Stock Code: 6913

VSO Electronics Co., Ltd. and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders

VSO Electronics Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of VSO Electronics Co., Ltd. and its subsidiaries (collectively referred to as the "Group") as of March 31, 2025 and 2024, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and the related 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Notes 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries VSO (Viet Nam) Electronics Co., LTD and VSOVN Electronics (HANOI) Company Limited investments accounted for using the equity method included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2025 and 2024, the combined total assets of these non-significant subsidiaries were NT$352,092 thousand and NT$251,017 thousand, respectively, representing 13.66% and 13.92%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT$42,468 thousand and NT$22,626 thousand, respectively, representing 4.18% and 2.97%, of the consolidated total liabilities; for the three months ended March 31, 2025 and 2024, the amounts of combined comprehensive income of these non-significant subsidiaries were a loss of NT$6,094 thousand and a gain of NT5,686 thousand, respectively, representing (9.74)% and 14.51%, respectively, of the consolidated total comprehensive income. As of March 31, 2025 and 2024, the carrying amounts of the above-mentioned investments accounted for using the equity method were NT$49,897 thousand and NT$47,555 thousand, respectively; for the three months ended March 31, 2025 and 2024, the amounts of comprehensive income of investments accounted for using the equity method were a gain of NT$1,402 thousand and a gain of NT$1,072 thousand, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that has caused 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, and its consolidated financial performance and consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yeh Shu-Chuan and Huang Kuo-Ning.

Deloitte & Touche

Taipei, Taiwan

Republic of China

May 12 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.

VSO Electronics Co., Ltd. and Subsidiaries

Consolidated Balance Sheet
(In Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024	
Code	ASSETS	Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	$ 656,877	26	$ 320,793	13	$ 451,401	25
1110	Current financial assets at fair value through profit or loss (Notes 7 and 30)	5,075	-	5,056	-	11,701	1
1136	Current financial assets at amortized cost (Notes 8 and 30)	480	-	338,208	14	62,003	3
1150	Notes receivable, net (Notes 9 and 23)	3,413	-	8,052	-	3,119	-
1170	Accounts receivable, net (Notes 9 and 23)	759,193	29	762,301	32	527,208	29
1180	Accounts receivable due from related parties, net (Notes 9, 23 and 31)	40,278	2	41,681	2	31,127	2
1200	Other receivables (Notes 9 and 30)	1,989	-	2,933	-	1,736	-
1220	Current tax assets	2,407	-	2,366	-	1,660	-
130X	Current inventories (Note 10)	290,973	11	231,983	10	175,435	10
1470	Other current assets (Note 16)	18,427	1	26,805	1	14,767	1
11XX	Total current assets	1,779,112	69	1,740,178	72	1,280,157	71
	Non-current assets						
1550	Investments accounted for using equity method (Note 12)	49,897	2	48,495	2	47,555	3
1600	Property, plant and equipment (Notes 13, 28, 32 and 33)	543,201	21	417,009	17	368,894	20
1755	Right-of-use assets (Notes 14 and 32)	112,666	4	120,477	5	29,427	2
1780	Intangible assets (Notes 15 and 33)	21,122	1	23,302	1	18,274	1
1840	Deferred tax assets	10,809	1	9,052	1	8,805	-
1900	Other non-current assets (Notes 16 and 32)	59,793	2	42,082	2	49,932	3
15XX	Total non-current assets	797,488	31	660,417	28	522,887	29
1XXX	Total assets	$ 2,576,600	100	$ 2,400,595	100	$ 1,803,044	100
	LIABILITIES AND EQUITY						
	Current liabilities						
2100	Current borrowings (Note 17)	$ 125,445	5	$ 34,750	1	$ 76,776	4
2120	Current financial liabilities at fair value through profit or loss (Notes 7 and 30)	846	-	-	-	-	-
2130	Current contract liabilities (Note 23)	7	-	1,042	-	7,742	1
2170	Notes and accounts payable (Note 18)	355,284	14	371, 451	16	255,807	14
2180	Accounts payable to related parties (Note 31)	550	-	2,531	-	984	-
2200	Other payables (Note 19)	350,529	14	286,133	12	291,735	16
2220	Other payables - related parties (Note 31)	1,810	-	701	-	661	-
2230	Current tax liabilities	23,656	1	14,148	1	43,653	2
2250	Provision for liabilities - current (Note 20)	2,321	-	2,107	-	1,451	-
2280	Current lease liabilities (Note 14)	7,318	-	7,545	-	8,528	1
2300	Other current liabilities (Notes 19, 23 and 31)	3,228	-	4,774	-	2,828	-
21XX	Total current liabilities	870,994	34	725,182	30	690,165	38
	Non-current liabilities						
2540	Non-current portion of non-current borrowings (Notes 4, 17 and 28)	58,384	2	9,853	1	-	-
2570	Deferred tax liabilities	76,232	3	74,317	3	58,668	3
2580	Non-current lease liabilities (Note 14)	8,578	-	8,868	-	12,185	1
2640	Other non-current liabilities (Note 19)	612	-	105	-	-	-
25XX	Total non-current liabilities	143,806	5	93,143	4	70,853	4
2XXX	Total liabilities	1,014,800	39	818,325	34	761,018	42
	Equity (Note 22)						
	Equity Attributable To Owners Of Parent						
	Share capital						
3110	Common stock share capital	417,165	16	417,165	17	375,302	21
3140	Capital collected in advance	-	-	-	-	8,603	-
3100	Total equity	417,165	16	417,165	17	383,905	21
3200	Capital surplus	565,900	22	565,514	24	228,059	13
	Retained surplus						
3310	Legal reserve	86,676	4	86,676	3	75,181	4
3320	Special reserve	52,481	2	52,481	2	40,666	2
3350	Unappropriated retained earnings	365,480	14	402,057	17	264,157	15
3300	Total retained earnings	504,637	20	541,214	22	380,004	21
3400	Other equity interest	(22,437)	(1)	(34,451)	(1)	(40,960)	(1)
31XX	Total equity attributable to owners of parent	1,465,265	57	1,489,442	62	951,008	53
36XX	Non-controlling interests	96,535	4	92,828	4	91,018	5
3XXX	Total equity	1,561,800	61	1,582,270	66	1,042,026	58
	Total liabilities and equity	$ 2,576,600	100	$ 2,400,595	100	$ 1,803,044	100

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

VSO Electronics Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		Three Months Ended March 31			
		2025		2024	
Code		Amount	%	Amount	%
4000	Operating revenue (Notes 23, 31 and 36)	$ 578,564	100	$ 419,997	100
5000	Operating costs (Notes 10, 15, 24 and 31)	415,465	72	316,980	76
5900	Gross Profit	163,099	28	103,017	24
	Operating expenses (Notes 9, 15, 24 and 31)				
6100	Selling expenses	28,387	5	23,117	5
6200	General and administrative expenses	50,289	9	36,392	9
6300	Research and development expenses	25,697	4	14,741	4
6450	Expected credit impairment loss (benefit)	3,422	-	2,130	-
6000	Total operating expenses	107,795	18	76,380	18
6900	Net operating income	55,304	10	26,637	6
	Non-operating income and expenses				
7100	Interest income (Note 24)	2,434	-	2,234	1
7190	Other income (Notes 24 and 28)	2,083	-	699	-
7210	Other gains and losses (Note 24)	4,329	1	10,221	2
7050	Finance costs (Note 24)	(886)	-	(1,898)	-
7060	Share of profit or loss of a related party recognized under the equity method	368	-	221	-
7000	Total non-operating income and expenses	8,328	1	11,477	3
7900	Profit before tax	$ 63,632	11	$ 38,114	9
7950	Income tax expense (Note 25)	(14,348)	(2)	(11,437)	(3)
8200	Profit	49,284	9	26,677	6
8300	Other comprehensive income (note 22)				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	12,259	2	11,649	3
8370	Share of other comprehensive income or loss of related parties and joint ventures accounted for using the equity method	1,034	-	851	-
8500	Total comprehensive income	$ 62,577	11	$ 39,177	9
	Profit attributable to:				
8610	Profit, attributable to owners of parent	$ 46,856	8	$ 24,234	6
8620	Profit, attributable to non-controlling interests	2,428	1	2,443	-
8600		$ 49,284	9	$ 26,677	6
	Total consolidated profit and loss is attributable to:				
8710	Comprehensive income, attributable to owners of parent	$ 58,870	10	$ 35,755	8
8720	Comprehensive income, attributable to non-controlling interests	3,707	1	3,422	1
8700		$ 62,577	11	$ 39,177	9
	Earnings per share (Note 26)				
9710	Basic earnings per share	$ 1.12		$ 0.64	
9810	Diluted earnings per share	$ 1.12		$ 0.63	

