JMC Electronics Co., Ltd.

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

INDEPENDENT AUDITORS' REVIEW REPORT

JMC Electronics Co., Ltd.

Introduction

We have reviewed the accompanying financial statements of JMC Electronics Co., Ltd. (the "Corporation"), which comprise the balance sheets as of March 31, 2025 and 2024, and the statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").The management is responsible for the preparing and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the financial statements based on the result of reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Corporation as of March 31, 2025 and 2024, and of its financial performance and its cash flows for the three months then ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

As stated in Note 32 of the financial statements, Chipbond Technology Corp. filed a criminal incidental civil lawsuit against the Corporation for the breach of trade secrets and requested compensation for damages amounting to NT$1,000,000 thousand, as well as a civil lawsuit for the infringement of trade secrets, seeking indemnification of NT$1,765,137 thousand. Additional claims for damages were subsequently filed starting in August 2021. The lawyer entrusted by the Corporation assessed that the litigation case had no significant adverse impact on the Corporation. Therefore, the management of the Corporation assessed that the lawsuit would not have a significant impact on the Corporation's business and financial position. As of May 8, 2025, the aforementioned case has not been adjudicated by the court. The litigation case is a significant matter during the financial reporting period and involves the use of management's material estimates and expert reports.

Our review conclusion is not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditor's review report are Chao-Chun Wang and Xiu-wen Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 2025

Notice to Readers

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying 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 financial statements shall prevail.

JMC ELECTRONICS CO., LTD.

BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2025		December 31, 2024		March 31, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6)	$ 614,515	15	$ 555,035	14	$ 616,052	14
Financial assets at fair value through other comprehensive income - current (Notes 8)	2,080	-	2,061	-	6,083	-
Accounts receivable, net (Notes 9)	238,550	6	268,740	6	334,964	8
Accounts receivable - related parties (Notes 9 and 30)	21,633	1	24,592	1	22,217	1
Other receivables (Note 30)	14,031	-	17,266	-	11,335	-
Current tax assets	1,449	-	1,389	-	1,524	-
Inventories (Notes 10)	252,088	6	251,585	6	219,283	5
Other financial assets - current (Note 31)	2,395	-	2,395	-	1,785	-
Other current assets (Note 11)	20,558	1	29,083	1	22,783	1
Total current assets	1,167,299	29	1,152,146	28	1,236,026	29
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 17)	-	-	50	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8)	1,068,902	26	1,082,455	27	984,368	23
Investments accounted for using equity method (Notes 12)	312,051	8	301,260	7	299,207	7
Property, plant and equipment (Notes 13)	1,340,026	33	1,407,187	35	1,675,425	39
Right-of-use assets (Notes 14)	38,722	1	43,295	1	57,014	1
Deferred tax assets	32,836	1	17,808	-	14,085	-
Prepayments for equipment	22,621	1	32,975	1	22,563	-
Refundable deposits (Note 30)	3,288	-	3,288	-	3,328	-
Net defined benefit assets - non-current (Notes 4)	5,094	-	5,094	-	2,126	-
Other non-current assets (Note 15)	35,115	1	36,152	1	34,209	1
Total non-current assets	2,858,655	71	2,929,564	72	3,092,325	71
TOTAL	$ 4,025,954	100	$ 4,081,710	100	$ 4,328,351	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	$ 100,000	2	$ -	-	$ 30,000	1
Financial liabilities at fair value through profit or loss - current (Notes 7 and 17)	-	-	-	-	10,900	-
Contract liabilities - current (Note 23)	8,196	-	4,490	-	7,826	-
Accounts payable (Notes 18 and 30)	149,205	4	149,732	4	150,739	4
Other payables (Notes 19 and 30)	155,476	4	165,166	4	169,586	4
Lease liabilities - current (Notes 4, 14 and 30)	19,483	1	19,362	1	19,004	-
Current portion of bonds payable (Note 17)	-	-	-	-	490,022	11
Current portion of long-term borrowings (Note 16)	255,622	6	255,622	6	281,445	7
Other current liabilities (Notes 20)	1,498	-	4,859	-	15,405	-
Total current liabilities	689,480	17	599,231	15	1,174,927	27
NON-CURRENT LIABILITIES						
Bonds payable (Notes 17)	493,989	12	492,994	12	-	-
Long-term borrowings (Note 16)	207,408	5	270,824	6	460,281	11
Deferred tax liabilities	2,126	-	2,306	-	2,611	-
Lease liabilities - non-current (Notes 14 and 30)	22,318	1	27,234	1	41,801	1
Guarantee deposits received (Note 30)	665	-	665	-	665	-
Other non-current liabilities	199	-	328	-	1,213	-
Total non-current liabilities	726,705	18	794,351	19	506,571	12
Total liabilities	1,416,185	35	1,393,582	34	1,681,498	39
EQUITY (Note 22)						
Ordinary shares	830,000	21	830,000	21	830,000	19
Capital surplus	625,489	15	625,489	15	640,167	15
Retained earnings						
Legal reserve	160,139	4	160,139	4	159,003	4
Unappropriated earnings	560,734	14	618,215	15	607,660	14
Total retained earnings	720,873	18	778,354	19	766,663	18
Other equity	433,407	11	454,285	11	410,023	9
Total equity	2,609,769	65	2,688,128	66	2,646,853	61
TOTAL	$ 4,025,954	100	$ 4,081,710	100	$ 4,328,351	100

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

JMC ELECTRONICS CO., LTD.

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	$ 437,539	100	$ 491,905	100
OPERATING COSTS (Notes 10, 24 and 30)	481,255	110	457,261	93
GROSS PROFIT	(43,716)	(10)	34,644	7
OPERATING EXPENSES (Notes 24)				
Selling and marketing expenses	5,391	1	6,020	1
General and administrative expenses	21,696	5	17,860	4
Research and development expenses	17,779	4	14,405	3
Total operating expenses	44,866	10	38,285	8
PROFIT (LOSS) FROM OPERATIONS	(88,582)	(20)	(3,641	(1)
NON-OPERATING INCOME AND EXPENSES (Notes 12 , 24 and 30)				
Interest income	839	-	3,239	1
Other income	8,653	2	7,745	2
Other gains and losses	7,950	2	23,600	5
Finance costs	(3,903)	(1)	(4,731	(1)
Share of profit of associates	2,354	-	1,792	-
Total non-operating expenses	15,893	3	31,645	7
PROFIT (LOSS) BEFORE INCOME TAX	(72,689)	(17)	28,004	6
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 25)	(15,208)	(4)	5,912	1
NET PROFIT (LOSS) FOR THE PERIOD	(57,481)	(13)	22,092	5
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	(29,315)	(7)	82,527	17
Share of the other comprehensive income of associates	8,437	2	12,174	2
Other comprehensive income for the period ,net of income tax	(20,878)	(5)	94,701	19
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	($ 78,359)	(18)	$ 116,793	24
EARNINGS PER SHARE (Note 23)				
Basic	($ 0.69)		$ 0.27	
Diluted	($ 0.69)		$ 0.27	

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

JMC ELECTRONICS CO., LTD.

