131,935	\$1,679,618
Less: Accumulated depreciation	(901,681)	(862,454)	(784,057)
Less: Accumulated impairment	(10,131)	(9,989)	(9,879)
Total	\$1,323,088	\$1,259,492	\$885,682

Cost	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment (note)	Equipment to be Inspected and Construction in Progress	Equipment to be Inspected and Construction in Progress	Total
Balance at January 1, 2024	\$51,515	\$815,725	\$395,996	\$638,615	\$230,534	\$2,131,935	
Additions	-	630	17,557	4,304	65,535	88,026	
Transfer from inventories	-	-	-	898	-	898	
Transfer to inventories	-	-	-	(1,228)	-	(1,228)	
Effect of foreign currency exchange differences	-	7,493	5,481	2,235	60	15,269	
Balance at March 31, 2024	\$51,515	\$823,848	\$419,034	\$644,374	\$296,129	\$2,234,900	
<u>Accumulated Depreciation and Impairment</u>							
Balance at January 1, 2025	\$-	\$148,672	\$313,619	\$410,152	\$-	\$872,443	
Depreciation expense	-	9,471	3,496	21,252	-	34,219	
Transfer from inventories	-	-	-	(895)	-	(895)	
Effect of foreign currency exchange differences	-	245	3,952	1,848	-	6,045	
Balance at March 31, 2025	\$-	\$158,388	\$321,067	\$432,357	\$-	\$911,812	

Cost	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment (note)	Equipment to be Inspected and Construction in Progress	Equipment to be Inspected and Construction in Progress	Total
Balance at January 1, 2024	\$51,515	\$297,789	\$330,597	\$577,856	\$263,777	\$1,521,534	
Additions	-	1,282	3,712	12,303	42,182	59,479	
Disposals	-	(2,414)	(4,838)	(11,776)	-	(19,028)	
Transfer from inventories	-	-	41,092	47,829	-	88,921	

Transfer to inventories	-	-	(337)	-	(337)
Reclassification	-	1,926	871	(1,286)	(1,511)
Effect of foreign currency exchange differences	-	401	12,182	5,510	10,956
Balance at March 31, 2024	<u>\$51,515</u>	<u>\$298,984</u>	<u>\$383,616</u>	<u>\$630,099</u>	<u>\$315,404</u>

<u>Accumulated Depreciation and Impairment</u>					
Balance at January 1, 2024	\$-	\$126,425	\$301,326	\$342,819	\$-
Depreciation expense	-	3,675	2,084	21,881	-
Disposals	-	(2,414)	(4,838)	(11,536)	-
Reclassification	-	285	-	(285)	-
Effect of foreign currency exchange differences	-	84	9,935	4,495	-
Balance at March 31, 2024	<u>\$-</u>	<u>\$128,055</u>	<u>\$308,507</u>	<u>\$357,374</u>	<u>\$-</u>

(note) Including transportation equipment, office equipment and miscellaneous equipment.

- A. The details of interest capitalized: Refer to Note 6(31).
- B. The Group did not assess the impairment because there is no sign of impairment for the three months ended March 31, 2024.
- C. Property, plant and equipment pledged for the borrowings: Please refer to Note 8.
- D. Reconciliations of current additions and the acquisition of property, plant and equipment in statement of cash flows were as follows:

Item	Three Months Ended March 31	
	2025	2024
Acquisition of property, plant and equipment	\$88,026	\$59,479
Decrease (increase) in equipment payable	12,402	(8,327)
Cash paid for acquisition of property, plant and equipment	\$100,428	\$51,152

E. The Group's Property, plant and equipment are depreciated on a straight-line basis with its useful life as follows:

Buildings, 25 to 50 years;
 Factory facility Equipment, 3 to 35 years;
 Machinery and Transportation Equipment, 2 to 8 years;
 Miscellaneous Equipment, 2 to 10 years.

(9) Lease agreement

- A. Right-of-use assets

Item	March 31, 2025	December 31, 2024	March 31, 2024
Land	\$139,319	\$142,064	\$141,886
Buildings	96,772	103,400	95,000

Transportation facilities	10,702	10,017	4,996
Total cost	\$246,793	\$255,481	\$241,882
Less: Accumulated depreciation	(81,830)	(89,958)	(68,355)
Net	\$164,963	\$165,523	\$173,527

Cost	Land	Buildings	Transportation facilities	Total
Balance at January 1, 2025	\$142,064	\$103,400	\$10,017	\$255,481
Additions	6,073	-	1,164	7,237
Decrease	(9,303)	(7,623)	(552)	(17,478)
Effect of foreign currency exchange differences	485	995	73	1,553
Balance at March 31, 2025	<u>\$139,319</u>	<u>\$96,772</u>	<u>\$10,702</u>	<u>\$246,793</u>
<u>Accumulated Depreciation and Impairment</u>				
Balance at January 1, 2025	\$25,125	\$61,483	\$3,350	\$89,958
Depreciation expense	1,413	4,315	870	6,598
Decrease	(9,303)	(5,505)	(552)	(15,360)
Effect of foreign currency exchange differences	40	582	12	634
Balance at March 31, 2025	<u>\$17,275</u>	<u>\$60,875</u>	<u>\$3,680</u>	<u>\$81,830</u>

Cost	Land	Buildings	Transportation facilities	Total
Balance at January 1, 2024	\$140,616	\$97,558	\$4,996	\$243,170
Decrease	(37)	(5,260)	-	(5,297)
Effect of foreign currency exchange differences	1,307	2,702	-	4,009
Balance at March 31, 2024	<u>\$141,886</u>	<u>\$95,000</u>	<u>\$4,996</u>	<u>\$241,882</u>

<u>Accumulated Depreciation and Impairment</u>				
Balance at January 1, 2024	\$18,969	\$43,327	\$2,946	\$65,242
Depreciation expense	1,509	4,153	417	6,079
Decrease	-	(4,120)	-	(4,120)
Effect of foreign currency exchange differences	81	1,073	-	1,154
Balance at March 31, 2024	<u>\$20,559</u>	<u>\$44,433</u>	<u>\$3,363</u>	<u>\$68,355</u>

B. Lease liabilities

Item	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of lease liabilities			
- current	\$18,228	\$19,806	\$21,058
- noncurrent	<u>\$114,242</u>	<u>\$119,094</u>	<u>\$127,295</u>

Ranges of discount rates for lease liabilities are as follows:

March 31, 2025	December 31, 2024	March 31, 2024
1.60%-3.53%	1.60%-3.53%	1.60%-3.53%

Please refer to Note 12(3) for lease liabilities with repayment periods.

C. Material lease-in activities and terms

The Group leased some land and buildings, etc. as factory, with the lease terms of 1 to 50 years.

D. Subleasing: None.

E. Other lease information:

(1) The current lease relevant expense information is as follows:

	Three Months Ended March 31	
	2025	2024
Short-term lease expense	\$1,364	\$2,301
Low-value asset lease expense	\$27	\$146
Total cash outflow for leases (Note)	(\$7,835)	(\$7,871)

(Note): Including current principle paid for lease liabilities.

(10) Intangible assets

Item	March 31, 2025	December 31, 2024	March 31, 2024
Computer software	\$29,610	\$28,196	\$23,827
Others	-	-	5,000
Total cost	29,610	\$28,196	\$28,827
Less: Accumulated amortization and impairment	(16,962)	(14,457)	(12,840)
Net	\$12,648	\$13,739	\$15,987

Cost	Computer Software	Others	Total
Balance at January 1, 2025	\$28,196	\$-	\$28,196
Additions	1,400	-	1,400
Effect of exchange rate changes	14	-	14
Balance at March 31, 2025	\$29,610	\$-	\$29,610

**Accumulated Amortization
and Impairment**

Balance at January 1, 2024	\$14,457	\$-	\$14,457
Amortization expenses	2,499	-	2,499
Effect of exchange rate changes	6	-	6
Balance at March 31, 2025	\$16,962	\$-	\$16,962

Cost	Computer Software	Others	Total
Balance at January 1, 2024	\$22,693	\$5,000	\$27,693
Additions	1,261	-	1,261
Derecognition	(158)	-	(158)
Effect of exchange rate changes	31	-	31
Balance at March 31, 2024	\$23,827	\$5,000	\$28,827

Accumulated Amortization and Impairment			
Balance at January 1, 2024	\$6,775	\$4,250	\$11,025
Amortization expenses	1,712	250	1,962
Derecognition	(158)	-	(158)
Effect of exchange rate changes	11	-	11
Balance at March 31, 2024	\$8,340	\$4,500	\$12,840

(11) Refundable deposits

Item	March 31, 2025	December 31, 2024	March 31, 2024
Rent deposits	\$7,666	\$6,984	\$5,921
Performance	3,534	3,329	3,292
Others	724	1,515	2,071
Total	\$11,924	\$11,828	\$11,284

(12) Short-term loans

Borrowings Nature	March 31, 2025	
	Amount	Interest
Mortgage loan	\$1,500	2.23%
Credit loan	25,000	2.26~2.83%

Total	\$26,500
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December 31, 2024		
Borrowings Nature	Amount	Interest
Credit loan	\$5,000	2.848%

March 31, 2024		
Borrowings Nature	Amount	Interest
Purchase loan	\$1,175	1.35%
Credit loan	1,500	2.10~2.70%
Total	\$2,675	

For short-term loans, the Group provides some other financial assets, real estate, plants and equipment as guarantees for the borrowings. Please refer to Note 8 for explanations.