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

VSO Electronics Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity
(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of Parent										
		Share Capital (note 22)				Retained Earnings (Notes 22 and 25)						
Code		Number of shares (in thousands)	Amount	Advance Receipts	Capital Reserve (Note 22)	Statutory Surplus	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements (Note 22)	Total	Non-Controlling interests (Note 22)	Total Equity
A1	Balance as of January 1, 2024	37,530	$ 375,302	$ -	$ 227,844	$ 75,181	$ 40,666	$ 315,846	($ 52,481)	$ 982,358	$ 87,594	$ 1,069,952
	Appropriation of the 2023 earnings											
B5	Cash dividends of ordinary share	-	-	-	-	-	-	(75,921)	-	(75,921)	-	(75,921)
N1	Employee stock option compensation cost	-	-	-	215	-	-	-	-	215	-	215
N1	Common shares issued under employee stock option plan	-	-	8,603	-	-	-	-	-	8,603	-	8,603
M7	Changes in ownership interest in subsidiaries	-	-	-	-	-	-	(2)	-	(2)	2	-
D1	Profit for the three months ended March 31, 2024	-	-	-	-	-	-	24,234	-	24,234	2,443	26,677
D3	Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	-	11,521	11,521	979	12,500
Z1	Balance as of March 31, 2024	37,530	$ 375,302	$ 8,603	$ 228,059	$ 75,181	$ 40,666	$ 264,157	($ 40,960)	$ 951,008	$ 91,018	$ 1,042,026
A1	Balance as of January 1, 2025	41,716	$ 417,165	$ -	$ 565,514	$ 86,676	$ 52,481	$ 402,057	($ 34,451)	$ 1,489,442	$ 92,828	$ 1,582,270
	Appropriation of the 2024 earnings											
B5	Cash dividends of ordinary share	-	-	-	-	-	-	(83,433)	-	(83,433)	-	(83,433)
N1	Employee stock option compensation cost	-	-	-	386	-	-	-	-	386	-	386
D1	Profit for the three months ended March 31, 2025	-	-	-	-	-	-	46,856	-	46,856	2,428	49,284
D3	Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	-	12,014	12,014	1,279	13,293
Z1	Balance as of March 31, 2025	41,716	$ 417,165	$ -	$ 565,900	$ 86,676	$ 52,481	$ 365,480	($ 22,437)	$ 1,465,265	$ 96,535	$ 1,561,800

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

VSO Electronics Co., Ltd. and Subsidiaries

Consolidated statement of cash flows
(In Thousands of New Taiwan Dollars)

Code		Three Months Ended March 31 2025	2024
	Cash Flows From Operating Activities		
A10000	Profit before tax	$ 63,632	$ 38,114
	Loss of revenue		
A20100	Depreciation expense	15,104	12,297
A20200	Amortization expense	2,763	1,963
A20300	Expected credit impairment losses	3,422	2,130
A20900	Finance Costs	886	1,898
A21200	Interest income	(2,434)	(2,234)
A21900	Share-based compensation cost	386	215
A23700	Losses on decline in value of inventories and obsolescence (reversal of gains)	5,618	(3,591)
A20400	Loss (gain) on financial assets and liabilities at fair value through profit or loss	827	(61)
A22300	Equity-method share of profits and losses of related parties	(368)	(221)
A22500	Disposal of interests in real property, plant and equipment	(355)	(465)
A29900	Government subvention income	(175)	-
A29900	Loss on disposal of right-of-use asset	1,442	-
A30000	Net changes in operating assets and liabilities		
A31130	Notes Receivable	4,735	(1,039)
A31150	Accounts receivable	4,080	(13,600)
A31160	Accounts receivable - related parties	1,990	4,518
A31180	Other receivables	582	1,748
A31200	Inventory	(59,817)	(14,781)
A31240	Other current assets	8,769	(4,461)
A31990	Other non-current assets	85	(622)
A32125	Contractual liabilities	(1,042)	7,366
A32150	Accounts payable	(21,875)	(12,566)
A32160	Accounts payable - related parties	(2,006)	353
A32180	Other payables	(22,062)	(23,735)
A32190	Other payables - related parties	1,097	14
A32200	Provision for liabilities	193	131
A32230	Other current liabilities	(1,455)	(1,733)
A33000	Cash generated from (used in) operations	4,022	(8,362)
A33500	Income tax paid	(4,889)	(1,524)
AAAA	Net cash outflow from operating activities	(867)	(9,886)

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Code		Three Months Ended March 31 2025	2024
	Cash flows from investing activities		
B00100	Acquisition of financial assets at fair value through profit or loss	$ -	($ 3,500)
B00200	Disposal of financial assets at fair value through profit or loss	-	15,707
B00040	Acquisition of financial assets measured at amortized cost	(600,478)	-
B00050	Disposal of financial assets measured at amortized cost	938,208	25,000
B02700	Acquisition of real estate, plant and equipment	(151,920)	(7,935)
B02800	Disposal of property, plant and equipment	880	939
B05350	Disposal of right-of-use assets	6,039	-
B04500	Acquisition of intangible assets	(470)	-
B03800	Decrease in refundable deposits	-	3,054
B07500	Interest received	2,809	1,783
BBBB	Net cash inflow from investing activities	195,068	35,048
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	157,149	46,106
C00200	Decrease in short-term borrowings	(67,813)	(152,644)
C01600	Long-term borrowings	49,249	-
C04020	Lease principal repayment	(2,210)	(2,221)
C04800	Employee-Executed Stock Options	-	8,603
C05600	Interest paid	(722)	(1,979)
CCCC	Net cash inflow (outflow) from financing activities	135,653	(102,135)
DDDD	Effect of exchange rate changes on cash and cash equivalents	6,230	5,359
EEEE	Net increase (decrease) in cash and cash equivalents	336,084	(71,614)
E00100	Cash and cash equivalents at beginning of period	320,793	523,015
E00200	Cash and cash equivalents at end of period	$ 656,877	$ 451,401

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

VSO Electronics Co., Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements
For the three months ended March 31, 2025and 2024
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Overview

VSO Electronics Co., Ltd. (the "Company") was established on August 13, 1994, and its main business is the sale of various kinds of connecting wires for intelligent Internet of Things, cloud, industrial control, medical and automotive applications.

On September 28, 2022, the Company was approved by the Taipei Exchange for a public offering of stock and since October 1, 2024, the Company has been traded over the counter on the Taipei Exchange. The accompanying consolidated financial statements are expressed in New Taiwan dollars, the functional currency of the Company.

2. FINANCIAL STATEMENTS AUTHORIZATION DATE AND AUTHORIZATION PROCESS

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 12 2025.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

(2) The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

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

Note：Effective for annual reporting periods beginning on or after January 1, 2026, entities may elect to apply the requirements early on January 1, 2025.

As of the date of adoption and issuance of this Consolidated Financial Statements, the Consolidated Company assessed that the amendments to the above standards and interpretations did not have a significant impact on the Consolidated Company's consolidated financial position and consolidated financial performance.

(3) 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"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 -Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

<u>IFRS 18 "Presentation and Disclosure in Financial Statements"</u>

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

1. 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.
2. 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.
3. Provides guidance to enhance the requirements of aggregation and disaggregation: The Company 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 Company shall disaggregate items with dissimilar characteristics in the primary financial

statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.