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

			Retained Earnings			Other Equity	
	Ordinary Shares	Capital Surplus	Legal Reserve	Unappropriated Earnings	Total	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2025	$ 830,000	$ 625,489	$ 160,139	$ 618,215	$ 778,354	$ 454,285	$ 2,688,128
Net profit for the three months ended March 31, 2025	-	-	-	(57,481)	(57,481)	-	(57,481)
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	(20,878)	(20,878)
Total comprehensive income for the three months ended March 31, 2025	-	-	-	(57,481)	(57,481)	(20,878)	(78,359)
BALANCE AT MARCH 31, 2025	$ 830,000	$ 625,489	$ 160,139	$ 560,734	$ 720,873	$ 433,407	$ 2,609,769
BALANCE AT JANUARY 1, 2024	$ 830,000	$ 640,167	$ 159,003	$ 585,568	$ 744,571	$ 315,322	$ 2,530,060
Net profit for the three months ended March 31, 2024	-	-	-	22,092	22,092	-	22,092
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	94,701	94,701
Total comprehensive income for the three months ended March 31, 2024	-	-	-	22,092	22,092	94,701	116,793
BALANCE AT MARCH 31, 2024	$ 830,000	$ 640,167	$ 159,003	$ 607,660	$ 766,663	$ 410,023	$ 2,646,853

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

JMC ELECTRONICS CO., LTD.

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

	For the Three Months Ended March 31	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	($72,689)	$ 28,004
Adjustments for:		
Depreciation expense	107,129	112,433
Amortization expense	7,006	6,997
Net gain on financial assets and liabilities at fair value through profit or loss	50	4,100
Finance costs	3,903	4,731
Interest income	(839)	(3,239)
Dividend income	(6,194)	(4,546)
Share of profit of associates	(2,354)	(1,792)
Impairment loss recognized (reversed) on non-financial assets	8,682	(1,575)
Changes in operating assets and liabilities		
Accounts receivable	30,190	(79,180)
Accounts receivable - related parties	2,959	3,298
Other receivables	(5,676)	7,569
Inventories	(9,185)	11,532
Other current assets	8,525	15,511
Contract liabilities	3,706	(10,266)
Accounts payable	(527)	11,989
Other payables	(18,240)	(22,011)
Other current liabilities	(3,001)	6,863
Cash generated from operations	53,445	90,418
Interest received	703	3,239
Dividends received	15,241	-
Interest paid	(2,797)	(3,742)
Income taxes paid	(60)	(554)
Net cash generated from operating activities	66,532	89,361
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(10,862)	(18,950)
Acquisition of property, plant and equipment	(21,521)	(15,900)
Increase in refundable deposits	-	(61)
Increase in other non-current assets	(5,969)	(4,705)
Net cash used in investing activities	(38,352)	(39,616)

(Continued)

JMC ELECTRONICS CO., LTD.

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

	For the Three Months Ended March 31	
	2025	**2024**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ 170,000	$ 50,000
Repayment of short-term borrowings	(70,000)	(20,000)
Repayment of long-term borrowings	(63,905)	(60,804)
Repayment of the principal portion of lease liabilities	(4,795)	(4,692)
Net cash generated from/(used in) financing activities	31,300	(35,496)
NET INCREASE IN CASH AND CASH EQUIVALENTS	59,480	14,249
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	555,035	601,803
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 614,515	$ 616,052

The accompanying notes are an integral part of the financial statements. (Concluded)

JMC ELECTRONICS CO., LTD.

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

1. GENERAL INFORMATION

JMC Electronics Co., Ltd. (the “Corporation”) was incorporated in 1973, and is primarily engaged in the business of manufacturing, processing, and trading of Chip on Film (Tape-COF).

As of March 31, 2025, Chang Wah Electromaterials Inc., the main shareholder of the Corporation, owned 42.8% of the Corporation’s issued ordinary shares. In January 2017, the Corporation listed its shares on the Taiwan Stock Exchange.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation’s board of directors and authorized for issue on May 8, 2025.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Corporation’s accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

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

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

As of the date the financial statements were authorized for issue, the Corporation is still in the process of evaluating the impact of the amendments to standards and interpretations on the financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date

	Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture s”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS17 and IFRS 9 - Comparative 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

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Corporation shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Corporation shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Corporation as a whole, the Corporation shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The financial statements do not present full disclosures required for a complete set of IFRS Accounting Standards annual financial statements.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis, except for financial instruments, which are measured at fair value, and net defined benefit liabilities (assets), which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Other significant accounting policies

Except for the following, the accounting policies in the financial statements are consistent with those used in the financial statements for the year ended December 31, 2024.

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

For details of material accounting judgments and key estimation uncertainties, refer to Note 32(c). Except as disclosed, they remain consistent with those in the financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31,2024	March 31, 2024
Cash on hand	$ 18	$ 17	$ 17
Demand deposits	463,354	455,018	456,035
Cash equivalents			
Repurchase agreements collateralized by bonds	-	60,000	-
Time deposits with original maturities date within 3 months	151,143	40,000	160,000
	$ 614,515	$ 555,035	$ 616,052

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31,2024	March 31, 2024
Financial assets at fair value through profit or loss (FVTPL) — non-current			
Financial assets mandatorily classified as at FVTPL			
Convertible bonds - put and redeem options	$ -	$ 50	$ -
Held for trading			
Convertible bonds - put and redeem options	$ -	$ -	$ 10,900

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2025	December 31,2024	March 31, 2024
Current			
Domestic investments			
Listed shares	$ 2,080	$ 2,061	$ 6,083
Non-current			
Domestic investments			
Listed shares	$1,068,902	$1,082,455	$ 984,368

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

9. ACCOUNTS RECEIVABLE

	March 31, 2025	December 31,2024	March 31, 2024
Accounts receivable			
Measured at amortized cost	$ 80,154	$ 90,775	$ 90,399
FVTOCI	158,396	177,965	244,565
	$ 238,550	$ 268,740	$ 334,964
Accounts receivable - related parties			
Measured at amortized cost	$ 21,633	$ 24,592	$ 22,217

a. Accounts receivable

For the credit risk arising from the significant concentration of the accounts receivable balance on major customers for the three months ended March 31, 2025 and 2024, refer to Note 29.

The average credit period for sales of goods is up to 90 days; for the credit policies on the related accounts receivable, refer to Note 29.

1) Accounts receivable at amortized cost

The loss allowance for the Corporation’s accounts receivable is recognized by using lifetime expected credit losses. The lifetime expected credit losses on accounts receivable were estimated by using a provision matrix by reference to past default experience of the customer, the customer’s current financial position, economic condition of the industry in which the customer operates and industry outlook.

The Corporation’s historical credit loss experience does not show significantly different loss patterns for different customer segments; hence, there is no further distinction between different customer segments.