(13) Other payables

Item	March 31, 2025	December 31, 2024	March 31, 2024
Wages and salaries payable	\$56,455	\$71,321	\$45,540
Commission payable	18,295	20,063	19,460
Social security and provident fund payable	13,474	11,979	11,822
Insurance payable Interest	4,514	4,554	4,694
Interest payable	125	377	76
Payable on equipment	15,213	27,615	13,531
Payable for equity investment settlement	14,970	-	-
Dividends payable	-	-	49,829
Employees, directors and supervisors compensation payable	-	-	4,500
Others	36,513	26,259	27,339
Total	\$159,559	\$162,168	\$176,791

(14) Provisions – current

Item	March 31, 2025	December 31, 2024	March 31, 2024
Employee benefits	\$9,310	\$8,839	\$9,310
Warranty provisions	25,229	26,607	22,694

Total	\$34,539	\$35,446	\$32,123
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Item	Employee Benefits	warranty	Total
Balance at January 1, 2025	\$8,839	\$26,607	\$35,446
Additional provisions recognized	8,686	5,394	14,080
Used in current period	(8,215)	(6,772)	(14,987)
Balance at March 31, 2025	\$9,310	\$25,229	\$34,539

Item	Employee Benefits	warranty	Total
Balance at January 1, 2024	\$9,117	\$22,344	\$31,461
Additional provisions recognized	8,578	6,347	14,925
Used in current period	(8,266)	(5,997)	(14,263)
Balance at March 31, 2024	\$9,429	\$22,694	\$32,123

- A. Provision for employee benefits represents vested short-term service leave entitlements accrued.
- B. The type of warranty business provided by the Group guarantees that the products are consistent with the agreed specifications and is related to the sales of machine products. The warranty liability provision is estimated based on the historical warranty data of the product.

(15) Bonds Payable

Item	March 31, 2025	December 31, 2024	March 31, 2024
The third unsecured convertible domestic bonds	\$381,300	\$388,700	\$758,100
Less: discounts on bonds payable	(13,289)	(15,005)	(37,884)
Net	\$368,011	\$373,695	\$720,216

- a. The Company issued the 3rd unsecured domestic convertible bonds, which was approved by the regulatory authority on June 22, 2022. The total issuance amount is \$1,000,000 thousand and it is zero coupon bonds with the maturity of 5 years from July 13, 2022 to July 13, 2027. At maturity, the convertible bonds will be repaid in cash at the price of the bonds' face value by the company.
- b. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds. The conversion price at the time of issuance was \$67.60, The company adjusts the conversion price due to changes in share capital. The conversion price is

\$64.74~64.75 from January to March, 2025, and the number of converted shares as of March 31, 2025 was 9,537 thousand shares.

- c. Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligation attached to the bonds are also extinguished.
- d. In accordance with the conversion provisions, the bond holders have the right to require the Company to convert shares at any time during the period from the date after three months of the bonds issued to the maturity date, except for the accordance with the conversion provisions and suspension of the transfer period in accordance with regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. The Company may repurchase all the bonds outstanding in cash at the bonds' face value.
- e. After the following events occur during the period from the date after three months of the bonds issued to 40 days before the maturity date: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount.
- f. The bond holders have the right to require the Company to redeem all or any portion of the bonds at 3 year or 4 year anniversary of the issuance, at the principal amount of the bonds with an interest calculated the rate of 1.5075% and 2.0151% per annum. As of March 31, 2025, the redemption were \$0 thousand.
- g. As of March 31, 2025, the Company redeemed the issued convertible bonds from open market by own funds at principal amount to \$0 thousand.
- h. The Company issued the 3rd bonds payable and statement of cash flow

Item	Three Months Ended March 31	
	2025	2024
Bonds payable convert amount	\$7,400	\$241,900
Conversion offset and corporate bond payable on discount	(267)	(12,325)
Conversion Charges Financial Assets at Fair Value Through Profit or Loss	(11)	(36)
Change in equity	(7,122)	(229,539)
Cash payment	\$-	\$-

(16) Long-term loans and current portion of long-term loans

Item	March 31, 2025	December 31, 2024	March 31, 2024
Mortgage loans	\$307,662	\$308,531	\$221,256
Less: portion due within one year	(35,400)	(26,029)	(17,242)

Long-term loans	\$272,262	\$282,502	\$204,014
Interest rate range	2.00%-3.8%	2.125%-3.8%	2.00%-3.45%

Refer to Note 8 for assets pledged as collateral for long-term loans.

(17) Long-term deferred revenue

Item	March 31, 2025	December 31, 2024	March 31, 2024
Deferred revenue:			
Factory construction subsidy	\$32,843	\$18,243	\$18,041
Equipment subsidy	5,972	5,972	5,972
Subtotal	\$38,815	\$24,215	\$24,013
Less: Cumulative recognized revenue	(1,667)	(1,449)	(961)
Less: Transfer to advance receipts within one year	(1,224)	(854)	(398)
Balance at March 31	\$35,924	\$21,912	\$22,654

The factory construction subsidy is the subsidy for the factory construction given by the Nantong Economic & Technological Development Area's management committee, due to signing an investment agreement with the Group's subsidiary-JS Superior Technology Semiconductor Co.,Ltd.

(18) Pension

A. Defined contribution plans

- The pension system of the "Labor Pension Act" applicable to the company and Tech Wave Technology Co., Ltd. in the Group defined contribution retirement plan managed by the government, and 6% of the employee's monthly salary is transferred to the personal account of the Labor Insurance Bureau.
- The total pension expenses were \$9,126 thousand and \$8,249 thousand for the three months ended March 31, 2025 and 2024, respectively.

B. Defined benefit plans

- The pension under the defined benefit plans were \$365 thousand for three months ended March 31, 2024. The pensions were calculated using the actuarially determined pension cost discount rates as of December 31, 2023. E&R Engineering Corp. of the Group, settled its defined benefit plan under Labor Retirement Reserve Fund (The Old Fund) in February 2025, and recognized pension expenses of \$2,073 thousand for three months ended March 31, 2025.
- The Group estimated that the Labor Retirement Account is insufficient to pay the labor pension that is expected to meet the retirement conditions next year at the year end of 2024, and funded the difference to reduce net defined benefit liability

during the period from January to March 2025 for \$3,762 thousand.

(19) Share capital

A. Movements in the number of the Group's ordinary shares outstanding were as follows:

Item	Three months Ended March 31, 2025	
	Shares (in thousands)	Amount
Balance at January 1	106,427	\$1,064,275
Conversion of bonds payable	1,803	18,026
Employee stock options	151	1,513
Balance at March 31	<u>108,381</u>	<u>\$1,083,814</u>

Item	Three months Ended March 31, 2024	
	Shares (in thousands)	Amount
Balance at January 1	98,595	\$985,954
Conversion of bonds payable	-	-
Employee stock options	-	-
Balance at March 31	<u>98,595</u>	<u>\$985,954</u>

- a. As of March 31, 2025, the authorized capital is \$1,500,000 thousand, consisting of 120,000 thousand shares. (including 5,000 thousand shares for the conversion of stock warrants, preferred shares with stock warrants or corporate bonds with stock warrants)
- b. The employee stock options issued by the Company were exercised for 4.5 thousand shares and 0 thousand shares during the periods from January to March of 2025 and 2024, respectively, with exercise prices of NT\$29.9 and NT\$0 per share. As of March 31, 2025 and 2024, the capital registration for the exercised shares had been completed.
- c. The convertible corporate bonds issued by the company between January and March of 2025 and 2024. The face amounts of the corporate bonds requested from the company to be converted into ordinary shares are \$7,400 thousand and \$241,900 thousand respectively, and the number of converted shares is 114 thousand shares and 3,717 thousand shares respectively. As of March 31, 2025 and 2024, the changes have not been completed. The bond exchange rights certificates recorded in the registered accounts were \$1,143 thousand and \$37,169 thousand respectively.

(20) Capital surplus

Item	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-in capital	\$1,692,390	\$1,680,517	\$1,347,388
Difference between consideration and carrying amounts of subsidiaries acquired or disposed	9,786	9,786	9,786
Stock options	25,382	25,874	50,463
Employee stock options	4,253	9,310	14,075
Others-disgorgement	9,083	9,083	9,083
Total	\$1,740,894	\$1,734,570	\$1,430,795

Under the Company Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock and donations can be used to offset deficit or may be distributed as stock dividends or in cash. Under the regulations of the Security Exchange Law, the maximum amount transferred from the foregoing capital surplus to the Company's capital per year shall not be over 10% of the Company's paid-in capital. Capital surplus can't be used to offset deficit unless legal reserve is insufficient. The capital surplus from long-term investments may not be used for any purpose.

(21) Share-Based Payment

A. Employee stock option-issued on December, 2021

On November 15, 2021, the Company approved to issue employee stock options for 500 units. For each share option, the holder may subscribe for 1,000 ordinary shares of the Company at \$32 per share, not less than 50% of the Company's ordinary stock closing price. For any subsequent changes in the Company's capital structure, the exercise price is accordingly adjusted. The options are valid for 5 years and exercisable at certain percentages after the second anniversary from the grant date. The compensation costs of employee stock option recorded by the Company were \$256 thousand and \$601 thousand for the three months ended March 31, 2025 and 2024, respectively.

a. Numbers and Weighted-average exercise price of stock options for the three months ended March 31, 2025 and 2024 are as follows:

	Three Month Ended March 31			
	2025		2024	
	Shares	Weighted-average Exercise Price per Share (NT\$)	Shares	Weighted-average Exercise Price per Share (NT\$)
Employee Stock Option	(in thousand)		(in thousand)	
Outstanding at beginning of year	128	29.90	500	\$30.10
Granted	-	-	-	-
Exercised	(4)	29.90	-	-

Forfeited	-	-	-
Outstanding at end of year	<u>124</u>	29.90	<u>500</u>
Authorized but not issued yet at end of year	<u>124</u>		<u>500</u>

b. As of March 31, 2025 and December 31, 2024 and March 31, 2024 information about outstanding employee stock options are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Range of exercise price (NT\$)	29.90	29.90	30.10
Remaining years	1.625	1.875	2.625

c. The Company used the Black-Scholes Option Pricing Model to estimate the fair value of option granted, and information of calculating the fair value are as follows:

Grant date	November 15, 2021
Dividend yield	0%
Expected volatility	43.12%~43.63%
Risk-free interest rate	0.40%~0.43%
Expected life	3.5~4.5 years
The fair value of weight-average price (Per share)	\$35.52~\$37.02

B. Treasury stock transferred to employees: Please refer to Note 6(25) for details.

(22) Retained earnings and dividend policy

A. As stipulated in the Company's Articles of Incorporation, the current earnings, if any, shall be distributed in the following order:

- Payment of taxes and duties.
- Covering prior years' accumulated deficit, if any.
- Set aside 10% of the remaining amount as legal reserve until the legal reserve equals to the Company's paid-in capital.
- Set aside a certain amount as special reserve, if any. And the remaining amount plus prior year's unappropriated earnings will be proposed by the board of directors and approved through the shareholders' meeting.
- The company distribute dividends on cash, after more than two-thirds of the directors, present at the meeting and more than half of the directors agree, the board of directors is authorized to do so and report to the general meeting of shareholders.