4. 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 Company as a whole, the Company 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-mentioned impacts, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

(1) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

(2) Basis of Preparation

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

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

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

2. Level 2 inputs: 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) Basis of Preparation

The consolidated financial statements include the financial statements of the Company and the entities (subsidiaries) controlled by the Company. The consolidated statements of income incorporate the operating income or loss of the acquired or disposed subsidiaries for the current period from the date of acquisition or up to the date of disposal. The financial statements of subsidiaries have been adjusted to conform their accounting policies to those of the Consolidated Company. In preparing the consolidated financial statements, all intercompany transactions, account balances, gains and losses have been eliminated. The consolidated total profit or loss of the subsidiaries is attributed to the owners of the Company and the noncontrolling interests, even if the noncontrolling interests become a deficit balance as a result. When a change in the Consolidated Company's ownership interest in a subsidiary does not result in a loss of control, the transaction is accounted for as an equity transaction. The carrying amounts of the Consolidated Company and noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The difference between the adjusted amount of noncontrolling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

For details of subsidiaries, shareholding ratios and operating items, see Note 11 and Schedules VII and VIII.

(4) Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

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 by applying to an interim period’s pre-tax income the tax rate that would be applicable to expected total annual earnings.

3) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Consolidated Company becomes a party to the contractual provisions of the instrument.

(1) Financial Assets

Financial assets measured at amortized cost

The cash equivalents include time deposits and bonds with repurchase rights, which are highly liquid, readily convertible into fixed amounts of cash and subject to an insignificant risk of changes in value within three months from the date of acquisition, and are used to meet short-term cash commitments.

(2) Financial liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are held for trading.

Financial liabilities held for trading are measured at fair value, with related gains or losses recognized in other gains and losses.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rate, discount rate, profitability, and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. For the summary of critical accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash in hand and petty cash	$ 983	$ 685	$ 1,025
Bank Demand Deposit	173,467	167,942	164,536
Cash equivalent			
Time deposits with original maturity of less than 3 months	207,427	152, 166	285,840
Bonds with Repurchase	275,000	-	-
	$ 656,877	$ 320,793	$ 451,401

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets - liquidity			
Mandatory fair value through profit or loss Measurement			
Non-derivative financial assets			
-Beneficiary Certificates	$ 5,075	$ 5,056	$ 11,701
Financial liabilities - current			
Held for trading			
Derivatives (unspecified hedging)			
- Forward exchange contracts	$ 846	$ -	$ -

Forward foreign exchange contracts for which hedge accounting was not applied and which were outstanding at the balance sheet date were as follows:

March 31, 2025

	Currency	Maturity period	Contract Amount (Thousand Dollars)
Sell forwards	U.S. Dollar to New Taiwan Dollar	2025.04.02~2025.06.04	USD4,400 /NTD144,758

The Consolidated Company had no outstanding forward exchange contracts as of December 31 and March 31, 2024. The Consolidated Company engages in forward exchange transactions mainly to hedge the risks arising from foreign currency assets and liabilities due to fluctuations in foreign currency exchange rates; however, the Consolidated Company does not meet the criteria for an effective hedge, and therefore hedge accounting is not applicable.

Net (loss) gain on financial assets and liabilities at fair value through profit or loss was $(827) thousand and $61 thousand for the years ended January 1 to March 31, 2025 and 2024, respectively.

8. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
Original maturity over 3 months Time Deposit	$ 480	$ -	$ 62,003
Bonds with Repurchase	-	338,208	-
	$ 480	$ 338,208	$ 62,003
Total Carrying Amount	$ 480	$ 338,208	$ 62,003
Allowance for losses	-	-	-
Amortized cost	$ 480	$ 338,208	$ 62,003

The coupon rate on the bonds purchased with repurchase at December 31, 2024 was 1.73%.

As of March 31, 2025 and 2024, the market interest rates on time deposits with original maturities of more than three months were 4.10% and 1.95% to 4.70% per annum, respectively.

The credit risks of financial instruments such as bank deposits are measured and monitored by the finance department. The Consolidated Company selects counter-parties and performing parties as banks with good credit ratings.

9. Notes receivable, accounts receivable (including related parties) and other receivables

	March 31, 2025	December 31, 2024	March 31, 2024
Notes Receivable			
Occurred as a result of operations	$ 3,413	$ 8,052	$ 3,119
Accounts receivable			
Total Carrying Amount	$ 765,334	$ 764,984	$ 533,115
Less: Allowance for losses	(6,141)	(2,683)	(5,907)
	759,193	762,301	527,208
Accounts receivable - related parties	40,278	41,681	31,127
	$ 799,471	$ 803,982	$ 558,335
Other receivables			
Others	$ 1,989	$ 2,933	$ 1,736

i) Bills receivable

The Consolidated Company's average days to realize notes receivable are 10 to 110 days. In order to minimize credit risk, the Consolidated Company reviews the recoverable amount of accounts receivable on each balance sheet date to ensure that appropriate impairment losses have been recognized for uncollectible accounts receivable. Accordingly, the Consolidated Company's management believes that the Consolidated Company's credit risk has been significantly reduced.

The Consolidated Company recognizes an allowance for losses on notes receivable based on expected credit losses over the life of the notes. The expected credit losses for the remaining period are based on the customers' past default records, current financial conditions and the economic situation of the industry. As of March 31, 2025 and December 31 and March 31, 2024, the aging of notes receivable was not past due and the expected credit loss rate was 0%.

(ii)Accounts receivable

The Consolidated Company's average credit period for merchandise sales ranges from 30 to 145 days per month. Accounts receivable are non-interest-bearing.

In order to maintain the quality of receivables, the Consolidated Company has established procedures to manage credit risk associated with its operations. The Consolidated Company's risk assessment of individual customers takes into account a number of factors that may affect the customer's ability to pay, such as the customer's financial condition, aging analysis, and historical transaction history. The

Consolidated Company also utilizes certain credit enhancement tools, such as requesting customers to prepay for goods, when appropriate, to minimize the credit risk of specific customers.

In addition, the Consolidated Company reviews the recoverable amount of accounts receivable individually at the balance sheet date to ensure that appropriate impairment losses have been recognized for uncollectible accounts receivable. Accordingly, the Consolidated Company's management believes that the Consolidated Company's credit risk has been significantly reduced.

The Consolidated Company recognizes an allowance for losses on accounts receivable based on the expected credit loss over the life of the accounts receivable. Expected credit losses for the current period are calculated using an allowance matrix, which takes into account the customers' past default records, current financial conditions, and the economic situation of the industry. The Consolidated Company categorizes customers into different risk groups based on historical experience and customers' individual financial conditions. The Consolidated Company applies different allowance matrices for each customer group and determines the expected credit loss rate based on the number of days past due for accounts receivable.

If there is evidence that the counterparty is in serious financial difficulty and the Consolidated Company does not have a reasonable expectation of recovery, such as when the counterparty is in the process of liquidation, the Consolidated Company will write off the receivable directly, but will continue to pursue the receivable, and the amount recovered will be recognized in profit or loss.