The Corporation writes off an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery after completing the follow-up procedures. For accounts receivable that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

2) Accounts receivable at FVTOCI

For accounts receivable owned by major customers, the Corporation will decide whether to sell these accounts receivable to banks without recourse based on its level of working capital and the trend of currency exchange rate. These accounts receivable are classified as at FVTOCI because they are held within a business model whose objective is achieved by both the collection of contractual cash flows and the sale of financial assets. In addition, the assessment method of allowance for loss is the same method for accounts receivable at amortized cos.

The Corporation’s loss allowance of accounts receivable based on the allowance matrix is shown in the following table:

March 31, 2025

	Not Past Due	1 to 30 Days	Total
Expected credit loss rate	-	-	-
Gross carrying amount	$ 259,675	$ 508	$ 260,183
Loss allowance (Lifetime ECL)	-	-	-
	$ 259,675	$ 508	$ 260,183

December 31, 2024

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	$ 293,332
Loss allowance (Lifetime ECL)	-
	$ 293,332

March 31, 2024

	Not Past Due	1 to 30 Days	Total
Expected credit loss rate	-	-	-
Gross carrying amount	$ 354,099	$ 3,082	$ 357,181
Loss allowance (Lifetime ECL)	-	-	-
	$ 354,099	$ 3,082	$ 357,181

b. Factored accounts receivable for the three months ended March 31, 2025 and 2024 were as follows:

Counterparty	Receivables Sold	Amount Collected	Advances Received - Used	Annual Interest Rates on Advances Received (%)	Credit
For the Three Months Ended March 31, 2025					
CTBC Bank	$ -	$ -	$ -	-	USD 6,000 thousand
Taishin International Bank	-	-	-	-	$ 250,000
Chang Hwa Commercial Bank, Ltd.	-	-	-	-	USD 5,000 thousand
	$ -	$ -	$ -		
For the Three Months Ended March 31, 2024					
CTBC Bank	$ -	$ -	$ -	-	USD 8,000 thousand
Taishin International Bank	-	-	-	-	$ 250,000
Chang Hwa Commercial Bank, Ltd.	-	-	-	-	USD 5,000 thousand
	$ -	$ -	$ -		

The above credit line is revolving and can be utilized within the validity period.

The Corporation provided commercial papers for the factored accounts receivable to the banks mentioned above as the collateral for commercial disputes. The amount from the factored receivables is collected after deducting the related fees, and the Corporation does not bear the risk of uncollectibility of the accounts receivable.

10. INVENTORIES

	March 31, 2025	December 31,2024	March 31, 2024
Raw materials	$ 59,882	$ 42,275	$ 31,195
Supplies	74,198	77,406	60,657
Finished goods	29,120	40,280	20,655
Work in progress	88,888	91,624	106,776
	$ 252,088	$ 251,585	$ 219,283

The cost of inventories recognized as operating costs for the three months ended March 31, 2025 and 2024 was NT$481,255 thousand and NT$457,261 thousand, respectively, which included the following items:

	For the Three Months Ended March 31	
	2025	2024
Inventory write-downs (reversed)	$ 8,682	($ 1,575)
Loss due to idle capacity	37,585	48,145
Revenue from sale of scraps	(125)	(138)

For the three months ended March 31, 2024, the reversal of inventories was due to the sale of obsolete inventories or being put into production.

11. OTHER FINANCIAL ASSETS

	March 31, 2025	December 31,2024	March 31, 2024
Prepaid expenses	$ 12,724	$ 14,510	$ 14,312
Input tax	6,144	10,784	7,148
Prepayments	1,062	-	-
Tax overpaid retained for offsetting future tax payable	275	3,474	379
Others	353	315	944
	$ 20,558	$ 29,083	$ 22,783

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2025	December 31,2024	March 31, 2024
Material associates			
Shing Zheng Investment Co., Ltd. (Shing Zheng Co.)	$ 312,051	$ 301,260	$ 299,207

Name of Associate	Nature of Activities	of Business	Proportion of Ownership and Voting Rights(%)		
			March 31, 2025	December 31, 2024	March 31, 2024
Shing Zheng Co.	General investment	Taiwan	28	28	28

The summarized financial information below represents amounts shown in associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Corporation for equity accounting purposes.

13. PROPERTY, PLANT AND EQUIPMENT

For the Three Months Ended March 31, 2025

	Buildings	Machinery	Tooling Equipment	Office Equipment	Other Equipment	Construction in progress and Equipment to be inspected	Total
Cost							
Balance at January 1, 2025	$ 892,097	$ 4,598,977	$ 177,171	$ 300,297	$ 150,442	$ 22,813	$ 6,141,797
Additions	3,388	10,694	-	-	5,200	16,113	35,395
Disposals	-	(6,091)	-	-	-	-	(6,091)
Balance at March 31, 2025	895,485	4,603,580	177,171	300,297	155,642	38,926	6,171,101
Accumulated depreciation							
Balance at January 1, 2025	492,249	3,307,219	163,157	266,577	73,504	-	4,302,706
Depreciation expense	10,998	82,841	-	3,354	5,363	-	102,556
Disposals	-	(6,091)	-	-	-	-	(6,091)
Balance at March 31, 2025	503,247	3,383,969	163,157	269,931	78,867	-	4,399,171
Accumulated impairment							
Balance at January 1 and March 31, 2025	67,790	337,791	14,014	12,309	-	-	431,904
Carrying amount at January 1, 2025	$ 332,058	$ 953,967	$ -	$ 21,411	$ 76,938	$ 22,813	$ 1,407,187
Carrying amount at March 31, 2025	$ 324,448	$ 881,820	$ -	$ 18,057	$ 76,775	$ 38,926	$ 1,340,026

For the Three Months Ended March 31, 2024

	Buildings	Machinery	Tooling Equipment	Office Equipment	Other Equipment	Construction in progress and Equipment to be inspected	Total
Cost							
Balance at January 1, 2024	$ 883,053	$ 4,536,029	$ 177,171	$ 299,568	$ 150,442	$ 42,481	$ 6,088,744
Additions	-	11,468	-	-	-	(4,370)	7,098
Balance at March 31, 2024	883,053	4,547,497	177,171	299,568	150,442	38,111	6,095,842
Accumulated depreciation							
Balance at January 1, 2024	448,802	2,965,400	163,157	250,796	52,514	-	3,880,669
Depreciation expense	10,851	87,734	-	4,012	5,247	-	107,844
Balance at March 31, 2024	459,653	3,053,134	163,157	254,808	57,761	-	3,988,513
Accumulated impairment							
Balance at January 1 and March 31, 2024	67,790	337,791	14,014	12,309	-	-	431,904
Carrying amount at March 31, 2024	$ 355,610	$ 1,156,572	$ -	$ 32,451	$ 92,681	$ 38,111	$ 1,675,425

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

Buildings	
Main buildings	2-30 years
Building auxiliary equipment	3-27 years
Machinery	
Electroplating machines	7 years
Etching machines	7 years
Mask aligner	7 years
Coating machine	6 years
Others	3-7 years
Office equipment	
Computer equipment	2-6 years
Others	2-7 years
Other equipment	
Environmental engineering	4-7 years
Others	4 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31,2024	March 31, 2024
Carrying amount			
Land	$ 4,582	$ 4,888	$ 5,804
Buildings	34,140	38,407	51,210
	$ 38,722	$ 43,295	$ 57,014