The Company's operating environment is the growth stage. In views of capital expenditure demand, business expansion need, and sound financial planning for sustainable development, the Company's dividend policy stipulates appropriated

dividend distribution ratio, and at least 10% of total dividends may be distributed as cash dividends. However, the accumulated distributable earnings that are less than 5% of the paid-in capital may not be distributed.

(2) Legal reserve may be used to offset a deficit, and be transferred to capital or distributed in cash. However, legal reserve can be transferred to capital or distributed in cash only when the legal reserve has exceeded 25% of the Company's paid-in capital.

(3) Special reserve

Item	March 31, 2025	December 31, 2024	March 31, 2024
Reserve for the debit balance of other equities	\$31,456	\$31,456	\$36,409

While earning distribution, the earnings can be distributed after appropriation of the equivalent amount of the debit balance of the other equities of the balance sheet.

(4) The appropriation of earnings for 2023 was proposed by the Board of Directors' meeting held in March 2024, while the appropriation of earnings for 2023 was approved by the stockholders' meeting held in June 2024. The details of appropriation are as follows:

Item	Amount	Dividends Per Share
Reversal of Special Reserve	(4,953)	
Cash dividends	49,829	0.5
Total	\$44,876	

(5) The company's board of directors approved the proposed 2024 earnings distribution plan as follows on March 6, 2025, and will wait for the resolution of the shareholders' meeting and report on the cash dividend distribution at the shareholders' regular meeting:

Item	Amount
Reversal of Special Reserve	(\$28,752)

The appropriations of legal reserve and special reserve for 2024 are to be presented for approval in the shareholders' meeting to be held in June 2025.

(a). The appropriation of earnings had been proposed by the Board of Directors. Details were summarized below:

Item	Three Month Ended March 31, 2025	Three Month Ended March 31, 2024
Cash dividends	\$-	\$49,829

Decrease in Account Cash dividends	-	(49,829)
Dividend Payment	\$-	\$-

(6) Information on the earnings appropriation proposed by the Company's Board of Directors and approved by the Company's shareholders is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(23) Other equity

Item	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial asset at fair value through other comprehensive income	Total
Balance, January 1, 2025	\$4,223	(6,927)	(\$2,704)
Exchange difference on translation of financial statements of foreign operating institutions	3,367	-	3,367
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	(4,622)	(4,622)
Balance, March 31, 2025	7,590	(\$11,549)	(\$3,959)

Item	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial asset at fair value through other comprehensive income	Total
Balance, January 1, 2024	(\$15,465)	(\$15,991)	(\$31,456)
Exchange difference on translation of financial statements of foreign operating institutions	13,940	-	13,940
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	5,444	5,444
Balance, March 31, 2024	(\$1,525)	(\$10,547)	(\$12,072)

(24) Treasury shares

A. The related information on the treasury share transactions was as follows:

(In Thousand Shares)

Reason to Reacquire	Three Months Ended March 31, 2025		
	Beginning of Year	Addition During the Year	Reduction During the Year
			End of Year

To transfer to employees	2,823	-	-	2,823
Three Months Ended March 31, 2024				
Reason to Reacquire	Beginning of Year	Addition During the Year	Reduction During the Year	End of Year
To transfer to employees	2,823	-	-	2,823

- a. To transfer to employees, the Company's board of directors resolved on August 17, 2021 to buy back up to 1,000 thousand common shares between September 18, 2021, and October 17, 2021. As of the last day of the buyback period, the Company had bought back 834 thousand shares at a total amount of \$54,075 thousand.
- b. To transfer to employees, the Company's board of directors resolved on October 13, 2022 to buy back up to 1,100 thousand common shares between October 14, 2022 and November 13, 2022. As of the last day of the buyback period, the Company had bought back 989 thousand shares at a total amount of \$51,706 thousand.
- c. To transfer to employees, the Company's board of directors resolved on June 5, 2023 to buy back up to 1,000 thousand common shares between June 6, 2023 and August 5, 2023. As of the last day of the buyback period, the Company had bought back 1,000 thousand shares at a total amount of \$60,944 thousand.

B. Based on the Securities and Exchange Act of the ROC, the number of reacquired shares should not exceed 10% of a company's issued and outstanding shares, and the total purchase amount should not exceed the sum of the retained earnings, additional paid-in capital in excess of par and realized capital surplus.

C. Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote.

D. Pursuant to the ROC Securities and Exchange Law, treasury shares that due to transfer to employees should be transferred within five years from reacquisition date, and those haven't been transferred within the limit are deemed as unissued shares, and they should be retired. And treasury shares that due to maintain the Company's credibility and shareholder's interest should be retired within six months from reacquisition date.

(25) Non-controlling interests

Item	Three Months Ended March 31	
	2025	2024
Balance at January 1	\$15,782	\$44,175
Attributable to non-controlling interests:		
Net profit (loss)	(1,661)	(2,878)
Other comprehensive income	-	873

Decrease in non-controlling interests- new acquisition	-	(34,503)
Increase(decrease) in non-controlling interests- acquisition cost and book value per share difference	-	12,805
Balance at March 31	<u>\$14,121</u>	<u>\$20,472</u>

(26) Operating revenues

Item	Three Months Ended March 31	
	2025	2024
Revenue from contracts with customers		
Sales	\$315,456	\$301,334
Sales return	(137)	(12,242)
Sales discount	(407)	(1,245)
Net	<u>\$314,912</u>	<u>\$287,847</u>

A. Explain of contract revenue

Sales of mechanical products, flexible print circuit and semiconductor materials are mainly to downstream customer. It is sold at the price agreed in the contract.

B. Contract revenue details:

The Group's revenue can be categorized into the following main products and area:

March 31, 2025:

Main area	Automatic machinery	Electronics	Net amount
Taiwan	\$120,712	12,817	\$133,529
Hong Kong & China	50,541	39,708	90,249
Southeast Asia	33,563	31,844	65,407
America	19,997	-	19,997
Europe	1,778	-	1,778
Others	825	3,127	3,952
Total	<u>227,416</u>	<u>\$ 87,496</u>	<u>\$314,912</u>
Main products			
Automatic machinery	\$227,416	\$-	\$227,416
Flexible print circuit	-	9,905	9,905
Semiconductor materials	-	77,591	77,591
Total	<u>227,416</u>	<u>\$87,496</u>	<u>\$314,912</u>
Timing of revenue recognition			
At a certain point of time	\$227,416	\$87,496	\$314,912
Gradually over time	-	-	-
Total	<u>\$227,416</u>	<u>\$87,496</u>	<u>\$314,192</u>

March 31, 2024:

	Automatic	Electronics	Net amount
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		machinery		
Main area				
Taiwan		\$94,119	\$12,238	\$106,357
Hong Kong & China		67,959	36,873	104,832
Southeast Asia		13,839	23,576	37,415
America		33,417	-	33,417
Europe		2,196	-	2,196
Others		78	3,552	3,630
Total		<u>\$211,608</u>	<u>\$76,239</u>	<u>\$287,847</u>
Main products				
Automatic machinery		\$211,608	\$-	\$211,608
Flexible print circuit		-	11,576	11,576
Semiconductor materials		-	64,663	64,663
Total		<u>\$211,608</u>	<u>\$76,239</u>	<u>\$287,847</u>
Timing of revenue recognition				
At a certain point of time		\$211,608	\$76,239	\$287,847
Gradually over time		-	-	-
Total		<u>\$211,608</u>	<u>\$76,239</u>	<u>\$287,847</u>

C. Contract balances

The Group recognizes the receivable, contract assets and contract liabilities related to contract revenue as follows:

Item	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2024
Receivable	\$499,154	\$531,765	\$429,587	\$441,329
Contract assets	-	-	-	-
Total	<u>\$499,154</u>	<u>\$531,765</u>	<u>\$429,587</u>	<u>\$441,329</u>
Contract liabilities - current	\$36,894	\$29,347	\$15,265	\$23,038

a. Significant changes in contract assets and contract liabilities

The change in the contract assets and contract liabilities primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment, and there is no other significant change.

b. Amount from previous period's satisfied performance obligations and beginning contract liabilities recognized in the current period as income were as follows:

Revenue in the current period	March 31, 2025	December 31, 2024	March 31, 2024
From beginning balance- contract liabilities	\$22,227	\$23,038	\$12,988

From previous period's satisfied performance obligations	\$-	\$-	\$-
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(27) Labor cost, depreciation and amortization

Item	Three Months ended March 31, 2025		
	Operating cost	Operating expenses	Total
Labor cost			
Salaries	\$24,266	\$70,536	\$94,802
Insurance	1,064	6,037	7,101
Pension	3,720	7,479	11,199
Others	1,192	2,950	4,142
Depreciation	8,200	32,617	40,817
Amortization	-	2,499	2,499
Total	\$38,442	\$122,118	\$160,560

Item	Three Months ended March 31, 2024		
	Operating cost	Operating expenses	Total
Labor cost			
Salaries	\$22,715	\$79,894	\$102,609
Insurance	1,073	6,492	7,565
Pension	3,810	4,804	8,614
Others	1,065	3,217	4,282
Depreciation	9,823	23,896	33,719
Amortization	-	1,962	1,962
Total	\$38,486	\$120,265	\$158,751

1. The Company accrued employees' compensation and remuneration to directors at the rates 5%~10% and not higher than 3% of net income before income tax, employees' compensation and remuneration to directors during the period. No employee compensation and remuneration to directors and supervisors were accrued for the three months ended March 31, 2025 and 2024, as the Company incurred operating losses during the periods.
2. The employees' compensation and remuneration to directors for the year ended December 31, 2024 and 2023 had been approved by the Company's Board of Directors meeting held in March 2025 and March 2024, respectively, and the relevant amounts recognized in the consolidated financial statement were as follows:

Year ended December 31

	2024		2023	
	Employees' compensation	Remuneration to directors	Employees' compensation	Remuneration to directors
Resolution amount of allotment	\$-	\$-	\$3,400	\$1,100
Recognized in the annual financial statements	-	-	3,400	1,100
Difference	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

The above-mentioned employees' compensation will be paid by cash.