The Consolidated Company's allowance for losses on accounts receivable (including related parties), measured on a reserve matrix, was as follows:

March 31, 2025

	Not Past Due	1-30 days	31-60 days	61 to 90 days	91-120 days	More than 120 days	Total
Expected credit loss rate	0% to 0.66%	0%~9.49%	0%~52.86%	0%~90.60%	0%~90.60%	100%	
Total Carrying Amount	$711,226	$ 80,200	$ 11,108	$ 136	$ 1,397	$ 1,545	$805,612
Allowance for losses (expected credit losses over the period)	(172)	(158)	(3,640)	(123)	(503)	(1,545)	(6,141)
Amortized cost	$711,054	$ 80,042	$ 7,468	$ 13	$ 894	$ -	$799,471

December 31, 2024

	Not Past Due	1-30 days	31-60 days	61 to 90 days	91-120 days	More than 120 days	Total
Expected credit loss rate	0% to 0.66%	0%~7.29%	0%~51.69%	0%~89.95%	0%~100%	100%	
Total Carrying Amount	$714,900	$ 86,672	$ 3,576	$ 167	$ -	$ 1,350	$806,665
Allowance for losses (expected credit losses over the period)	(274)	(114)	(796)	(149)	-	(1,350)	(2,683)
Amortized cost	$714,626	$ 86,558	$ 2,780	$ 18	$ -	$ -	$803,982

March 31, 2024

	Not Past Due	1-30 days	31-60 days	61 to 90 days	91-120 days	More than 120 days	Total
Expected credit loss rate	0%~0.57%	0%~8.44%	0%~34.33%	0%~46.18%	0%~72.57%	100%	
Total Carrying Amount	$466,400	$ 91,420	$ 5,027	$ 203	$ 227	$ 965	$564,242
Allowance for losses (expected credit losses over the period)	(940)	(2,732)	(921)	(175)	(174)	(965)	(5,907)
Amortized cost	$465,460	$ 88,688	$ 4,106	$ 28	$ 53	$ -	$558,335

Information on the changes in the allowance for losses on accounts receivable is summarized below:

	For the Three Months Ended March 31	
	2025	2024
Opening balance	$ 2,683	$ 3,691
Add: Impairment loss provided for the period	3,422	2,130
Foreign currency translation differences	36	86
Closing balance	$ 6,141	$ 5,907

(iii) Other receivables - other

The Consolidated Company evaluates the expected recoverable amount of other receivables to be equal to the original carrying amount by taking into account the past default records of the other receivables, the current financial condition, and the forecast of future economic conditions, etc., and therefore does not need to recognize an allowance for losses.

10. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	$ 80,448	$ 56,693	$ 36,519
In Products	56,626	56,811	38,627
Finished product	89,240	81,394	52,859
Merchandise	64,659	37,085	47,430
	$ 290,973	$ 231,983	$ 175,435

The nature of cost of goods sold is as follows.

	For the Three Months Ended March 31	
	2025	2024
Cost of inventories sold	$ 409,847	$ 320,571
Loss on decline in value of inventories (reversal of gain)	5,618	(3,591)
	$ 415,465	$ 316,980

11. SUBSIDIARY COMPANIES

The main presentation categories included in the consolidated financial statements are as follows:

			Proportion of Ownership (%)		
Name of Investor	Name of Subsidiary	Principal Activity	March 31, 2025	December 31, 2024	March 31, 2024
VSO ELECTRONICS CO., LTD.	Cable Garden Holdings Limited	Investment holding business	100	100	100
	LINKUPON INTERNATIONAL LIMITED	Sales of engineering plastics for optical automotive 3C products.	60	60	60
	Vsovn Electronics (HANOI) Company Limited	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	100	100	100
Cable Garden Holdings Limited	VSO (Viet Nam) Electronics Co., LTD	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	100	100	100
	Ji An VSO Electronics Co., LTD	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	100	100	100
	Cleveland Investments Limited	Investment holding business	100	100	100
Cleveland Investments Limited	VSO Electronics (Suzhou) Co., LTD	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	100	100	100
LINKUPON INTERNATIONAL LIMITED	Linkupon International Holdings, Limited	Investment holding business	100	100	100
Linkupon International Holdings, Limited	Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Sales of engineering plastics for optical automotive 3C products.	100	100	100

Hong Ching Electronics (Vietnam) Company Limited and Vsovn Electronics (HANOI) Company Limited, immaterial subsidiaries of the Consolidated Company from January 1 to March 31, 2025 and 2024, and their financial statements have not been reviewed.

Information on Subsidiaries with Significant Non-Controlling Interests

Subsidiary	Principal Place of Business	Percentage of shareholding and voting rights held by non-controlling interests March 31, 2025	December 31, 2024	March 31, 2024
LINKUPON INTERNATIONAL LIMITED	Taiwan	40%	40%	40%

Please refer to Table 7 (attached) for information on principal place of business and country of incorporation.

Name of Subsidiary	Gains and losses allocated to noncontrolling interests For the Three Months Ended March 31 2025	2024	Non-controlling interests March 31, 2025	December 31, 2024	March 31, 2024
Linkupon International Limited	$ 2,428	$ 2,443	$ 96,535	$ 92,828	$ 91,018

Linkupon International Limited

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	$ 296,377	$ 311,614	$ 322,821
Non-current assets	55,606	54,145	53,094
Current liabilities	(91,371)	(114,723)	(131,335)
Non-current liabilities	(19,273)	(18,966)	(17,036)
Equity	$ 241,339	$ 232,070	$ 227,544
Equity is vested:			
Owners	$ 144,804	$ 139,242	$ 136,526
Non-controlling interests	96,535	92,828	91,018
	$ 241,339	$ 232,070	$ 227,544

	For the Three Months Ended March 31 2025	2024
Operating income	$109,189	$130,655
Net profit for the year	$ 6,071	$ 6,109
Other comprehensive income	3,197	2,447
Total consolidated profit and loss	$ 9,268	$ 8,556
Net profit is vested in:		
Owners	$ 3,643	$ 3,666
Non-controlling interests	2,428	2,443
	$ 6,071	$ 6,109
Total consolidated profit and loss is attributable to:		
Owners	$ 5,561	$ 5,134
Non-controlling interests	3,707	3,422
	$ 9,268	$ 8,556

12. SUBSIDIARY COMPANIES

Affiliated Enterprises

	March 31, 2025	December 31, 2024	March 31, 2024
Significant Affiliated Enterprises			
Mitsui Yuntuo, Zhangjiagang Free Trade Zone Composite Materials Co.	$ 49,897	$ 48,495	$ 47,555

Significant related party information

Company Name	Business Nature	Principal Place of Business	Shareholding and voting rights March 31, 2025	December 31, 2024	March 31, 2024
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material,inc	Plastic Materials Manufacturing and Sales	China	24%	24%	24%

Please refer to Table 8 (attached) for the business nature, principal place of business, and registered country information of the above affiliates.

The equity method investments and the Consolidated Company's share of its profit or loss and other comprehensive income or loss for the three months ended March 31, 2025 and 2024 were recognized based on unreviewed financial statements.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery equipment	Transportation equipment	Other Equipment	Construction in progress	Total
Cost							
Balance as of January 1, 2025	$65,705	$171,386	$334,183	$ 6,356	$65,405	$2,712	$645,747
add	31,872	14,026	13,709	-	1,076	72,527	133,210
Government subvention (Note 28)	-	(161)	-	-	-	-	(161)
Disposition	-	-	(1,232)	-	-	-	(1,232)
Net Exchange Difference	-	2,547	6,062	43	923	332	9,907
Balance as of March 31, 2025	$97,577	$187,798	$352,722	$ 6,399	$67,404	$75,571	$787,471
Accumulated depreciation							
Balance as of January 1, 2024	$ -	($26,278)	($ 170,650)	($ 1,955)	($ 29,855)	$ -	($ 228,738)
Depreciation expense	-	(1,399)	(8,482)	(347)	(2,010)	-	(12,238)
Sanctions	-	-	707	-	-	-	707
Net Exchange Difference	-	386	(3,159)	(14)	(442)	332	9,907
Balance as of March 31, 2024	$ -	($28,063)	($181,584)	($ 2,316)	($ 32,307)	$ -	($ 244,270)
Carrying amount at December 31,2024 and January 1, 2025	$65,705	$145,108	$163,533	$ 4,401	$35,550	$2,712	$417,009
Carrying amount at March 31,2025	$97,577	$159,735	$171,138	$ 4,083	$35,097	$75,571	$543,201