	For the Three Months Ended March 31	
	2025	2024
Depreciation charge for right-of-use assets		
Land	$ 305	$ 321
Buildings	4,268	4,268
	$ 4,573	$ 4,589

Except for the above depreciation of right-of-use assets, there was no acquisition, sublease or impairment of right-of-use assets for the three months ended March 31, 2025 and 2024.

b. Lease liabilities

	March 31, 2025	December 31,2024	March 31, 2024
Carrying amount			
Current	$ 19,483	$ 19,362	$ 19,004
Non-current	$ 22,318	$ 27,234	$ 41,801

Range of discount rates (%) for lease liabilities was as follows:

	March 31, 2025	December 31,2024	March 31, 2024
Land	2.4947	2.4947	2.4947
Buildings	2.4947	2.4947	2.4947

c. Material lease activities and terms

The Corporation leased land and buildings from the government, related parties and non-related parties for use as workshops and offices, with lease periods of 10 years. For information on related party transactions, refer to Note 30. The Corporation does not have a purchase option to acquire the leased land and buildings at the expiration of the lease period. In addition, the lease agreement prohibited the Corporation from transferring the lease to other parties. The government has the option to adjust the lease payments based on changes in the announced land value.

d. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases and low-value asset leases	$ 179	$ 192
Total cash outflow for leases	$ (5,255)	$ (5,285)

15. OTHER NON-CURRENT ASSETS

The production consumables are amortized over their useful lives of 2 to 3 years as follows:

	Costs	Accumulated Amortization	Carrying Amount
Balance at January 1, 2025	$ 103,277	$ (67,125)	$ 36,152
Additions	5,969	-	5,969
Amortization	-	(7,006)	(7,006)
Disposals	(27,422)	27,422	-
Balance at March 31, 2025	$ 81,824	$ (46,709)	$ 35,115
Balance at January 1, 2024	$ 99,922	$ (63,421)	$ 36,501
Additions	4,705	-	4,705
Amortization	-	(6,997)	(6,997)
Disposals	(23,357)	23,357	-
Balance at March 31, 2024	$ 81,270	$ (47,061)	$ 34,209

16. BORROWINGS

a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Bank credit loans	$ 100,000	$ -	$ 30,000
Interest rate (%)	1.91～1.911	-	1.75

b. Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Bank credit loans	$ 463,030	$ 526,446	$ 741,726
Less: Current portion	255,622	255,622	281,445
	$ 207,408	$ 270,824	$ 460,281
Interest rate (%)	1.325～1.825	1.325～1.825	1.2
Maturity date	2026.11-2027.03	2026.11-2027.03	2024.12-2027.03

Under the loan agreements, the Corporation should meet certain and quarterly percentages and amounts for the current ratio, debt ratio, interest coverage ratio and total equity. If the Corporation is not in compliance with the aforementioned restrictions on the financial ratios and amounts, the bank could request the Corporation to improve within a time limit. If the restrictions on the financial ratios and amounts are met within the improvement period, it would not be considered a default of contract. The Corporation did not violate the loan agreements based on the financial statements for the three months ended March 31, 2025 and the audited annual financial statements for the year ended December 31, 2024. The Corporation was not in compliance with the loan restrictions based on the financial statements for the three months ended March 31, 2024, and the Corporation has developed an improvement plan.

In September 2019, the Corporation obtained the Ministry of Economic Affairs’ approval letter for the qualification of enterprises in Taiwan based on the project "Action Plan for Accelerated Investment by Domestic Corporation." According to the regulations, the Corporation should complete the investment within 3 years from the day after the approval letter is issued. The obtained approval from the Ministry of Economic Affairs extended the investment completion date to December 2024.

The Corporation signed a credit agreement with the bank in response to the project of "Action Plan for Accelerated Investment by Domestic Corporation." The interest rate for the first 5 years of the loan is the postal savings two-year time deposit rate minus 0.395%. If the project regulations are violated or the National Development Fund is frozen by legislative budget review, the interest rate will be changed to the postal savings two-year time savings interest rate plus 0.105%.

17. BONDS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Secured domestic convertible bonds	$ 493,989	$ 492,994	$ 490,022
Less: Current portion	-	-	490,022
	$ 493,989	$ 492,994	$ -

On October 25, 2021, the Corporation issued its first domestic secured convertible bonds in the amount of NT$500,000 thousand with a zero-coupon rate and a duration of 5 years. Taishin International Bank is the guarantor of the secured convertible bonds.

Each holder of the bonds has the right to convert the bonds into ordinary shares of the Corporation at the conversion price of NT$63.5 per share. In the event of any circumstances stipulated in the measures for issuance and conversion of bonds, the convertible price shall be adjusted according to the conversion price adjustment formula. As of March 31, 2025, the conversion price was NT$59.2 per share. Conversion may occur at any time between January 26, 2022 and October 25, 2026. If the bonds are not converted, they will be redeemed on October 25, 2026 in cash.

From January 26, 2022 to September 15, 2026, if the closing price of the Corporation's common stock in the centralized trading market exceeds the current conversion price by 30% or more for 30 consecutive business days, or when the outstanding balance of the bonds is less than 10% of the total amount upon the original issuance, the Corporation may redeem them in cash at the par value of the bond within five business days after the base date of recalling the bonds.

The base date for selling back the bonds in advance is October 25, 2024. The bondholders may exercise the right of selling back the bonds at par value within 40 days of the repurchase date. As of the bond repurchase date, no bondholders have submitted repurchase requests to the company. Therefore, the convertible bonds are reclassified as non-current liabilities based on the bond issuance period.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - share options. The liability component contains derivative financial instruments and non-derivative financial instruments. The related amounts were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Proceeds from issuance (less transaction costs of NT$5,236 thousand)	$ 527,935	$ 527,935	$ 527,935
Equity component (less transaction costs allocated to the equity component of NT$479 thousand)	(48,342)	(48,342)	(48,342)
Liability component at the date of issuance (less transaction costs allocated to the liability component of NT$4,757 thousand)	479,593	479,593	479,593
Interest charged at an effective interest rate of 0.80661%	13,747	12,752	9,780
Losses on change in value of financial instruments	649	599	11,549
Net liability component	$ 493,989	$ 492,944	$ 500,922

18. ACCOUNTS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable	$ 148,118	$ 148,726	$ 149,499
Accounts payable - related parties	1,087	1,006	1,240
	$ 149,205	$ 149,732	$ 150,739

The Corporation has established financial risk management policies to ensure that all payments are made on the agreed due date.