3. Information about the appropriation of employees' compensation and directors' remuneration by the Company as proposed by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Interest income

Item	Three months ended March 31	
	2025	2024
Interest income		
Interest on bank deposits	\$2,482	\$3,831
Dividend from funds	425	-
Total	<u>\$2,907</u>	<u>\$3,831</u>

(29) Other income

Item	Three Months Ended March 31	
	2025	2024
Rental income	\$1,585	\$102
Others	905	1,943
Total	<u>\$2,490</u>	<u>\$2,045</u>

(30) Other gains and losses

Item	Three Months Ended March 31	
	2025	2024
Gain (loss) on foreign exchange, net	\$15,132	\$29,626
Gain (loss) on disposal of financial assets at FVTPL	11,922	740
Financial assets at FVTPL and gain (loss) on valuation of liabilities	(14,328)	11,202
Gain (loss) on disposal of property, plant	-	(218)

and equipment	(488)	28
Gains (losses) from lease modifications		
Others	(211)	(1,366)
Total	\$12,027	\$40,012

(31) Finance costs

Item	Three Months Ended March 31	
	2025	2024
Interest expense:		
Bank loans	\$2,839	\$554
Convertible bonds	1,449	3,496
Interest on lease liabilities	767	863
Less: Amount qualified for capitalization	(284)	-
Finance costs	\$4,771	\$4,913

(32) Income tax expense

A. Components of tax expense:

	Three Months Ended March 31	
	2025	2024
Current income tax		
Income tax incurred in current year	\$156	\$-
Adjustments in tax of prior periods	-	1,101
Non-offset foreign tax	346	180
Total	\$502	\$1,281
Deferred income tax		
The origination and reversal of temporary differences	(\$1,021)	(\$2,307)
Total	(\$1,021)	(\$2,307)
Income tax expense	(\$519)	(\$1,026)

The applicable tax rate used by the group entities in Republic of China is 20%. In addition, the tax rate applicable to unappropriated earning is 5%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

B. Income tax expense (benefit) recognized in other comprehensive income

	Three Months Ended March 31	
	2025	2024
Current income tax		
Exchange differences on translation of foreign operations	\$96	\$363

C. The Company's income tax returns through 2022 were ratified by the tax authorities.

(33) Other comprehensive income (loss)

Item	Three Months Ended March 31, 2025		
	Before tax	Income tax expense (benefit)	After tax
Items that will not be reclassified subsequently to profit or loss :			
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(\$4,622)	\$-	(\$4,622)
Subtotal	(\$4,622)	\$-	(\$4,622)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	\$3,463	(\$96)	\$3,367
Subtotal	\$3,463	(\$96)	\$3,367
Recognized in other comprehensive income (loss)	(\$1,159)	(\$96)	(\$1,255)

Item	Three Months Ended March 31, 2024		
	Before tax	Income tax expense (benefit)	After tax
Items that will not be reclassified subsequently to profit or loss :			
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	\$5,444	\$-	\$5,444
Subtotal	\$5,444	\$-	\$5,444
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	\$15,176	(\$363)	\$14,813
Subtotal	\$15,176	(\$363)	\$14,813
Recognized in other comprehensive income (loss)	\$20,620	(\$363)	\$20,257

(34) Transactions with Non-controlling Interests

A. Acquisition of son's company additional equity

In March 2024, the Group purchased a subsidiary with cash of RMB 34,503 thousand for JS E&R Engineering CO., LTD (renamed Jiangsu Superior Technology Semiconductor Co., Ltd. in August 2024) 9.39% equity. The shareholding ratio increased from 90.61% to 100%. Since the above transaction does not change the Group's control over the subsidiary, the Group treats it as equity transaction:

For the three months ended March 31, 2025: None.

For the three months ended March 31, 2024:

Item	JS Superior Technology Semiconductor Co., Ltd
Carrying amount of non-controlling interests purchased	\$21,698
Purchase price of non-controlling interests	(34,503)
Accumulated profit or loss – The difference between the actual acquisition or disposal of subsidiary equity prices and the book value	(\$12,805)
	<hr/> <hr/> <hr/>

(35) Earnings per share

Item	Three Months Ended March 31	
	2025	2024
(1) Basic earnings (loss) per share		
Net income	(\$60,703)	(\$27,420)
Weighted average shares outstanding (in thousands)	105,605	95,916
Basic earnings per share (after tax)	<hr/> <hr/>	<hr/> <hr/>

Item	Three Months Ended March 31	
	2025	2024
(2) Diluted earnings (loss) per share		
Net income	(\$60,703)	(\$27,420)
Net income used in computation of diluted earnings per share	<hr/> <hr/>	<hr/> <hr/>
Weighted average shares outstanding (in thousands)	105,605	95,916
Effect of potential dilutive ordinary shares:		
Weighted average number of ordinary shares outstanding after dilution (in thousands)	105,605	95,916
Diluted earnings per share (after tax)	<hr/> <hr/>	<hr/> <hr/>

(Note) Since the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation 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, as the effect is dilutive. Such dilutive effect of the potential shares is 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.

7. RELATED PARTY TRANSACTIONS

(1) Parent Company and ultimate controlling party:

The Group has no parent Company and ultimate controlling party.

(2) Related party name and category: None

(3) Significant transactions with related parties:

A. Sales: None.

B. Purchase: None

C. Contract assets: None.

D. Contract liabilities: None.

E. Balance of receivables (excluding lending to related parties): None.

F. Balance of payables (excluding borrowing from related parties): None.

G. Prepayments: None.

H. Property transactions: None.

I. Lease agreements: None

J. Rent arrangements: None

K. Financing activities – lending to related parties: None.

L. Financing activities - borrowing from related parties: None.

M. Guarantee for related parties: None.

N. Others: None.

(4) Key management compensation

Related Party Category	Three Months Ended March 31	
	2025	2024
Salaries and other short-term employee benefits	\$6,951	\$9,320
Post-employment benefits	181	250
Other long-term employee benefits	-	-
Separation benefits	-	-
Share-based payments	80	189
Total	\$7,212	\$9,759

8. PLEDGED ASSETS

Item	March 31, 2025	December 31, 2024	March 31, 2024
Other financial assets - current	\$6,919	\$6,419	\$26,320
Other financial assets non-current	5,900	5,900	6,900
Right-of-use assets	31,162	31,332	-
Property, plant and equipment (net)	684,654	690,618	194,147
Total	\$728,635	\$734,269	\$227,367

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group issued guarantee notes for bank loans amounting to \$928,680 thousand, \$927,840 thousand and \$926,270 thousand, respectively.

(2) As of March 31, 2025, December 31, 2024 and March 31, 2024, the time certificate provided by the group is \$710 thousand, to the Kaohsiung Customs Bureau of the Ministry of Finance as a guarantee for the deposit of import and export goods.

(3) As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group applied for equipment development plans from the Taiwan Small and Medium Enterprises Joint Mentoring Foundation and the Information Industry Promotion Association, etc. The performance bond provided by banks are \$995 thousand, \$995 thousand and \$21,587 thousand, respectively.

(4) As of March 31, 2025, December 31, 2024 and March 31, 2024, the unused letters of credit were as follows:

Item	March 31, 2025	December 31, 2024	March 31, 2024
L/C Amount			
USD	146	199	524
JPY	33,112	6,812	161
EUR	202	0	78

(5) As of March 31, 2025, December 31, 2024 and March 31, 2024, the note endorsement for material purchase were as follows:

Item	March 31, 2025	December 31, 2024	March 31, 2024	(In thousands)
Bank acceptance	JPY 31,991	JPY 49,135	JPY 90,863	
	USD -	USD 139	USD 844	

(6) The significant contracts signed with no major expenditure occurred yet were as follows:

Item	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment	\$345,791	\$395,613	\$6,201

(7) The Group signed a plant purchase contract with Zen Voce Co., Ltd. in May 2022, agreed to sell part of the floor of the new factory building of JS E&R Engineering CO., LTD, a subsidiary of the group, after the construction of the new factory building is completed. The group collected a performance bond of \$71,056 thousand in July 2022 (recognized guarantee deposits). However, after the completion of the construction, the planned sale became unfeasible due to legal restrictions prohibiting the partial sale of factory floors and cross-border capital control issues in Mainland China. The parties are currently in negotiations regarding the follow-up arrangements.

10. SIGNIFICANT DISASTER LOSS: NONE.

11. SIGNIFICANT SUBSEQUENT EVENTS: As disclosed in Note 9(7), on April 25, 2025, the Company's Board of Directors resolved to terminate the agreement with Zen Voce Co., Ltd. by mutual consent and to return the performance bond without interest.

12. OTHERS

(1) Seasonality or periodicity of operations

The operation of the Group's is not influenced by seasonality and periodicity.

(2) Capital risk management

There were no significant changes in the Group's policies for capital risk management for the three months ended March 31, 2025 as compared with the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 12(1) of the consolidated financial statements for the year ended December 31, 2024 for the related information.

(3) Financial instruments

A. Financial risk of financial instruments

Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The plans for material treasury activities are reviewed by board of directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the Group Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

Significant financial risks and degrees of financial risks

a. Market risk

(a) Foreign exchange rate risk

There were no significant changes in the nature and degree of material financial risk for the three months ended March 31, 2025 as compared with the consolidated financial statements for the year ended December 31, 2024.

Please refer to Note 12(2) of the consolidated financial statements for the year ended December 31, 2024 for the related information.