	Land	Buildings	Machinery equipment	Transportation equipment	Other Equipment	Construction in progress	Total
Cost							
Balance as of January 1, 2024	$65,705	$165,468	$274,144	$ 4,231	$54,548	$ 2,539	$566,635
Add	-	1,858	4,342	4,071	-	221	10,492
Government subvention (Note 28)	-	(4,715)	-	-	-	-	(4,715)
Disposition	-	-	-	(2,030)	-	-	(2,030)
Net Exchange Difference	-	2,226	4,846	56	755	-	7,883
Balance as of March 31, 2024	$65,705	$164,837	$283,332	$ 6,328	$55,303	$ 2,760	$578,265
Accumulated depreciation							
Balance as of January 1, 2024	$ -	($ 20,732)	($ 151,900)	($ 2,089)	($ 22,967)	$ -	($ 197,688)
Depreciation expense	-	(1,248)	(6,851)	(363)	(1,415)	-	(9,877)
Sanctions	-	-	-	1,556	-	-	1,556
Net Exchange Difference	-	(252)	(2,767)	(18)	(325)	-	(3,362)
Balance as of March 31, 2024	$ -	($ 22,232)	($ 161,518)	($ 914)	($ 24,707)	$ -	($ 209,371)
Carrying amount at March 31,2024	$65,705	$142,605	$121,814	$ 5,414	$30,596	$ 2,760	$368,894

Depreciation expense is provided on a straight-line basis over the following useful lives:

Buildings	30 to 50 years
Machinery equipment	2 to 10 years
Transportation Equipment	2 to 6 years
Other Equipment	2 to 10 years

The Consolidated Company established real estate, plant and equipment as collaterals for loans, please refer to Note 32.

14. LEASE AGREEMENTS

(i) Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of right-of-use assets			
Land	$ 97,539	$ 104,687	$ 9,358
Transportation Equipment	1,933	2,150	2,493
Buildings	13,194	13,640	17,576
	$ 112,666	$ 120,477	$ 29,427

	For the Three Months Ended March 31	
	2025	2024
Additions to usufructuary assets	$ 1,353	$ -
Depreciation expense on assets under license		
Land	$ 529	$ 48
Transportation Equipment	258	470
Buildings	2,079	1,902
	$ 2,866	$ 2,420

Land use rights are recognized as expenses on a straight-line basis over the useful lives of 2020 to 2072 years and 2024 to 2073 years, respectively. In addition to the additions and depreciation recognized for the right-of-use assets listed above, the Consolidated Company's right-of-use assets were reduced by $7,481 thousand due to the disposal of the land use rights of the land located in the Hi-Tech Zone of Anfu County, Jiangxi Province, the PRC, by its subsidiary, Ji An VSO Electronics Co., LTD in February 2025.The Consolidated Company did not have any significant sublease or impairment loss for the years ended January 1 and March 31, 2025 and 2024, respectively.

(ii) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of lease liabilities			
Mobility	$ 7,318	$ 7,545	$ 8,528
Non-mobile	$ 8,578	$ 8,868	$ 12,185

The range of discount rates for lease obligations is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	3.35%～ 4.65%	3.35% to 4.65%	3.45% to 4.65%
Transportation Equipment	1.35%～ 4.65%	1.35% to 4.65%	1.35% to 4.65%

(iii) Important Tenant Activities and Terms and Conditions

The Consolidated Company leases vehicles, warehouses, offices and plants for a period of 2 to 5 years. Upon termination of the lease period, the Consolidated Company has no preferential right to purchase the leased vehicles, warehouses, offices and factories.

(iv) Other Leasing Information

	For the Three Months Ended March 31	
	2025	2024
Short-term lease charges and lease charges for low-value assets	$ 5,411	$ 2,403
Total leasehold cash (outflow)	($ 7,795)	($ 4,845)

The Consolidated Company elected to apply the recognition exemption to buildings qualifying as short-term leases and office equipment leases qualifying as low value asset leases and not recognize the related right-of-use assets and lease liabilities for these leases.

All lease commitments for lease periods commencing after the balance sheet date are as follows :

	March 31, 2025	December 31, 2024	March 31, 2024
Lease commitments	$ -	$ -	$ 1,714

15. INTANGIBLE ASSETS

	Computer Software	Patent License	Total
Cost			
Balance as of January 1, 2025	$ 20,773	$ 21,866	$ 42,639
add	470	-	470
Net Exchange Difference	220	6	226
Balance as of March 31, 2025	$ 21,463	$ 21,872	$ 43,335
Accumulated amortization and impairment			
Balance as of January 1, 2025	($ 8,659)	($ 10,678)	($ 19,337)
Amortization expense	(1,400)	(1,363)	(2,763)
Net Exchange Difference	(109)	(4)	(113)
Balance as of March 31, 2025	($ 10,168)	($ 12,045)	($ 22,213)
Carrying amount at December 31,2024 and January 1, 2025	$ 12,114	$ 11,188	$ 23,302
Carrying amount at March 31,2025	$ 11,295	$ 9,827	$ 21,122
Cost			
Balance as of January 1, 2024	$ 18,105	$ 12,704	$ 30,809
Net Exchange Difference	185	5	190
Balance as of March 31, 2024	$ 18,290	$ 12,709	$ 30,999
Accumulated amortization and impairment			
Balance as of January 1, 2024	($ 4,339)	($ 6,365)	($ 10,704)
Amortization expense	(1,172)	(791)	(1,963)
Net Exchange Difference	(55)	(3)	(58)
Balance as of March 31, 2024	($ 5,566)	($ 7,159)	($ 12,725)
Carrying amount at March 31,2024	$ 12,724	$ 5,550	$ 18,274

Amortization expense is accrued on a straight-line basis over the following useful lives

Computer Software	3 to 7 years
Patent License	4 to 5 years

Amortization is aggregated by function:

	For the Three Months Ended March 31	
	2025	**2024**
Operating Costs	$ 1,694	$ 1,067
Operating Expenses		
Selling expenses	88	86
General and administrative expenses	284	237
Research and development expenses	697	573
	$ 2,763	$ 1,963

16. OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
Mobility			
Prepayment for purchases	$ 3,325	$ 10,646	$ 6,783
Prepaid expenses	5,276	7,907	5,663
Offset Against Business Tax Payable	9,826	8,215	2,209
Others	-	37	112
	$ 18,427	$ 26,805	$ 14,767
Non-mobile			
Prepayment for equipment	$ 49,004	$ 19,900	$ 12,039
Prepaid intangible assets	2,639	-	-
Prepayment of real estate purchase	256	14,285	5,866
Margin deposits (note 32)	6,981	6,904	5,866
Prepaid land use rights	-	-	30,788
Other advances	913	993	1,239
	$ 59,793	$ 42,082	$ 49,932

17. LOANS

(i)Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Bank Credit	$ -	$ -	$ 35,189
Bank Guarantee	125,445	34,750	41,587
	$ 125,445	$ 34,750	$ 76,776

The interest rate on bank guaranteed borrowings was 0.50% and 2.08% as of March 31, 2025 respectively, for which the Chairman of the Board of Directors, Mr. Chien Chung Cheng.

The interest rate on bank credit loans was 6% as of March 31, 2024; the interest rate on bank guaranteed loans was 0.50% and 6.23% as of December 31, and March 31, 2024, respectively, for which the chairman of the board of directors, Mr. Chien Chung Cheng, acted as a joint and several guarantor in his personal capacity.

In May 2024, the Corporation entered into a loan contract with a bank for $35,000 thousand under the "Ministry of Economic Affairs (MOEA) Low-Carbon Intelligent Nanotube Project Loan", with the Ministry of Economic Affairs (MOEA) subsidizing the mechanized interest rate of China Post's two-year time deposits for one year, and the actual interest rate borne by the Corporation was 0.50% as of March 31, 2025 and December 31, 2024, and the period of the loan was from May 13, 2024 to May 13, 2025 with monthly interest payments and repayment on maturity. The loan period is from May 13, 2024 to May 13, 2025, with interest payable monthly and principal repayment due at maturity.