19. OTHER PAYABLES

	March 31, 2025	December 31, 2024	March 31, 2024
Payables for salaries and bonuses	$ 80,785	$ 94,640	$ 100,408
Payables for consumables	21,524	22,807	19,998
Payables for utilities	12,860	12,720	9,784
Payables for insurance	9,365	9,024	-
Others	30,942	25,975	39,396
	$ 155,476	$ 165,166	$ 169,586

20. OTHER CURRENT LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
Refund liabilities	$ 886	$ 3,887	$ 13,009
Others	612	972	2,396
	$ 1,498	$ 4,859	$ 15,405

The estimation of sales returns and discounts (refund liabilities) was based on historical experience, management’s judgments and other known reasons, and recognized as a reduction of operating revenues.

21. RETIREMENT BENEFIT PLANS

Employee benefit expenses related to the defined benefit retirement plans of the Corporation and its subsidiaries, for the three months ended March 31, 2025 and 2024, were calculated using the actuarially determined pension cost discount rates as of December 31, 2024 and 2023, respectively.

22 EQUITY

a. Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
Number of shares authorized (in thousands)	111,000	111,000	111,000
Shares authorized	$ 1,110,000	$ 1,110,000	$ 1,110,000
Number of shares issued and fully paid (in thousands)	83,000	83,000	83,000
Shares issued	$ 830,000	$ 830,000	$ 830,000

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Premium from the issuance of mergers	$ 233,087	$ 233,087	$ 233,087
Premium from the issuance of capital shares	342,322	342,322	357,000
Exercise of employee share options	225	225	225
May only be used to offset a deficit			
Changes in net equity of associates accounted for using the equity method	1,513	1,513	1,513
May not be used for any purpose			
Equity component of convertible bonds payable	48,342	48,342	48,342
	$ 625,489	$ 625,489	$ 640,167

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and once a year)

c. Retained earnings and dividend policy

Pursuant to the Corporation's Articles of Incorporation, the current year's earnings, if any, shall be first used to pay taxes and offset deficit in prior years. The remaining earnings would be appropriated in the following order:

1) Setting aside 10% of the remaining earnings, as legal reserve, until the accumulated legal reserve equals the Corporation's paid-in capital.

2) Setting aside or reversing a special reserve in accordance with the laws and regulations.

3) Any remaining earnings together with any undistributed retained earnings shall be used by the

Corporation's board of directors as the basis for proposing a distribution plan, and resolved in the shareholders' meeting.

In line with the overall environment and the growth characteristics of the industry, as well as the Corporation's long-term financial planning in order to achieve sustainable operations and stable business development, the Corporation's dividend policy is based on the residual dividend policy, which is based on the Corporation's future capital budget plan in the measurement of the annual capital requirements, and the remaining earnings are distributed in the form of cash and stock dividends after reserving the necessary capital for financing. The distribution steps are as follows:

1) Determine the best capital budget.

2) Determine the amount of financing needed to meet the previous capital budget.

3) Determine the amount of capital to be financed by retained earnings.

4) The remaining earnings may be distributed to the shareholders in the form of dividends, after reserving an appropriate amount for operating needs, and the distribution should be no less than 10% of the Corporation's distributable earnings for the year, provided that the portion of cash dividends is no less than 10% of the total dividends to be paid.

The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 were proposed by Corporation's board of directors in March 2025 and approved in the shareholders' meeting in May 2024, respectively. The appropriations and dividends per share were as follows:

	Appropriations of earnings		**Dividends per share (NT$)**	
	2024	**2023**	**2024**	**2023**
Legal reserve	$ 4,400	$ 1,136		
Cash dividends	16,600	10,222	$ 0.2	$ 0.12

The Corporation's board of directors in May 2024 had proposed to distribute cash dividends of NT$14,678 thousand from the capital surplus derived from the premium of capital share issuance at NT$0.18 per share.

The appropriation of earnings for 2024 will be resolved by the shareholders in their meeting to be held in May 2025.

d. Other equity items

Unrealized gains and losses on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2025	**2024**
Balance, beginning of the period	$ 454,285	$ 315,322
Recognized during the period		
Unrealized gains and losses - equity instruments	(29,315)	82,527

(Continued)

	For the Three Months Ended March 31	
	2025	2024
Shares from associates accounted for using the equity method	8,437	12,174
Other comprehensive (loss) income recognized in the year	(20,878)	94,701
Balance, end of the period	$ 433,407	$ 410,023

(Concluded)

23. REVENUE

	For the Three Months Ended March 31	
	2025	2024
Revenue from contracts with customers		
Sales of goods	$ 437,539	$ 491,905

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a. Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Accounts receivable (including related parties)	$ 260,183	$ 293,332	$ 357,181	$ 281,299
Contract liabilities - current				
Sale of goods	$ 8,196	$ 4,490	$ 7,826	$ 18,092

The changes in the balance of contract liabilities resulted primarily from the difference in timing between the satisfaction of performance obligations and customer payment; there were no other significant changes during the three months ended March 31, 2025 and 2024.

c. Disaggregation of revenue

The main source of revenue of the Corporation is revenue from the sale of goods. The chief operating decision maker regards the Corporation as a single reporting segment. For the revenue from contracts with customers, please refer to the statement of comprehensive income

24. PROFIT (LOSS) BEFORE INCOME TAX

The following items were included in profit (loss) before income tax:

a. Other income

	For the Three Months Ended March 31	
	2025	2024
Dividend income	$ 6,194	$ 4,546
Rent income	1,845	1,845
Others	614	1,354
	$ 8,653	$ 7,745

b. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Net foreign exchange gains	$ 8,000	$ 27,700
Losses on financial assets at FVTPL	(50)	(4,100)
	$ 7,950	$ 23,600

Disaggregation of net foreign exchange gains were as follows:

	For the Three Months Ended March 31	
	2025	2024
Foreign exchange gains	$ 8,695	$ 35,330
Foreign exchange losses	(695)	(7,630)
Net gains and losses	$ 8,000	$ 27,700

c. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on bank loans	$ 2,627	$ 3,342
Interest on lease liabilities	281	401
Amortization of discount on corporate bonds payable	995	988
	$ 3,903	$ 4,731

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
Depreciation expense		
Property, plant and equipment	$ 102,556	$ 107,844
Right-of-use assets	4,573	4,589
	$ 107,129	$ 112,433
Analysis of depreciation expense by function		
Operating costs	$ 105,589	$ 110,882
Operating expenses	1,540	1,551
	$ 107,129	$ 112,433
Amortization expense		
Other non-current assets	$ 7,006	$ 6,997

(Continued)

	For the Three Months Ended March 31	
	2025	2024
Analysis of amortization expense by function		
Operating costs	$ 6,122	$ 6,629
Operating expenses	884	368
	$ 7,006	$ 6,997

(Concluded)

e. Employee benefits

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits		
Salaries	$ 85,633	$ 78,106
Labor and health insurance	11,656	9,618
Others	497	522
	97,786	88,246
Post-employment benefits		
Defined contribution plans	2,876	2,760
Defined benefit plans	49	64
	2,925	2,824
	$ 100,711	$ 91,070
Analysis of employee benefits by function		
Operating costs	$ 76,107	$ 70,119
Operating expenses	24,604	20,951
	$ 100,711	$ 91,070

f. Employees’ compensation and remuneration to directors

Pursuant to the Corporation’s Articles of Incorporation, 2% to 16% of the current year’s profit shall be distributed as the employee’s compensation. The compensation of the employees shall be distributed in shares or cash by the resolution of the board of directors and may include the Corporation’s employees that meet requirements. In addition, not more than 1% shall be distributed as the remuneration of directors. The distribution of compensation and remuneration shall be reported in the shareholders’ meeting. However, if the Corporation still has accumulated losses, the Corporation shall set aside a specific amount of retained earnings to cover the loss and then accrue the compensation and remuneration as mentioned above. According to the amendment of the Securities and Exchange Act in August 2024, the Corporation plans to amend its Articles of Incorporation at the 2025 shareholders' meeting to stipulate that 2% to 16% of the employee remuneration shall be allocated specifically to non-executive employees.