(b) Foreign currency risk and sensitivity analysis (including consolidated elimination items and incompletely write-off of exchange rate risk)

Foreign Currency	Exchange Rate	Carrying Value (NTD)	Variation	Profit or Loss Impact	Equity Impact
(Foreign currency:					

Functional currency)						
Financial assets						
Monetary items						
USD:NTD	5,640	33.205	187,271	Increase 1%	1,873	-
JPY:NTD	79,783	0.2239	17,863	Increase 1%	179	-
CNY:NTD	104,452	4.6258	483,174	Increase 1%	4,832	-
USD:CNY	2,349	7.1782	77,998	Increase 1%	780	-
USD:HK	1,172	7.7785	38,909	Increase 1%	389	-
Financial liabilities						
Monetary items						
JPY:NTD	33,585	0.2239	7,520	Increase 1%	(75)	-
USD:NTD	840	33.205	27,893	Increase 1%	(279)	-
USD:HK	1,290	7.7785	42,820	Increase 1%	(428)	-
USD:CNY	3,437	7.1782	114,114	Increase 1%	(1,141)	-

December 31, 2024									
Foreign Currency	Exchange Rate	Carrying amount (NTD)	Sensitivity analysis			Effects on equity			
			Range of change	Effect on profit or loss					
(Foreign currency: Functional currency)									
Financial assets									
Monetary item									
USD:NTD	11,036	32.785	361,804	Increase 1%	3,618	-			
JPY:NTD	157,967	0.2107	33,284	Increase 1%	333	-			
CNY:NTD	84,795	4.5608	386,733	Increase 1%	3,867	-			
USD:CNY	2,346	7.1884	76,900	Increase 1%	769	-			
USD:HK	1,310	7.7625	42,940	Increase 1%	429	-			
Financial liabilities									
Monetary item									
JPY:NTD	49,135	0.2107	10,353	Increase 1%	(104)	-			
USD:NTD	834	32.785	27,353	Increase 1%	(274)	-			
USD:HK	1,462	7.7625	47,928	Increase 1%	(479)	-			
USD:CNY	3,243	7.1884	106,329	Increase 1%	(1,063)	-			

March 31, 2024									
Foreign Currency	Exchange Rate	Carrying Value (NTD)	Sensitivity Analysis			Equity Impact			
			Variation	Profit or Loss Impact					
(Foreign currency: Functional currency)									
Financial assets									

Monetary items						
USD:NTD	12,563	32.0000	402,010	Increase 1%	4,020	-
JPY:NTD	190,036	0.2129	40,459	Increase 1%	405	-
CNY:TWD	49,343	4.5102	222,545	Increase 1%	2,225	-
USD:CNY	2,162	7.0951	69,186	Increase 1%	692	-
USD:HK	993	7.8264	31,791	Increase 1%	318	
Financial liabilities						
Monetary items						
JPY:NTD	93,646	0.2129	19,937	Increase 1%	(199)	-
USD:NTD	1,580	32.0000	50,573	Increase 1%	(506)	
USD:HK	1,226	7.8264	39,243	Increase 1%	(392)	-
JPY:CNY	15,303	7.0951	489,690	Increase 1%	(4,897)	-

If the value of the New Taiwan Dollar appreciates relative to the above currencies , all other change factors remain unchanged, the amounts reflected in the above currencies on March 31, 2025, December 31, 2024 and March 31, 2024 will have equal but opposite effects. Due to the significant impact of exchange rate fluctuations on the Group's monetary items, the aggregate amounts of all exchange gains and losses (including realized and unrealized) recognized from January to March in 2025 and 2024 were \$15,132 thousand and \$29,626 thousand respectively.

b. Price risk

The Group is exposed to equity instrument price risk because the investments held by the Group are classified on the consolidated balance sheet as at fair value through profit or loss, or at fair value through other comprehensive income or loss.

The Group is exposed to beneficiary certificates. If the price of the Group's equity investments rises (or falls) 1%, the net income resulting from equity instruments at fair value through profit and loss will increase (or decrease) \$2,322 thousand and \$3,508 thousand for the three months ended March 31, 2025 and 2024, respectively. The other comprehensive income from equity instruments at fair value through other comprehensive income or loss will increase (or decrease) \$833 and \$670 thousand for the three months ended March 31, 2025 and 2024.

c. Interest rate risk

The carrying amount of the financial assets and liabilities that exposed interest rate risk as reporting date was as follow:

Item	Carrying Amount		
	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk:			

Financial assets	\$491,640	\$620,032	\$637,360
Financial liabilities	(500,481)	(512,595)	(868,569)
Net	<u><u>(\$8,841)</u></u>	<u><u>\$107,437</u></u>	<u><u>(\$231,209)</u></u>

Cash flow interest rate risk:

Financial assets	\$291,319	\$231,588	\$408,806
Financial liabilities	(334,162)	(313,531)	(223,931)
Net	<u><u>(\$42,843)</u></u>	<u><u>(\$81,943)</u></u>	<u><u>\$184,875</u></u>

(a) Sensitivity analysis of fair value interest rate risk instrument

The Group does not classify any fixed-rate instruments as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income or loss. In addition, the Group does not designate derivatives (interest rate swap) as hedge instruments under hedge accounting. Therefore, the change of interest rate at reporting date does not have influence on net income and other comprehensive income.

(b) Sensitivity analysis of cash flow interest rate risk instrument

The Group's financial instruments with variable interest rate are those with floating-rate. If interest rate increases 1%, the net income will increase (\$107) thousand and \$462 thousand for the three months ended March 31, 2025 and 2024, respectively.

B. Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by counter-parties of financial instruments on the contract obligations. Credit risk of the Group mainly comes from receivables under operating activities and bank deposits and other financial instruments under investing activities. Credit risks related to operation and finance risks are managed separately.

a. Business related credit risk

In order to maintain the credit quality of accounts receivables, the Group has established procedures to monitor and limit exposure to credit risk on trade receivables. Credit evaluation is performed in the consideration of the relevant factors which may affects the customer's paying ability such as financial condition, external and internal credit scoring, historical experience, and economic conditions.

b. Financial credit risk

The Group's exposure to financial credit risk which pertained to bank deposits and other financial instruments were evaluated and monitored by Group Treasury function. The Group only deals with creditworthy counterparties, banks, and government so that no significant credit risk was identified. In addition, the Group

has no financial assets at amortized and investments in debt instruments at fair value through other comprehensive income.

(a) Credit concentration risk:

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's ten largest customers accounted for 56%, 47% and 47% of accounts receivable, respectively. The Group believes the concentration of credit risk is insignificant for the remaining accounts receivable. The Group continuously evaluated customers' financial situation. To reduce major credit risk, the Group bought credit guarantee insurance, and asked customers to make payment in advance.

(b) Measured in expected credit loss

(i) Account receivables apply the simplified approach. Please prefer to Note 6(4) for details.

(ii) Indications for determining whether the credit risk is increased significantly:

None (the Group does not have any debt instrument investments that are either measured at amortized cost, or at FVTOCI).

c. Collaterals and other credit enhancement held to avoid credit risks from financial assets.

The following table shows the maximum exposure to credit risk regarding financial assets recognized in the consolidated balance sheets, pledged collateral, master netting arrangements and other credit enhancement held by the Group:

March 31, 2025	Carrying Value	Decrease Amount of Credit Risk			Maximum Exposure Total
		Collateral	Net Settlement Agreement	Other Credit Strengthening	
Financial instruments subject to IFRS 9 impairment requirements and derogated from credit	\$2,224	\$-	\$-	\$-	\$-
Financial instruments not subject to IFRS 9 impairment requirements:					
Financial assets at fair value through profit or loss	232,216	-	-	-	-
Financial assets at fair value through other comprehensive income or loss	83,261	-	-	-	-
Total	\$317,701	\$-	\$-	\$-	\$-

December 31, 2024	Carrying Value	Decrease Amount of Credit Risk			Maximum Exposure Total
		Collateral	Net Settlement Agreement	Other Credit Strengthening	
Financial instruments subject to IFRS 9 impairment requirements and derogated from credit	\$825	\$-	\$-	\$-	\$-

Financial instruments not subject to IFRS 9 impairment requirements:

Financial assets at fair value through profit or loss	233,751	-	-	-	-
Financial assets at fair value through other comprehensive income or loss	84,619	-	-	-	-
Total	\$319,195	\$-	\$-	\$-	\$-

March 31, 2024	Carrying Value	Decrease Amount of Credit Risk Maximum Exposure			Total
		Collateral	Net Settlement Agreement	Other Credit Strengthening	
Financial instruments subject to IFRS 9 impairment requirements and derogated from credit	\$3,080	\$-	\$-	\$-	\$-
Financial instruments not subject to IFRS 9 impairment requirements:					
Financial assets at fair value through profit or loss	350,821	-	-	-	-
Financial assets at fair value through other comprehensive income or loss	67,010	-	-	-	-
Total	\$420,911	\$-	\$-	\$-	\$-

C. Liquidity risk

a. Liquidity risk management:

There were no significant changes in the Group's objects and policies for liquidity risk management for the three months end March 31, 2025 as compared with the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 12(2) of the consolidated financial statements for the year ended December 31, 2024 for the related information.

b. Financial liabilities with repayment periods:

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods.