(ii) Long-term loans

	March 31, 2025	December 31, 2024	March 31, 2024
Guaranteed Borrowing			
Bank Borrowing	$ 59,249	$ 10,000	$ -
Less: Discount on government grants	(865)	(147)	-
	$ 58,384	$ 9,853	$ -

In March 2025 and December 2024, the Corporation entered into loan agreements with banks for $49,249 thousand and $10,000 thousand, respectively, under the "Overseas Investment Financing Project Loan from China Development Fund". The loan periods were from March 6, 2025 to December 10, 2029 and from December 10, 2029 to December 10, 2024, with the principal and interest to be repaid on a monthly basis after a 24-month grace period. The loans were guaranteed by Mr. Chien Chung Cheng, Chairman of the Board of Directors, in his capacity as a joint and several guarantor, and the interest rates of the loans were 1.773435% and 1.772019%, respectively.

18. NOTES AND ACCOUNTS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable			
Occurred as a result of operations	$ 355,284	$371, 451	$ 255,807

The average credit period for the Consolidated Company's purchases ranges from 30 to 120 days per month.

19. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
Mobility			
Other payables			
Salary and Bonus Payable	$ 43,563	$ 68,928	$ 35,526
Premiums payable	132,449	130,191	129,195
Employee compensation payable	10,935	8,486	5,993
Directors' remuneration payable	4,699	3,748	2,318
VAT payable	-	3,083	-
Dividend payable	83,433	-	75,921
Payables for equipment	2,372	4,013	697
Others	73,078	67,684	42,085
	$ 350,529	$ 286,133	$ 291,735
Other liabilities			
Deferred income from government grants (Notes 17 and 28)	$ 354	$ 292	$ -
Refund liabilities (Notes 23 and 31)	1,488	3,041	1,738
Others	1,386	1,441	1,090
	$ 3,228	$ 4,774	$ 2,828
Non-mobile			
Other liabilities			
Deferred income from government grants (Notes 17 and 28)	$ 612	$ 105	$ -

20. PROVISION FOR LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Warranty	$ 2,321	$ 2,107	$ 1,451

The allowance for warranty liabilities is based on the present value of the Consolidated Company's management's best estimate of future economic outflows resulting from warranty obligations under contracts for the sale of goods. The estimates are based on historical warranty experience and are adjusted for new raw materials, changes in manufacturing processes, or other factors affecting product quality.

21. RETIREMENT BENEFIT PLANS

In fiscal year 2023, the Company reached an agreement with the employees of the applicable defined benefit pension plan to settle their seniority, and in January 2024, the Company was approved by the competent authority to cancel the Labor Pension Reserve Account.

22. EQUITY

(i) Share capital

Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
Number of Shares (Thousands)	60,000	60,000	60,000
Nominal share capital	$ 600,000	$ 600,000	$ 600,000
Shares issued and fully paid (Thousands)	41,716	41,716	37,530
Issued share capital	$ 417,165	$ 417,165	$ 375,302
Advance receipts of capital	$ -	$ -	$ 8,603

On July 23, 2024, the Board of Directors resolved to issue 3,660 thousand new shares through a cash capital increase before the initial listing on the OTC market, with a par value of NT$10 per share. The application has been declared effective by the Taipei Exchange (formerly the OTC) under its letter No. 1130007053 dated August 9, 2024; the above cash capital increase included the issuance of 3,660 thousand new shares, with the underwriting price of NT$100.73 per share as the premium for the employees' subscription and the public subscription, and the total amount of $365,577 thousand, net of the underwriting costs, was fully received. The total amount of $365,577 thousand, net of underwriting fees, was received in full, and the capital increase was completed on October 14, 2024, with September 27, 2024, as the record date.

For the year ended April 23, 2024, the Company's stock options granted to employees on February 1, 2021 (434 thousand shares), with subscription price of NT$20 per share, respectively, were exercised by employees, and the registration of the change was completed by December 31, 2024, respectively.

Please refer to Note 27 for the description of the employee stock options.

(ii) 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)			
Arising from the issuance of ordinary shares	$ 563,750	$ 563,750	$ 223,467
May be used to offset a deficit only			
Other - Exercise of reversionary rights	928	928	
Employee stock options	1,222	836	4,592
	$ 565,900	$ 565,514	$ 228,059

Note: Capital surplus may be used to offset a deficit: This type of capital surplus may be used to offset a deficit or, if the company is not in deficit, may be used to distribute cash or capitalize capital, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.

A reconciliation of the balance of each type of capital surplus for the years ended January 1, 2025 and 2024 to March 31, is as follows:

	Arising from the issuance of ordinary shares	Employee stock options	Other	Total
Balance as of January 1, 2024	$ 223,467	$ 4,377	$ -	$ 227,844
Recognized share-based payment	-	215	-	215
Balance as of March 31, 2024	$ 223,467	$ 4,592	$ -	$ 228,059
Balance as of January 1, 2025	$ 563,750	$ 836	$ 928	$ 565,514
Recognized share-based payment	-	386	-	386
Balance as of March 31, 2025	$ 563,750	$ 1,222	$ 928	$ 565,900

(iii) Retained earnings and dividend policy

In accordance with the Company's Articles of Incorporation, when the Company distributes its earnings, 10% of the legal reserve should be set aside as legal reserve after making an estimate and retaining the taxable earnings, and making up for any deficit in accordance with the law, unless the legal reserve has already reached the amount of paid-in capital. The remaining balance should be set aside or reversed as a special reserve in accordance with laws and regulations and the requirements of the competent authorities. If there is any remaining surplus after deducting the aforementioned items, the board of directors shall prepare a resolution on the appropriation of the surplus and submit it to the shareholders' meeting for approval.

The distribution of dividends and bonuses by the Company, in whole or in part in the form of cash payments, is authorized to be resolved by the Board of Directors and reported to the shareholders in general meeting.

In accordance with the Company's Articles of Incorporation, the appropriation of earnings may be in the form of cash dividends or stock dividends, with the appropriation of earnings to be at least 35% of the distributable earnings, and cash dividends to be at least 20% of the total amount of dividends to be distributed. The aforementioned rates of distribution of earnings and cash dividends to shareholders may be adjusted in the shareholders' meeting depending on actual earnings and capital requirements.

The Company's Articles of Incorporation provide that the Company's employees' and directors' remuneration should be distributed as follows: (7) Employees' and Directors' Remuneration, Note24.

The legal reserve should be appropriated until the balance reaches the Company's total paid-in capital. The legal reserve may be used to offset a deficit. If the Company has no deficit, the excess of the legal reserve over 25% of the Company's paid-in capital may be transferred to capital and distributed in cash.

If there is insufficient unappropriated earnings to provide for the special reserve for other equity in earnings accumulated in prior periods, the special reserve is provided from the current period's net income plus items other than net income after income tax, which are included in the current period's unappropriated earnings.

The appropriations of the Company's surplus for fiscal years 2024 and 2023 were as follows:

	2024	2023
Legal reserve	$ 18,544	$ 11,495
Special reserve	($ 18,030)	$ 11,815
Cash dividends	$ 83,433	$ 75,921
Stock dividends	$ 20,858	$ -
Cash dividends per share ($)	$ 2.0	$ 2.0
Stock dividends per share ($)	0.5	-

The aforementioned appropriation for cash dividends had been resolved by the board of directors on March 13, 2025 and March 28, 2024, respectively. The other appropriations of earnings for 2023 were resolved by the shareholders' meetings on May 15, 2024. The other proposed appropriations of earnings for 2024 will be resolved by the shareholders' meeting to be held on May 12, 2025.