As the Corporation incurred a pre-tax loss for the three months ended March 31, 2025, no remuneration expenses for employees (including non-executive employees) and directors were recognized for that period. The Corporation distributed the compensation of employees and remuneration of directors for the three months ended March 31, 2024 at the rates of 2% and 1%, respectively, of income exceeding a specified amount of pre-tax profit; were as follows:

	For the Three Months Ended March 31	
	2025	**2024**
Compensation of employees	$ -	$ 577
Remuneration of directors	-	289

The difference between the amounts recognized and the amounts approved by Corporation's board of directors is recorded as a change in accounting estimate and will be adjusted in the next year.

There was no difference between the amounts of employees' compensation and remuneration of directors as approved and the amounts estimated in the financial statements for the years ended December 31, 2024 and 2023, as approved by the Board of Directors in March 2025 and March 2024, respectively. The compensation and remuneration were distributed in cash.

	For the Year Ended December 31	
	2024	**2023**
Compensation of employees	$ 351	$ 37
Remuneration of directors	175	18

Information on compensation of employees and remuneration of directors resolved by the Corporation's board of directors are available on the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense (benefit) were as follow:

	For the Three Months Ended March 31	
	2025	**2024**
Current tax		
Adjustments for prior years	$ -	$ 554
Deferred tax		
In respect of the current year	(15,208)	5,358
	$ (15,208)	$ 5,912

b. Income tax assessment

The Corporation's income tax returns through 2023 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

The net profit (loss) and weighted average number of ordinary shares outstanding in the computation of earnings (loss) per share were as follows:

Net profit (loss) for the period

	For the Three Months Ended March 31	
	2025	2024
Net profit (loss) used in computation of basic earnings (loss) per share	($ 57,481)	$ 22,092

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended March 31	
	2025	2024
Weighted average number of ordinary shares used in computation of basic earnings (loss) per share	83,000	83,000
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	18
Weighted average number of ordinary shares used in computation of diluted earnings (loss) per share	83,000	83,018

The Corporation may settle the compensation of employees in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be 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. For the three months ended March 31, 2025 and 2024, the outstanding convertible bonds had an anti-dilutive effect and were therefore excluded from the calculation of diluted earnings per share.

27. NON-CASH TRANSACTIONS

For the three months ended March 31, 2025 and 2024, the Corporation entered into the following non-cash investing activities that were not reflected in the statements of cash flows:

	For the Three Months Ended March 31	
	2025	2024
Increase in property, plant and equipment	$ 35,395	$ 7,098
Increase (decrease) in prepayments for equipment	(10,354)	10,428
Increase in payables for equipment	(3,520)	(1,626)
Cash paid	$ 21,521	$ 15,900

28. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The key management personnel of the Corporation review the capital structure periodically, based on the condition of industry operations and future development of the Corporation, and consider the changes in the external environment. As part of the review, the key management personnel consider the cost of capital and the risks associated with each class of capital. In order to balance the overall capital structure, the Corporation adjusts the number of new shares issued and the amount of new debt issued or existing debt redeemed.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
March 31, 2025				
Financial instruments at FVTOCI				
Equity instruments - domestic listed shares	$ 1,070,982	$ -	$ -	$ 1,070,982
Debt instrument - accounts receivable	-	-	158,396	158,396
	$ 1,070,982	$ -	$ 158,396	$ 1,229,378
December 31, 2024				
Financial assets at FVTPL				
Call option and put option of convertible bonds, net	$ -	$ -	$ 50	$ 50
Financial instruments at FVTOCI				
Equity instruments - domestic listed shares	$ 1,084,516	$ -	$ -	$ 1,084,516
Debt instrument - accounts receivable	-	-	177,965	177,965
	$ 1,084,516	$ -	$ 177,965	$ 1,262,481
March 31, 2024				
Financial liabilities at FVTPL				
Call option and put option of convertible bonds, net	$ -	$ -	$ 10,900	$ 10,900

(Continued)

	Level 1	Level 2	Level 3	Total
Financial instruments at FVTOCI				
Equity instruments - domestic listed shares	$ 990,451	$ -	$ -	$ 990,451
Debt instrument - accounts receivable	-	-	244,565	244,565
	$ 990,451	$ -	$ 244,565	$ 1,235,016

(Concluded)

There was no transfer between Level 1 and Level 2 for the three months ended March 31, 2025 and 2024.

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

Reconciliation of the fair value measurements of the financial instruments at FVTPL was as follows:

	For the three months ended March 31	
	2025	2024
Balance at beginning of the period	$ 50	$ (6,800)
Recognized in profit or loss (recorded as other gains and losses)	(50)	(4,100)
Balance at end of the period	$ -	$ (10,900)

3) Valuation techniques and inputs applied for fair value measurement

The Corporation uses the market price quotations as fair value inputs (level 1). The market price of the listed shares is the closing price of the shares on the Taiwan Stock Exchange.

The Corporation considers that the impact of discounting accounts receivable classified as at FVTOCI is immaterial; hence, the fair value is measured according to the book value (level 3).

The fair value of derivative assets - convertible bonds redemption rights and sell-back rights is measured using the binominal tree model (level 3) by using the significant but unobservable input - fluctuation of stock price. When the fluctuation of stock price increases, the fair value is deemed to increase.

c. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Financial assets at FVTPL - mandatorily classified as at FVTPL	$ -	$ 50	$ -
Financial assets at FVTOCI - debt instruments	158,396	177,965	244,565
Financial assets at FVTOCI - equity instruments	1,070,982	1,084,516	990,451
Financial assets at amortized cost (Note 1)	736,016	693,351	745,116

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities			
Financial liabilities at FVTPL - Held for trading	-	-	10,900
Financial liabilities at amortized cost (Note 2)	1,363,251	1,338,890	1,595,747

(Concluded)

Note 1: The balances included financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable (including related parties), other receivables, refundable deposits and other financial assets - current.