	March 31, 2025						
Non-derivative Financial liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans	\$20,000	\$6,500	\$-	\$-	\$-	\$26,500	\$26,500
Notes payable	3,412	-	-	-	-	3,412	3,412

Accounts payable	211,941	-	-	-	-	211,941	211,941
Other payables	159,559	-	-	-	-	159,559	159,559
Long-term loans	17,666	17,734	71,176	178,800	22,286	307,662	307,662
(Inclusive of current portion)							
Bonds payable	-	-	-	368,011	-	368,011	368,011
Lease liabilities	9,689	9,031	19,960	35,910	81,406	155,996	132,470
Guarantee deposits	-	71,056	-	-	-	71,056	71,056
Total	<u>422,267</u>	<u>\$104,321</u>	<u>\$91,136</u>	<u>\$582,721</u>	<u>\$103,692</u>	<u>\$1,304,137</u>	<u>\$1,280,611</u>

Derivative Financial liabilities	December 31, 2025						
	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flow	Carrying amount
	\$-	\$ 1,335	\$-	\$-	\$-	\$-	\$1,335
Financial liabilities at FVTPL – Derivative instruments							

Further information for lease liabilities with repayment periods was as follows:

Item	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Undiscounted
							payments
Lease liabilities	\$18,720	\$55,870	\$30,086	\$28,053	\$17,634	\$5,633	\$155,996

Non-derivative Financial liabilities	December 31, 2024						
	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flow	Carrying amount
	\$-	\$ 5,000	\$-	\$-	\$-	\$5,000	\$5,000
Short-term loans	\$-	\$ 5,000	\$-	\$-	\$-	\$5,000	\$5,000
Notes payable	3,814	-	-	-	-	3,814	3,814
Accounts payable	212,684	-	-	-	-	212,684	212,684
Other payables	162,168	-	-	-	-	162,168	162,168
Long-term loans (Inclusive of current portion)	8,458	17,571	53,440	206,360	22,702	308,531	308,531
Bonds payable	-	-	-	388,700	-	388,700	373,695
Lease liabilities	13,245	9,391	18,777	38,864	82,882	163,159	138,900
Deposits receive	-	71,056	-	-	-	71,056	71,056
Total	<u>\$400,369</u>	<u>\$103,018</u>	<u>\$72,217</u>	<u>\$633,924</u>	<u>\$105,584</u>	<u>\$1,315,112</u>	<u>\$1,275,848</u>

Further information for lease liabilities with repayment periods was as follows:

Item	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Undiscounted
							payments
Lease liabilities	\$22,636	\$57,641	\$28,345	\$29,868	\$18,791	\$5,878	\$163,159

Non-derivative Financial liabilities	March 31, 2024						
	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flow	Carrying amount
	\$2,675	\$-	\$-	\$-	\$-	\$2,675	\$2,675
Short-term loans	\$2,675	\$-	\$-	\$-	\$-	\$2,675	\$2,675
Notes payable	4,003	-	-	-	-	4,003	4,003

Accounts payable	206,813	-	-	-	-	206,813	206,813
Other payables	176,791	-	-	-	-	176,791	176,791
Long-term loans	8,586	8,656	40,710	139,516	23,788	221,256	221,256
(Inclusive of current portion)							
Bonds payable	-	-	-	758,100	-	758,100	720,216
Lease liabilities	12,074	12,099	16,862	46,538	87,309	174,882	148,353
Deposits receive	-	71,056	-	-	-	71,056	71,056
Total	410,942	\$91,811	\$57,572	\$944,154	\$111,097	\$1,615,576	\$1,551,163

Further information for lease liabilities with repayment periods was as follows:

Item	Undiscounted payments						
	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	
Lease liabilities	\$24,173	\$63,400	\$28,564	\$29,867	\$22,265	\$6,613	\$174,882

The Group does not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

2. Categories of financial instruments

The carrying value of financial assets and liabilities of the Group as of March 31, 2024, December 31, 2023 and March 31, 2023 was as follows:

Financial assets	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets measured at amortized cost			
Cash and cash equivalents	\$760,829	\$730,387	\$700,711
Notes and accounts receivable	499,154	531,765	429,587
Other receivables	23,322	6,311	5,505
Other financial assets - current	17,919	117,419	340,320
Other financial assets - non-current	5,900	5,900	6,900
Refundable deposits	11,924	11,828	11,284
Financial asset at fair value through profit or loss - current	232,216	233,751	350,821
Financial asset at fair value through other comprehensive income or loss –non-current	83,261	84,619	67,010
Financial liabilities			
Financial liabilities measured at amortized cost			
Short-term loans	26,500	5,000	2,675
Notes and accounts payable (including related parties)	215,353	216,498	210,816
Other payables (including related parties)	159,559	162,168	176,791

Long-term loans (including current portion)	307,662	308,531	221,256
Bonds payable (including current portion)	368,011	373,695	720,216
Lease liabilities (including current and noncurrent)	132,470	138,900	148,353
Deposits receive	71,056	71,056	71,056
Financial liability at fair value through profit or loss - current	1,335	-	-

(4) Fair value information

- A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(4) C. illustration.
- B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates, on-the-run Taiwan central government bonds and derivative instruments with quoted market prices is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investments in government bonds, corporate bonds, financial debentures, convertible bonds, and most derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investments in some derivative instruments and equity instruments without active market is included in level 3.

C. Financial instruments that are not measured at fair value

The Group considers that the carrying amounts of financial instruments including cash and cash equivalents, receivables, other financial assets, refundable (guarantee) deposits, short-term loans, payables, long-term loans (including current portion of long-term loans) that are not measured at fair value approximate their fair values.

Item	Carrying amount	March 31, 2025		
		Fair value		
		Level 1	Level 2	Level 3
Financial Liabilities:				

Bonds payable	\$368,011	\$553,648	\$-	\$-
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December 31, 2024				
Item	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial Liabilities:				
Bonds payable	\$373,695	\$532,519	\$-	\$-

March 31, 2024				
Item	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial Liabilities:				
Bonds payable	\$720,216	\$1,106,826	\$-	\$-

D. The related information of fair value by level

The related information of financial instruments measured at fair value on a recurring basis by level is as follows:

Item	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value</u>				
Financial assets at FVTPL-current				
Non-derivative financial assets held for trading	\$232,216	\$-	\$-	\$232,216
Financial assets measured at FVTOCI-non-current				
Domestic unlisted stocks	-	-	83,261	83,261
Total	\$232,216	\$-	\$83,261	\$315,477

Liabilities:

Recurring fair value

Financial liabilities at FVTPL-current

Redemption and put options of convertible bonds

\$-	\$1,335	\$-	\$1,335
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December 31, 2024				
Item	Level 1	Level 2	Level 3	Total

Assets:				
<u>Recurring fair value</u>				
Financial assets at FVTPL-current				
Non-derivative financial assets held for trading	\$232,546	\$-	\$-	\$232,546
Redemption and put options of convertible bonds	-	622	-	622
Foreign Exchange Swaps	-	583	-	583
Financial assets measured at FVTOCI- non-current				
Domestic unlisted stocks	-	-	84,619	84,619
Total	<u>\$232,546</u>	<u>\$1,205</u>	<u>\$84,619</u>	<u>\$318,370</u>

Item	March 31, 2024			Total	
	Level 1	Level 2	Level 3		
Assets:					
<u>Recurring fair value</u>					
Financial assets at FVTPL-current					
Non-derivative financial assets held for trading	\$350,244	\$-	\$-	\$350,244	
Redemption and put options of convertible bonds	76	-	-	76	
Foreign Exchange Swaps	501	-	-	501	
Financial assets measured at FVTOCI-non-current					
Domestic unlisted stocks	-	-	41,842	41,842	
Domestic listed stocks	<u>25,168</u>	<u>-</u>	<u>-</u>	<u>25,168</u>	
Total	<u>\$375,412</u>	<u>\$577</u>	<u>\$41,842</u>	<u>\$417,831</u>	

E. (A) The fair value of financial instruments with quoted prices in active markets is the quoted market prices. Market prices published by major trading centers and exchanges for on-the-run government bonds are the basis for the fair value of listed equity instruments and debt instruments with quoted prices in active markets.

A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry guild, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If one of the conditions fails, the market is not deemed active. In general, indications of an inactive market include a wide bid-ask spread, a significant increase in the bid-ask spread and low level of trading volume.

The fair value of financial instruments with active markets held by the Group are stated by their natures and types as follows:

- a. Listed stocks: closing prices.
- b. closed-end fund : closing prices.
- c. Open-end funds: net worth.
- d. government bonds: final price.
- e. corporate bonds : Weighted average price of \$100. °
- f. Convertible (exchangeable) corporate bonds: closing price.

(B) Except for the above-mentioned financial instruments with active markets, the fair values of other financial instruments are obtained by evaluation techniques or by referring to quotations from counterparties. The fair value obtained through evaluation techniques can refer to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other evaluation techniques. Including calculations based on market information available at the balance sheet date using models.

(C) The evaluation of derivative financial instruments is based on evaluation models widely accepted by market users, such as discount method and option pricing model. Forward foreign exchange contracts are usually evaluated based on the current forward exchange rate.

(D) The output of the evaluation model is an estimated value, and the evaluation technology may not reflect all the relevant factors of the financial instruments and non-financial instruments held by the group. Therefore, the estimated value of the evaluation model will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk. According to the group's fair value evaluation model management policy and related control procedures, the management believes that in order to fairly express the fair value of financial instruments and non-financial instruments in the balance sheet, evaluation adjustments are appropriate and necessary.

F. Transfers between Level 1 and Level 2 fair value hierarchy: None.

G. Statement of changes in Level 3 fair value hierarchy:

Item	Investment in unquoted financial instruments	
	Three Months Ended March 31	
	2025	2024
Balance at January 1	\$84,619	\$26,176
Additions	3,264	10,296
Recognized in other comprehensive income	(4,622)	5,370

Balance at March 31	\$83,261	\$41,842
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H. Quantitative information for fair value measurement of significant unobservable inputs (Level 3):

The fair value of unlisted (counter) group stocks held by the group without an active market is mainly estimated by the market method, and its judgment is based on the evaluation of similar companies, the group's net worth and operating conditions.

The significant unobservable input values used in fair value measurement are listed in the following table:

2025.03.31

Item	evaluation technique	Significant unobservable input value	Interval	Relationship between input value and fair value
Financial assets at FVTOCI - stocks	market approach	Lack of Liquidity Discount Rate	24.83%-28.28%	The higher the liquidity discount, the lower the fair value estimate

2024.12.31

Item	evaluation technique	Significant unobservable input value	Interval	Relationship between input value and fair value
Financial assets at FVTOCI - stocks	market approach	Lack of Liquidity Discount Rate	20.84%-28.28%	The higher the liquidity discount, the lower the fair value estimate

2024.03.31

Item	evaluation technique	Significant unobservable input value	Interval	Relationship between input value and fair value
Financial assets at FVTOCI - stocks	market approach	Lack of Liquidity Discount Rate	25.52%	The higher the liquidity discount, the lower the fair value estimate

I. Valuation process for Level 3 fair value measurement:

Valuation process regarding fair value Level 3 is conducted, by which the independence of fair value of financial instruments is verified through use of independent data source in order to make the valuation results close to market conditions. Such valuation results are regularly reviewed so as to ensure their reasonableness.