(iv) Special surplus reserve

	For the Three Months Ended March 31	
	2025	2024
Opening and ending balance	$ 52,481	$ 40,666

(v) Financial statements translation differences of foreign operations

	For the Three Months Ended March 31	
	2025	2024
Balance at the beginning of the year	($ 34,451)	($ 52,481)
Exchange differences arising from the translation of financial statements of foreign operators	11,394	11,010
Other comprehensive income or loss of equity-method affiliates	620	511
Balance at the end of the year	($ 22,437)	($ 40,960)

(vi) Non-controlling interests

	For the Three Months Ended March 31	
	2025	2024
Opening balance	$ 92,828	$ 87,594
Net profit for the period	2,428	2,443
Other comprehensive income for the period		
Exchange differences on translation of financial statements of foreign operations	865	639
Other comprehensive income or loss of equity-method affiliates	414	340
Changes in ownership interest in subsidiaries	-	2
Closing balance	$ 96,535	$ 91,018

23. REVENUE

	For the Three Months Ended March 31	
	2025	2024
Revenue from customer contracts		
Revenue from sales of goods	$ 577,574	$ 418,367
Compensation Income	990	1,630
	$ 578,564	$ 419,997

(I) Description of the Customer Contract

In accordance with business practice, the Consolidated Company's sales of connecting cables from various smart IoT, cloud, industrial control, medical and automotive applications, etc., and some of the sales customers took into account their transaction records in the past year, and the Consolidated Company estimated the discount amount based on the most probable amount, based on which the refund liabilities were recognized (classified as other current liabilities) Please refer to Notes 19 and 31 for details.

(ii) Contract balance

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Notes receivable (Note 9)	$ 3,413	$ 8,052	$ 3,119	$ 2,038
Accounts receivable (Note 9)	$759,193	$762,301	$527,208	$513,176
Accounts receivable - related parties (Note 31)	$40,278	$41,681	$31,127	$35,271
Contract liabilities - current	$ 7	$ 1,042	$ 7,742	$ 370

(iii) Breakdown of revenue from customer contracts

	For the Three Months Ended March 31 2025	2024
AIOT Intelligent Internet of Things Application Cable Set	$ 253,028	$ 139,511
Computer Consumer Electronics Cable Assemblies	146,648	90,014
Engineered Plastic Functional Materials	105,334	130,655
Others-Connection cable set	73,554	59,817
	$ 578,564	$ 419,997

24. NET PROFIT FOR THE YEAR

(i) Interest income

	For the Three Months Ended March 31 2025	2024
Interest income		
Bank Deposit	$ 1,556	$ 2,230
Bonds with Repurchase	878	-
Interest on Deposits	-	4
	$ 2,434	$ 2,234

(ii) Other income

	For the Three Months Ended March 31 2025	2024
Government subvention income	$ 175	$ 279
Others	1,908	420
	$ 2,083	$ 699

(iii)Other gains and losses

	For the Three Months Ended March 31 2025	2024
(Gains) losses on disposal of property, plant and equipment	$ 355	$ 465
Loss on disposal of license assets	(1,442)	-
Net loss on financial assets at fair value through profit or loss (Note 7)	(827)	61
Net foreign currency translation gains (losses)	6,689	9,695
Others	(446)	-
	$ 4,329	$ 10,221

(iv) Finance Costs

	For the Three Months Ended March 31	
	2025	2024
Interest on bank loans	$ 712	$ 1,677
Interest on Leasehold Debt	174	221
	$ 886	$ 1,898

(v) Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
Depreciation expense by function		
Operating Costs	$ 10,224	$ 7,745
Operating Expenses	4,880	4,552
	$ 15,104	$ 12,297
Amortization expense is summarized by function.		
Operating Costs	$ 1,694	$ 1,067
Operating Expenses	1,069	896
	$ 2,763	$ 1,963

(vi) Employee benefit expenses

	For the Three Months Ended March 31	
	2025	2024
Short-term Employee Benefits	$ 124,265	$ 90,224
Share-based Payment		
Settlement of Interests	386	215
Post-employment benefits		
Determine the funding program	1,300	1,090
Total Employee Benefit Costs	$ 125,951	$ 91,529
Summary by Function		
Operating Costs	$ 61,412	$ 44,092
Operating Expenses	64,539	47,437
	$ 125,951	$ 91,529

(vii) Remuneration of employees and remuneration of directors

After retaining the amount of loss to be covered, the Company should allocate 2% to 10% of the profit, if any, for employees' compensation and not more than 2% for directors' compensation, based on the pre-tax profit before deducting the distribution of employees' compensation and directors' compensation for the current year. Pursuant to the amendment of the Securities and Exchange Act of August 2024, the Company expects to approve the amendment of the Articles of Incorporation at the shareholders' meeting in November 2025, which stipulates that no less than 15% of the aforementioned appropriations for employees' compensation should be paid as compensation to junior employees.

Employee compensation (including grassroots compensation) and directors' compensation estimated for January 1 to March 31, 2025 and 2024 were as follows:

Estimated percentage

	For the Three Months Ended March 31	
	2025	2024
Employee Remuneration	4.00%	3.00%
Directors' Remuneration	1.56%	1.16%

Amount

	For the Three Months Ended March 31	
	2025	2024
Employee Remuneration	$ 2,442	$ 961
Directors' Remuneration	$ 951	$ 371

Changes in accounting estimates subsequent to the adoption of the annual consolidated financial statements are accounted for as changes in accounting estimates and recorded as adjustments in the following year.

Employee compensation and director compensation for fiscal years 2024 and 2023 were resolved by the Board of Directors on March 13, 2025 and March 28, 2024, respectively, as follows:

Amount

	2024	2023
Employee Remuneration	$ 8,449	$ 4,994
Directors' Remuneration	$ 3,748	$ 1,947

The actual allotment amounts of employees' compensation for fiscal years 2024 and 2023 did not differ from the amounts recognized in the consolidated financial statements for fiscal years 2024 and 2023. For the above information on employees' compensation and directors' compensation resolved by the Board of Directors of the Company, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(viii) Foreign currency exchange gains and losses

	For the Three Months Ended March 31	
	2025	2024
Total foreign currency exchange gains	$ 13,884	$ 12,918
Total foreign currency exchange losses	(7,195)	(3,223)
net profit	$ 6,689	$ 9,695

25. INCOME TAX

(i) Income tax recognized in profit or loss

The major components of income tax expense were as follows

	For the Three Months Ended March 31	
	2025	2024
Current income tax		
Current tax	($ 14,381)	($ 5,246)
Adjustments to prior years	28	(1,088)
	(14,353)	(6,334)
Deferred income tax		
Current tax	5	(5,103)
Income tax expense recognized in profit or loss	($ 14,348)	($ 11,437)

(ii) Income tax authorizations

The Company's income tax returns through FY2023 have been examined by the tax authorities. The income tax returns of subsidiaries of Linkupon International Limited have been examined and approved by the tax authorities for filings prior to FY2022.

26. EARNINGS PER SHARE

Unit: Earnings per share

	For the Three Months Ended March 31	
	2025	2024
Basic earnings per share		
Total basic earnings per share	$ 1.12	$ 0.64
Diluted earnings per share		
Total diluted earnings per share	$ 1.12	$ 0.63

The net income and weighted average number of common shares used in calculating earnings per share were as follows:

Net profit for the year

	For the Three Months Ended March 31	
	2025	2024
Net profit for the purpose of basic/diluted earnings per share	$ 46,856	$ 24,234

Number of shares

Unit: Thousand Shares

	For the Three Months Ended March 31	
	2025	**2024**
Weighted average number of common shares used in basic earnings per share calculation	41,716	37,625
Effect of dilution on potential common stock:		
Employee stock options	37	348
Employee Remuneration	68	222
Weighted average number of common shares used in the calculation of diluted earnings per share (EPS)	41,821	38,195

If the Consolidated Company has the option to grant employees' compensation in the form of stock or cash, it is assumed that the employees' compensation will be granted in the form of stock and the potential common shares will be included in the weighted-average number of common shares outstanding for the purpose of calculating the diluted earnings per share when the potential common shares have a dilutive effect. The dilutive effect of these potential common shares continues to be taken into account in the calculation of diluted earnings per share until the number of shares of employees' compensation is resolved at the next annual stockholders' meeting.