Note 2: The balances included financial liabilities at amortized cost, which comprise long-term and short-term borrowings, accounts payable, other payables, refund liabilities (reported as other current liabilities), bonds payable, and guarantee deposits.

d. Financial risk management objectives and policies

The Corporation's major financial instruments include equity investments, accounts receivable, accounts payable, other payables, bonds payable, borrowings and lease liabilities. The Corporation's treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Corporation through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The significant financial activities of the Corporation are reviewed by the board of directors in accordance with relevant regulations and internal controls. Compliance with policies and exposure limits is continually reviewed by the internal auditors. The Corporation did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

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

There had been no change to the Corporation's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Corporation was exposed to foreign currency risk due to sales and purchases denominated in foreign currencies. Exchange rate exposures were managed by foreign exchange forward contracts, natural hedges of foreign deposits, foreign borrowings or the same category of foreign currency right and debts from transaction.

For the carrying amounts of the Corporation's non-functional currency denominated monetary assets and liabilities at the balance sheet date, refer to Note 33.

Sensitivity analysis

The Corporation was mainly exposed to the USD and JPY. The following table details the

Corporation's sensitivity to a 1% increase and decrease in the New Taiwan dollar against the USD and JPY. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%.

The sensitivity analysis included only outstanding foreign currency denominated monetary items as follows:

	Sensitivity Analysis			
	For the Three months ended March 31, 2025		**For the Three months ended March 31, 2024**	
	Magnitude of change	**Impact on Profit or Loss**	**Magnitude of change**	**Impact on Profit or Loss**
Profit before income tax (Note)				
USD: NTD	1%	($3,791)	1%	($7,220)
JPY: NTD	1%	(20)	1%	249

Note: This was mainly attributable to the exposure on outstanding cash and cash equivalents, accounts receivable (including related parties), accounts payable, other payables, and refund liabilities (reported as other current liabilities) in USD and JPY which were not hedged at the balance sheet date.

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the balance sheet date did not reflect the exposure during the period. Sales in U.S. dollar will fluctuate according to the terms of contracts and business cycle.

b) Interest rate risk

The Corporation was exposed to interest rate risk because the Corporation borrowed funds at both fixed and floating interest rates. The risk is managed by the Corporation by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Corporation' financial assets and liabilities with exposure to interest rates at the balance sheet date were as follows:

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Fair value interest rate risk			
Financial assets	$ 153,538	$ 102,395	$ 161,785
Financial liabilities	535,790	539,590	550,827
Cash flow interest rate risk			
Financial assets	463,354	455,018	456,035
Financial liabilities	563,030	526,446	771,726

The sensitivity analysis below was determined based on the Corporation's exposure to financial instruments at the balance sheet date. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the balance sheet date were outstanding for the whole year. A 1% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates of financial liabilities had been higher/lower by 1% and all other variables were held constant, the Corporation's pre-tax profit for the three months ended March 31, 2025 would have been higher/lower by NT$1,408 thousand and pre-tax loss for the three months ended March 31, 2024 would have been lower/higher by NT$1,929 thousand.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in domestic listed shares.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the three months ended March 31, 2025 and 2024 would have increased/decreased by NT$10,710 thousand and NT$9,905 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Corporation. As of the balance sheet date, the Corporation's maximum exposure to credit risk is the carrying amount of the financial assets on the balance sheets.

Business units grant credit amounts according to their experience in various credit transactions, and monitor customer payment situations regularly. The Corporation does not expect significant credit risk because the counterparties are creditworthy financial institutions. In recent years, the actual occurrence of bad debts is very rare, and therefore no significant credit risk is expected.

Counterparties of accounts receivable are concentrated in a number of significant customers. They are mostly engaged in commercial activities and have similar economic characteristics and similar abilities to fulfill contracts affected by the economic or other conditions. The receivables with significant credit risk were as follows:

Customer	March 31, 2025	December 31, 2024	March 31, 2024
Company A	$ 67,672	$ 99,870	$ 121,575
Company B	66,826	68,496	61,594
Company C	60,409	41,546	65,213
Company D	30,315	36,549	57,777
	$ 225,222	$ 246,461	$ 306,159

3) Liquidity risk

The management of the Corporation continuously monitor the movements of cash flows, net cash and cash equivalents position and the utilization of bank loan commitments to control the proportion of long-term and short-term bank loans and ensure compliance with loan covenants.

The Corporation relies on bank borrowings as a significant source of liquidity. As of March 31, 2025, December 31, 2024, and March 31, 2024, the Corporation's unused credit facilities were NT$2,141,740 thousand, NT$2,697,898 thousand, and NT$2,239,601 thousand, respectively.

The following table details the Corporation's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The table includes both interest and principal cash flows.

To the extent that interest flows are at floating rate, the undiscounted amount was estimated by the interest rate at the end of the reporting period.

	Less than 1 Year	1-5 Years	Over 5 Years	Total
March 31, 2025				
Short-term borrowings	$ 100,105	$ -	$ -	$ 100,105
Long-term borrowings (including current portion)	260,756	209,454	-	470,210
Accounts payable	149,205	-	-	149,205
Other payables	155,476	-	-	155,476
Bonds payables	-	500,000	-	500,000
Lease liabilities (including current and non-current portion)	20,304	22,700	-	43,004
Refund liabilities	886	-	-	886
Guarantee deposits	-	665	-	665
	$ 686,732	$ 732,819	$ -	$ 1,419,551

	Less than 1 Year	1-5 Years	Over 5 Years	Total
December 31, 2024				
Long-term borrowings (including current portion)	$ 261,517	$ 274,318	$ -	$ 535,835
Accounts payable	149,732	-	-	149,732
Other payables	165,166	-	-	165,166
Bonds payables	-	500,000	-	500,000
Lease liabilities (including current and non-current portion)	20,304	27,776	-	48,080
Refund liabilities	3,887	-	-	3,887
Guarantee deposits	-	665	-	665
	$ 600,606	$ 802,759	$ -	$ 1,403,365

	Less than 1 Year	1-5 Years	Over 5 Years	Total
March 31, 2024				
Short-term borrowings	$ 30,033	$ -	$ -	$ 30,033
Long-term borrowings (including current portion)	288,590	469,715	-	758,305
Accounts payable	150,739	-	-	150,739
Other payables	169,586	-	-	169,586
Bonds payable(including current portion)	500,000	-	-	500,000

(Continued)

	Less than 1 Year	1-5 Years	Over 5 Years	Total
Lease liabilities (including current and non-current portion)	20,304	43,004	-	63,308
Refund liabilities	13,009	-	-	13,009
Guarantee deposits	-	665	-	665
	$ 1,172,261	$ 513,384	$ -	$ 1,685,645

(Concluded)

30. TRANSACTIONS WITH RELATED PARTIES

a. Related party names and relationships

Related Party Name	Relationship
Chang Wah Electromaterials Inc.	Key management personnel
Chang Wah Technology Co., Ltd.	Other related party
Wan-Hsia Lee	Key management personnel
Mei-Hsueh Huang	Key management personnel

b. Operating revenues

	For the Three Months Ended March 31	
Related Party Category	2025	2024
Key management personnel	$ 28,283	$ 34,263

Sales to related parties were made at the prices and terms that were not significantly different from the transactions of non-related parties.