(5) Transfer of financial assets: None.

(6) Offset of financial assets and liabilities: None.

13. SUPPLEMENTARY DISCLOSURES

- A. Information on significant transactions (before consolidated elimination)
 - a. Loans provided to other parties: Table 1.
 - b. Endorsement/guarantee provided: Table 2.
 - c. Marketable securities held: Table 3.
 - d. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None.
 - e. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
 - f. The business relationship between the parent and the subsidiaries and significant transactions between them: Table 5.
- B. Information on investees (before consolidated elimination): Table 6.
- C. Information on investments in Mainland China (before consolidated elimination):
Table 7.

Table 1

E&R ENGINEERING CO., LTD AND SUBSIDIARIES

Financings provided

March 31, 2025

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Company's Total Financing Amount Limits (Note 2)		
													Item	Value			
0	E&R Engineering Co., LTD	Wuxi E&R Semiconductor Material Technology	Other receivables - related parties (Note 4)	Yes	27,806 (USD837)	27,806 (USD 837)	27,806 (USD 837)	-	1 (Note 5 and 6)	44,611	-	-	-	-	-	1,103,804	1,103,804
		JS Superior Technology Semiconductor CO., LTD	Other receivables - related parties	Yes	6,642 (USD156 ; RMB316)	6,642 (USD156:RMB316)	6,642 (USD156:RMB316)	-	1 (Note 6)	83,970	-	-	-	-	-	1,103,804	1,103,804
		JS Superior Technology Semiconductor CO., LTD	Other receivables - related parties	Yes	481,473 (USD 14,500)	381,858 (USD 11,500)	367,751 (RMB 79,500)	1.50%	2	-	Operating capital	-	-	-	-	-	1,103,804
1	JS Superior Technology Semiconductor CO., LTD	Chen-Tai Trade (shanghai) Co., Ltd.	Other receivables - related parties	Yes	64,761 (RMB14,000)	27,755 (RMB 6,000)	27,755 (RMB 6,000)	1.50%	2	-	Operating capital	-	-	-	-	51,943 (RMB11,229)	51,943 (RMB11,229)

Note 1. The company and Subsidiaries' financing limits for each borrowing company:

Shall not exceed 40% of the Company's net worth.

Note 2. The maximum balance of financing activities to the company and subsidiaries': Shall not exceed lending company's net worth 40%.

Note 3. The code represents the nature of financing activities as follows:

■Related to trading partner is "1".

■Short-term financing is "2".

Note 4. In principle, the Company tries to handle payment collection for goods sold by related parties in accordance with the payment collection policy for the same transaction with non-related parties. However, if the above-mentioned policies cannot be implemented due to insufficient funds of the related party or due to losses, the company will fully support the operation of the subsidiary to

implement the company's mainland market business goals as a more important consideration. The company has also transferred the overdue accounts receivable from Wuxi E&R to other receivables, amounting to \$27,806 thousand. The overdue accounts receivable from Jiangsu Superior Technology Semiconductor, amounting to \$6,642 thousand, has also been reclassified as other receivables.

Note 5. For Wuxi E&R's purchase of raw materials, the company lists it as a collection and payment process and does not purchases and sales.

Note 6: Refers to the transaction amounts for the year 2024.

Note 7. The above parent-subsidiary transactions have been reversed.

Table2

**E&R ENGINEERING CO., LTD AND SUBSIDIARIES
ENDORSEMENTS/GUARANTEES PROVIDED
March 31, 2025**

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Endorsers	Endorsees		Endorsement Limit for a Single Entity (Note 2)	Highest Balance During the Period	Ending Balance	Actual Amount Drawn	Balance Secured by Collaterals	Ratio of Accumulated Amount to net Worth of the Company	Maximum Amount of Endorsement (Note 3)	Provision of Endorsements by Parent Company to Subsidiary	Provision of Endorsements by Subsidiary to Parent Company	Provision of Endorsements to the Party in Mainland China
		Name of endorsee	Relationship (Note 1)										
0	E&R Engineering Co., LTD	Tech Wave Technology Co., Ltd	2	551,902	20,000	20,000	-	-	0.72%	1,379,755	Y	-	-

Note1 : The following code represents the relationship with the Company:

- (1) Trading partner.
- (2) Majority owned subsidiary
- (3) The Company direct and indirect owns over 50% ownership of the investee company.
- (4) A subsidiary jointly owned over 90% by the Company
- (5) Guaranteed by the Company according to the construction contract.
- (6) An investee company. The guarantees were provided based on the Company's proportionate share in the investee company.
- (7) Joint and several guaranteed by the Company according to the pre-construction contract under Consumer protection Act.

Note 2 : Endorsements/guarantees provided by the Company to a single enterprise and a single foreign affiliate shall not exceed 20% and 30% of the Company's net worth, respectively.

Note 3 : The maximum amount of the endorsements/guarantees provided by the Company shall not exceed 50% of the Company's net worth.

Table 3

E&R ENGINEERING CO., LTD AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
March 31, 2025

(Amounts in Thousands of New Taiwan Dollars: thousand shares)

Investor	Type and Name of Securities	Relationship with the Issuer	General Ledger Account	Ending balance				Remarks
				Number of Shares (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	
E&R Engineering Co., LTD	Stock—Major Power Technology Co.,Ltd.	-	Financial assets at FVTPL - current	45	7,065	0.17%	7,065	
	Stock—Skytech Inc.	-	Financial assets at FVTPL - current	240	53,400	0.36%	53,400	
	Stock—Global Tek Fabrication Co., Ltd.	-	Financial assets at FVTPL - current	110	7,271	0.10%	7,271	
	Fund—Allianz Global InvestorsB	-	Financial assets at FVTPL - current	620	4,398	-	4,398	
	Fund—TACB currency market	-	Financial assets at FVTPL - current	13,327	141,211	-	141,211	
	Fund—Cathay Taiwan Money Market Fund-TWD	-	Financial assets at FVTPL - current	298	2,872	-	2,872	
	Fund—Cathay Taiwan Money Market Fund-USD	-	Financial assets at FVTPL - current	49	15,999	-	15,999	
		-	Total		232,216		232,216	
	Stock—LEDlas Corp.		Financial assets at FVTOCI – non-current	3,667	6,888	9.38%	6,888	
	Stock—Uniconn Interconnections Technology Co., Ltd.		Financial assets at FVTOCI – non-current	579	32,015	1.00%	32,015	

	Type and Name of Securities	Relationship with the Issuer	General Ledger Account	Ending balance				Remarks
				Number of Shares (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	
Investor	Stock - Shyawei Optronics Corporation	-	Financial assets at FVTOCI – non-current	1,640	33,892	16.40%	33,892	
	Stock – King Tech Vietnam Corporation	-	Financial assets at FVTOCI – non-current	412	10,466	19.80%	10,466	
			Total		83,261		83,261	

Table 4

E&R ENGINEERING CO., LTD AND SUBSIDIARIES
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
March 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Counter-party	Relationships	Balance of Receivables-Related Parties	Turnover ratio	Overdue Receivables - Related Parties		Amount Reclaimed-Subsequent	Allowance for Bad Debt
					Amount	Handling method		
E&R Engineering Co., LTD	JS Superior Technology Semiconductor CO., LTD	Parent-subsidiary	Account Receivable 53,477	1.48	-	-	-	-
			Other Receivable 387,235	Note 1.	-	-	-	-

Note 1. Mainly other receivables, hence it is not applicable to be used in calculation of turnover ratio.

Note 2. The above parent-subsidiary transactions have been reversed

Table 5

E&R ENGINEERING CO., LTD AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
March 31, 2025

Individual transaction amounts that do not exceed 10 million will not be disclosed ; In addition, the asset side and income side are used as disclosure methods, and their relative transactions will no longer be disclosed.

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Nature of Rela- tion ship (Note 2)	Intercompany Transactions				Percentage of Consolidated Net Revenue or Total Assets (Note 3)
				Account	Amount	Terms		
0	E&R ENGINEERING CO., LTD	JS Superior Technology Semiconductor CO., LTD	1	Sales Account Receivable	19,722 53,477	The remaining transactions between the parent and subsidiaries are with no similar transactions. The trading conditions are negotiated by engaging parties. The payment terms were within 270 days.	6.26%	
		Wuxi E&R Semiconductor Material Technology	1	Accounts Receivable	41,175 (Note4)	The remaining transactions between the parent and subsidiaries are with no similar transactions. The trading conditions are negotiated by engaging parties. The payment terms were within 270 days.	0.99%	
		DG E&R Semiconductor Materials	1	Accounts receivable	38,227 (Note 4)	The remaining transactions between the parent and subsidiaries are with no similar transactions. The trading conditions are negotiated by engaging parties. The payment terms were within 270 days.	0.92%	
		Wuxi E&R Semiconductor Material Technology	1	Other receivable	27,806	(Note 5)	0.67%	

No. (Note 1)	Company Name	Counterparty	Nature of Rela tion ship (Note 2)	Intercompany Transactions				Percentage of Consolidated Net Revenue or Total Assets (Note 3)
				Account	Amount	Terms		
0	E&R Engineering CO., LTD	JS Superior Technology Semiconductor CO., LTD	1	Other receivable	367,751	(Note 6)		8.82%
		JS Superior Technology Semiconductor CO., LTD	1	Other receivable	15,230	The remaining transactions between the parent and subsidiaries are with no similar transactions. The trading conditions are negotiated by engaging parties. The payment terms were within 270 days.		0.37%
1	DG E&R Semiconductor Materials	E&R Semiconductor Materials Ltd	2	Sales revenues Accounts receivable	24,775 41,858	The remaining transactions between the parent and subsidiaries are with no similar transactions. The trading conditions are negotiated by engaging parties. The payment terms were within 270 days.		7.87% 1.00%
2	JS Superior Technology Semiconductor CO., LTD	Chen-Tai Trade (shanghai) Co., Ltd.	3	Other receivable	27,755	(Note 6)		0.67%

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

- (1) The issuer is represented in 0.
- (2) The investee company is numbered sequentially from Arabic numeral 1.