c. Purchase of goods

	For the Three Months Ended March 31	
Related Party Category	2025	2024
Key management personnel	$ 1,434	$ 1,516

Purchases from related parties were made at the prices and terms that were not significantly different from the transactions of non-related parties.

d. Remuneration of key management personnel

Remuneration of directors and other members of key management personnel was as follows:

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	$ 2,970	$ 7,598
Post-employment benefits	156	293
	$ 3,126	$ 7,891

e. Lease arrangement - the Corporation is lessee

The Corporation leases a building from Chang Wah Electromaterials Inc. under the agreement expiring on March 31, 2027, and the rent is paid monthly. As of March 31, 2025, December 31, 2024 and March 31, 2024, the lease liabilities recognized by the Corporation due to the above lease agreement were NT$36,844 thousand, NT$41,322 thousand, and NT$54,589 thousand, respectively, which were listed under lease liabilities (including current and non-current portion). The interest expenses recognized for the three months ended March 31, 2025 and 2024 were NT$248 thousand and NT$359 thousand respectively.

f. Lease arrangement - the Corporation is lessor

The Corporation leases part of their buildings to Chang Wah Technology Co., Ltd. under the agreement for 3 years. The rental payments were received on a monthly basis. The rental revenue amounted for the three months ended March 31, 2025 and 2024 was both NT$1,845 thousand.

g. Balance at period-end

Account Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable - related parties	Chang Wah Electromaterials Inc.	$ 21,633	$ 24,592	$ 22,217
Other receivables	Chang Wah Electromaterials Inc.	$ -	$ 9,670	$ -
	Chang Wah Technology Co., Ltd.	6,194	5,571	4,546
	Wan-Hsia Li (Note)	1,000	1,000	1,000
	Mei-Hsueh Huang (Note)	1,000	1,000	1,000
		$ 8,194	$ 17,241	$ 6,546
Refundable deposits	Chang Wah Electromaterials Inc.	$ 1,575	$ 1,575	$ 1,575
Accounts payable	Key management personnel	$ 1,087	$ 1,006	$ 1,240
Other payables	Key management personnel	$ 1,575	$ 1,575	$ 1,575
Guarantee deposits	Chang Wah Technology Co., Ltd.	$ 615	$ 615	$ 615

Note: Refers to the bail amount paid by the Corporation on behalf of the management for the criminal proceedings mentioned in Note 32.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the Cooperative Education program:

	March 31, 2025	December 31, 2024	March 31, 2024
Pledged time deposits (classified as other financial assets - current)	$ 2,395	$ 2,395	$ 1,785

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. The amount of the customs duties guarantee provided by the Corporation through bank credit guarantee is NT$18,000 thousand, and NT$5,809 thousand has been used

b. The Corporation signed the contract for the purchase of property, plant and equipment with a total amount NT$109,760 thousand, of which NT$50,482 thousand had not been paid.

c. In March 2014, Chipbond Technology Corp. filed a criminal lawsuit against the Corporation for the breach of trade secrets. Subsequently, in September 2019, a criminal incidental civil lawsuit was filed for the requested compensation of damages amounting to NT$1,000,000 thousand. Additional claims for damages have been made since August 2021, and the case is currently pending in court. In September 2016, Chipbond Technology Corp. also filed a civil lawsuit against the Corporation for infringement of business secrets. The main contents of the lawsuit include the prohibition on the use or disclosure of business secrets of Chipbond Technology Corp., the destruction of relevant files, the prohibition on the people involved in the case from serving the Corporation for a specific period of time and the destruction of products that infringed on business secrets. Chipbond Technology Corp. sought an indemnification of NT$1,765,137 thousand and subsequently filed additional claims for damages. The court dismissed Chipbond Technology Corp.'s claims on December 29, 2023, but Chipbond Technology Corp. had filed an appeal. Based on the legal opinion issued by the Corporation's lawyers for the aforementioned litigation case, no significant adverse impact on the Corporation was concluded after the assessment of the lawyers. Therefore, the management of the Corporation believes that the lawsuit will not have a significant impact on the Corporation's business and financial position. The aforementioned case has not been adjudged by the court as of May 8, 2025.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currency of the Corporation and the exchange rates between the foreign currencies and the functional currency were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
March 31, 2025				
Financial assets				
Monetary items				
USD	$ 11,461	33.205	(USD:NTD)	$ 380,567
JPY	271,708	0.2227	(JPY:NTD)	60,509

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Financial liabilities				
Monetary items				
USD	46	33.205	(USD:NTD)	1,514
JPY	262,537	0.2227	(JPY:NTD)	58,467
December 31, 2024				
Financial assets				
Monetary items				
USD	$ 9,442	32.785	(USD:NTD)	$ 309,565
JPY	567,413	0.2099	(JPY:NTD)	119,100
Financial liabilities				
Monetary items				
USD	140	32.785	(USD:NTD)	4,595
JPY	306,813	0.2099	(JPY:NTD)	64,400
March 31, 2024				
Financial assets				
Monetary items				
USD	22,978	32.000	(USD:NTD)	$ 735,300
JPY	177,900	0.2115	(JPY:NTD)	37,626
Financial liabilities				
Monetary items				
USD	415	32.000	(USD:NTD)	13,296
JPY	295,758	0.2115	(JPY:NTD)	62,553

(Concluded)

Significant foreign currency exchange gains and losses were as follows:

Foreign Currency	Exchange Rate		Net foreign currency exchange gains (losses) (In Thousands of New Taiwan Dollars)
For the three months ended March 31, 2025			
USD	33.205	(USD:NTD)	$ 6,446
JPY	0.2227	(JPY:NTD)	1,554
			$ 8,000
For the three months ended March 31, 2024			
USD	32.000	(USD:NTD)	$ 27,843
JPY	0.2115	(JPY:NTD)	(143)
			$ 27,700

34. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

   1) Financing provided to others (None)

   2) Endorsements/guarantees provided (None)

   3) Marketable securities held (Table 1)

   4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital l (None)

   5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

b. Information on investees (Table 2)

c. Information on investments in mainland China (None)

35. SEGMENT INFORMATION

The chief operating decision maker regards the Corporation as a single reporting segment. Thus, the information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance regarded the Corporation information as a whole. Please refer to the content of this financial report for relevant information on the operating segment.

TABLE 1

JMC Electronics Co., Ltd.

MARKETABLE SECURITIES HELD
MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	Stock - ordinary shares							
	Chang Wah Electromaterials Inc.	Key management personnel	Financial assets at fair value through other comprehensive income - non-current	13,815,000	$ 577,467	1.90	$ 577,467	
	Chang Wah Technology Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income - non-current	14,041,000	491,435	1.48	491,435	
					$ 1,068,902		$ 1,068,902	

TABLE 2

JMC Electronics Co., Ltd.

INFORMATION ON INVESTEES
FOR THE PERIOD ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
The Corporation	Shing Zheng Investment Co., Ltd.	Taiwan	Investment	$ 280,000	$ 280,000	28,000,000	28	$ 312,051	$ 8,406	$ 2,354	