Note 2: There are three types of relationships with traders. The type of mark is as follows:

- (1) No. 1 represents the transactions from parent company to subsidiary.
- (2) No. 2 represents the transactions from subsidiary to parent company.
- (3) No. 3 represents the transactions between subsidiaries.

Note 3: The ratio of transaction amount to consolidated revenues or total assets is calculated as follows:

- (1) asset/liability items: ending balance to total assets;
- (2) profit and loss items: accumulated amount to consolidated revenues.

Note 4: For subsidiaries purchase of raw materials, the company lists it as a collection and payment process and does not purchases and sales.

Note 5: The overdue accounts receivable.

Note 6: Mainly financing arrangements, etc.

Note 7: The above parent-subsidiary transactions have been reversed.

Table 6

E&R ENGINEERING CO., LTD AND SUBSIDIARIES
Information on investees
March 31, 2025

(Amounts in Thousands of New Taiwan Dollars, Shares and Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Product	Original Investment Amount		Balance as of March 31, 2024			Shareholding ratio x net value of the invested company at the end of the period	Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Dividend distribution of the investee company in the current period		Remark
				As of March 31, 2024	As of March 31, 2023	Shares	Percentage of Ownership	Carrying Value				stock dividend	cash dividend	
E&R Engineering Co., LTD	Tech Wave Technology Co., Ltd	New Taipei	Flexible circuit board manufacturing, processing and trading	23,000	23,000	2,500	51.43%	14,950	14,950	(3,420)	(1,759)	-	-	-
	E&R Semiconductor Materials Ltd	Hong Kong	Semiconductor packaging material buying and selling	84,839 (HK20,392)	84,839 (HK20,392)	15,000	100%	63,735	66,815	(9,211)	(9,138)	-	-	-
	ENRICHMENT TECH. CORPORATION	Samoa	investment holding	117,730 (USD 3,186+ NTD18,589)	117,730 (USD 3,186+ NTD18,589)	7,290	100%	49,534	49,881	(1,104)	(1,104)	-	-	-
	EXCELLENT INTERNATIONAL HOLDING LIMITED	British Virgin Islands	investment holding	286,430 (USD9,709)	286,430 (USD9,709)	9,709	100%	96,203	117,667	(32,491)	(32,491)	-	-	-
	EXCELLENT TECHKNOWLEDGIES HOLDINGS PTE LTD	Singapore	investment holding	3,291 (USD101)	3,291 (USD101)	101	100%	3,447	3,447	21	21	-	-	-
ENRICHMENT TECH. CORPORATION	ENR APPLIED PACKING MATERIAL CORPORATION	Samoa	investment holding	116,979 (USD3,886)	116,979 (USD3,886)	10,755	100%	43,625 (USD1,314)	43,625 (USD1,314)	(949) (USD -29)	(949) (USD -29)	-	-	-

Note : The above parent-subsidiary transactions have been reversed.

Table 7

E&R ENGINEERING CO., LTD AND SUBSIDIARIES
Information on investments in Mainland China
March 31, 2025

(Amounts in Thousands of New Taiwan Dollars, Shares and Foreign Currencies)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note A)	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 Company	Percentage of Ownership	Share of Profit/Loss (Note B)	Carrying Amount as of March 31, 2025	Accumulated Inward Remittance of Earnings as of March 31, 2025
					Outflow	Inflow						
DG E&R Semiconductor Materials	Production and sales of semiconductor packaging materials	HK 28,180 (Note 1)	(2)	120,295 (HK 28,180)	-	-	120,295 (HK 28,180)	(7,286) (HK-1,726)	100%	(7,286) (HK-1,726) (2).3	66,549 (HK 15,590)	-
Wuxi E&R Semiconductor Material Technology	Production and sales of semiconductor packaging materials	USD 5,000 (Note 2)	(2)	168,681 (USD 5,080)	-	-	168,681 (USD 5,080)	(949) (USD-29)	100%	(949) (USD-29) (2).3	43,560 (USD 1,312)	-
Chen-Tai Trade (shanghai) Co., Ltd	Automation equipment after-sales service	USD 500	(2)	16,603 (USD 500)	-	-	16,603 (USD 500)	(156) (USD-5)	100%	(156) (USD-5) (2).3	8,165 (USD 246)	-
JS Superior Technology Semiconductor CO., LTD	Production and sales of Automation equipment	RMB 71,900	(2)	301,372 (RMB 65,150)	-	-	301,372 (RMB 65,150)	(35,857) (USD-1,092)	100% (Note 3)	(35,857) (USD-1,092) (2).3	129,858 (USD 3,911)	-

Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
120,295(HK 28,180) (Note 4)	120,295(HK 28,180) (Note 1)	(Note 5)
1668,681(USD 5,080) (Note 4)	174,559(USD 5,257) (Note 2)	
16,603(USD 500) (Note 4)	16,603(USD 500)	
301,372(RMB 65,150) (Note 4)	417,017(RMB 90,150)	

(Note 1) The company's investment in DG E&R Semiconductor Materials is reinvested through E&R Semiconductor Materials Ltd. Hong Kong's investment in DG E&R Semiconductor Materials includes fixed asset valuation investment and cash investment, with a total of HK\$28,180 thousand. In addition, the company purchased additional shares in E&R Semiconductor Materials Ltd (Hong Kong) in May 2022, which increased the company's indirect shareholding in DG E&R Semiconductor Materials from 81% to 90%. Therefore, the company's investment amount in mainland China was calculated as HK\$25,443 thousand based on the shareholding ratio. Additionally, the company purchased additional shares in E&R Semiconductor Materials Ltd (Hong Kong) in August 2023, which increased the company's indirect shareholding in DG E&R Semiconductor Materials from 90% to 100%. Therefore, the company's investment amount in mainland China is calculated as HK\$28,180 thousand based on the shareholding ratio.

(Note 2) The company's investment in Wuxi E&R Semiconductor Material Technology is through ENRICHMENT TECH.CORPORATION's investment in ENR APPLIED PACKING MATERIAL CORPORATIO, then the company will reinvest in Wuxi E&R Semiconductor Material Technology, ENR APPLIED PACKING MATERIAL CORPORATION's investment in Wuxi E&R Semiconductor Material Technology includes fixed asset valuation investment and cash investment of USD\$5,080 thousand (the actual capital verification capital is USD\$5,080 thousand, and the company's registered capital is USD\$5,000 thousand).

(Note 3) The company's investment in JS Superior Technology Semiconductor CO., LTD from 90.61% to 100%. Investment by Chen-Tai Trade (shanghai) Co., Ltd with their funds.

(Note 4) The accumulative investment amount remitted from Taiwan to the mainland at the end of the period is calculated based on the company's paid-in capital of the mainland investee company and the shareholding ratio of direct or indirect investment.

(Note 5) Enterprises operating headquarters approved by the Ministry of Economic Affairs are not subject to restrictions on the amount or ratio.

(Note A) The investment methods are divided into the following three types:

- (1) Investing directly to the Mainland China
- (2) Reinvesting in the Mainland China through third-region companies (please refer to Table 6)
- (3) Others.

(Note B) In the current period, the investment profit and loss column is recognized:

- (1) If during incorporation with no investment income or loss, it should be indicated;
- (2) The basis for recognition of investment gains and losses divided into the following three types, which should be indicated:
 1. Audited financial statements by international accounting firms with cooperation relationship with accounting firms in the Republic of China.
 2. Audited financial statements by parent company's auditors.
 3. Others.

(2) The company's major transactions with mainland investee companies in 2025 are listed as follows:

1. Loans provided with mainland investment company: refer to Table 1 attached in Note 13.

2. Endorsements / guarantees with mainland investment company: None.
3. Significant transactions with mainland investment company: refer to Table 5 attached in Note 13.

(3) The above parent-subsidiary transactions have been reversed.

14. SEGMENT INFORMATION

(1) General information

For management purpose, the Group's reportable segments are listed as follows:

A. Automation Equipment: Mainly engaging in production and sales of automation equipment.

B. Flexible Circuit Board: Mainly engaging in flexible circuit board manufacturing, processing and trading.

C. Semiconductor Packing Materials: Mainly engaging in manufacturing and sales of semiconductor packaging materials

(2) Measurement basis

The Group uses profit before income tax as the measurement for segment profit and the basis of performance assessment. There was no material inconsistency between the accounting policies of the operating segment and the accounting policies described in Note 4.

(3) Segment financial information

(In thousands)

Three Months Ended March 31, 2025	Automation Equipment	Flexible Circuit Board	Semiconductor Packaging Materials	Elimination	Total
Sales from external customers	\$227,416	\$9,905	\$77,591	\$-	\$314,912
Sales among inter-segment	27,859	-	24,899	(52,758)	-
Total sales	\$255,275	\$9,905	\$102,490	(\$52,758)	\$314,912
Operating profit (loss)	(\$59,521)	(\$3,115)	(\$10,434)	(\$2,466)	(\$75,536)
Segment assets	\$-	\$-	\$-	\$-	\$4,170,775
Segment liabilities	\$-	\$-	\$-	\$-	\$1,397,145

Three Months Ended March 31, 2024	Automation Equipment	Flexible Circuit Board	Semiconductor Packaging Materials	Elimination	Total
Sales from external customers	\$211,608	\$11,576	\$64,663	\$-	\$287,847
Sales among inter-segment	55,489	12	18,093	(73,603)	-
Total sales	\$267,106	\$11,588	\$82,756	(\$73,603)	\$287,847
Operating profit (loss)	(\$58,523)	(\$3,528)	(\$10,839)	\$591	(\$72,299)
Segment assets	\$-	\$-	\$-	\$-	\$4,141,668
Segment liabilities	\$-	\$-	\$-	\$-	\$1,656,529

(4) Production and service information: No disclosure requirement for interim financial statements.

- (5) Geographic information: No disclosure in requirement for interim financial statements.
- (6) Major customers: No disclosure in requirement for interim financial statements.