27. SHARE BASE BENEFIT AGREEMENTS-EMPLOYEE STOCK OPTION PLAN

(i) On December 30, 2020, the Board of Directors resolved the first (including the second consolidation into the first) employee stock option issuance and stock subscription plan for the year 2021, and granted 1,905 units of employee stock options on February 1, 110, each unit is entitled to subscribe for 1,000 shares of the Company's common stock, which may be issued in several installments after the Board of Directors' approval and delivered through the issuance of new shares to be issued to employees who The employee stock option certificates are issued to employees of the Company who meet certain criteria. Employees may exercise 40% of the units granted by the Company after one year from the date of the grant of the stock options; 30% of the units granted by the Company after two years from the date of the grant of the stock options and after the Company has met the financial criteria; and 30% of the units granted by the Company after three years from the date of the grant of the stock options and after the Company has met the financial criteria. Upon the expiration of three years after the granting of the stock options and upon the Company's fulfillment of the financial criteria, the holders of the stock options may exercise 30% of the units of the stock options granted by the Company. The exercise price of the stock options is NT$20 per share. After the issuance of the stock options, the exercise price of the stock options will be adjusted in accordance with a prescribed formula in the event that the Company's common stock suffers a capital reduction to cover a deficit.

On July 11, 2022, the Board of Directors resolved the additional terms of the first employee stock option issuance and subscription plan for the year 2021, which stipulated that employees may exercise 30% of the units of the Company's stock options after two years from the date of granting the stock options and after the Company has met the financial targets; however, since the first half of the year 2022 exceeded the financial targets, the Company was allowed to exercise 30% of the units of the Company's stock options earlier than the original schedule. However, because the financial indicators for the first half of 2022 had exceeded the original conditions, the Company was allowed to exercise 30% of the units granted by the Company on August 1, 2022, earlier than scheduled.

(ii) On December 30, 2020, the Board of Directors resolved to issue the Third Employee Stock Warrant Issuance and Warrant Plan for the year 2021. 150 units of employee stock warrants were granted on February 1, 2021, each of which is entitled to subscribe for 1,000 shares of the Company's common stock, which may be issued in several installments and delivered by way of issuance of new shares after the Board of Directors' approval, to employees of subsidiaries of LINKUPON INTERNATIONAL LIMITED and its subsidiaries who meet certain criteria. Employees may exercise 40% of the number of units granted by the Company after one year from the date of granting of the stock option. After two years from the date of granting of the stock option, and after LINKUPON INTERNATIONAL LIMITED meets the conditions of the financial indicators, the holder of the stock option may exercise 30% of the number of units granted by the Company. After the expiration of 3 years and the fulfillment of the financial indicators by the subsidiary, the certificate holder may exercise the stock option granted by the Company for 30% of the number of units. The exercise price of the stock options is NT$20 per share. After the issuance of the stock options, the exercise price of the stock options will be adjusted in accordance with the prescribed formula in the event that the Company's common stock suffers a capital reduction to make up for a loss.

(iii) On September 29, 2021, the Board of Directors resolved the fourth issuance of employee stock options and stock option plan for the year ended December 31, 2021, under which the Company granted 250 units of employee stock options on October 1, 2021, each unit of which is entitled to subscribe for 1,000 shares of the Company's common stock, which may be issued in several installments and delivered through the issuance of new shares after the Board of Directors' approval, to employees of the Company who meet certain criteria. The employees' stock options have a term of 3.33 years. After 4 months from the date of grant of the stock options, the holders may exercise 40% of the number of units granted by the Company; after 1 year and 4 months from the date of grant of the stock options and after the Company has met the financial criteria, the holders may exercise 30%

of the number of units granted by the Company; after 2 years and 4 months from the date of grant of the stock options and the Company has met the financial criteria, the holders may exercise 30% of the number of units granted by the Company; and after 2 years and 4 months from the date of grant of the stock options, the holders may exercise 30% of the number of units granted by the Company. After the expiration of 2 years and 4 months from the date of granting the stock options, and after the Company has met the financial criteria, the certificate holders may exercise 30% of the units of stock options granted by the Company. The exercise price of the stock options is NT$20 per share. After the issuance of the stock options, the exercise price of the stock options will be adjusted in accordance with the prescribed formula in the event that the Company's common stock suffers a capital reduction to cover a loss.

On July 11, 2022, the Board of Directors resolved the additional terms of the Fourth Employee Stock Option Issuance and Warrant Method for the year 2021, which provided that employees may exercise 30% of the units of the Company's stock options after two years from the date of the grant of the stock options and after the Company has met the financial criteria; however, due to the first half of the year 2022 has exceeded the financial criteria, the Company was able to exercise 30% of the units of the Company's stock options earlier than the original terms. However, because the financial indicators for the first half of 2022 had exceeded the original conditions, the Company was allowed to exercise 30% of the units granted by the Company on August 1,2022, earlier than scheduled.

(iv) On April 14, 2022, the Board of Directors resolved the first employee stock option issuance and stock subscription plan for the year of 2022, under which 200 units of employee stock options were granted on June 1, 2022, each unit of which is entitled to subscribe for 1,000 shares of the Company's common stock, and each unit of which may be issued in several installments and delivered through the issuance of new shares after the Board of Directors' approval, to the Company's employees who meet certain criteria and to non-operational employees. The employee stock options are granted to employees and non-civil servants of the Company who meet certain criteria. The employee stock options have a term of 4 years. After the employees of a business unit have been granted the stock options for 1 year and have met the financial criteria of their respective departments, the certificate holders may exercise 1/3 of the number of units granted by the Company; after the employees have been granted the stock options for 2 years and have met the financial criteria of their respective departments, the certificate holders may exercise 1/3 of the number of units granted by the Company; after the employees have been granted the stock options for 3 years and have met the financial criteria of their respective departments, the certificate holders may exercise 1/3 of the number of units granted by the Company; and after the employees have been granted the stock options for 3 years and have met the financial criteria of their respective departments, the certificate holders may exercise the stock options for 3 units granted by the Company. Upon the expiration of 3 years from the date of granting the stock option and after the Company satisfies the conditions of the financial index, the certificate holder may exercise the stock option granted by the Company to 1/3 of the number of units; upon the expiration of 1 year from the date of granting the stock option, the certificate holder may exercise the stock option granted by the Company to 40% of the number of units; upon the expiration of 2 years from the date of granting the stock option and upon the Company satisfying the conditions of the financial index, the certificate holder may exercise the stock option granted by the Company to 30% of the number of units; upon the expiration of 2 years from the date of granting the stock option, the certificate holder may exercise the stock option granted by the Company to 40% of the number of units. Upon the expiration of 2 years from the date of grant and upon the Company's fulfillment of the financial indicators, the certificate holder may exercise 30% of the units granted by the Company. Upon the expiration of 3 years from the date of grant and upon the Company's fulfillment of the financial indicators, the certificate holder may exercise 30% of the units granted by the Company. The exercise price of the stock options is NT$30 per share. After the issuance of the stock options, the exercise price of the stock options will be adjusted in accordance with the prescribed formula in the event that the Company's common stock suffers a capital reduction to make up for a loss.

(v) On December 27, 2023, the Board of Directors resolved, and on May 15, 2024, the Board of Directors amended, the First Employee Stock Option Issuance and Subscription Plan for the Year 2023, under which the Company expects to grant a total of 300 units of stock options to employees, each of which is entitled to subscribe for 1,000 shares of the Company's common stock, and which, after the Board of Directors' approval, may be issued in several installments and delivered by way of issuance of new shares to employees who meet certain criteria of the Company. The Company's Board of Directors has approved the issuance of 1,000 shares of the Company's common stock per unit. On October 8, 2024, the Company granted 130 units of stock options to employees, which have a term of 4 years. 2 years after the granting of the stock options, the holders of the stock options may exercise 50% of the units granted by the Company, and 3 years after the granting of the stock options, the holders of the stock options may exercise 50% of the units granted by the Company. The exercise price of the stock options granted on October 8, 2024 was NT$105 per share. After the issuance of the stock options, the exercise price of the stock options will be adjusted in accordance with the prescribed formula when the Company's common stock is reduced to cover a loss.

Information on employee stock options is as follows:

	For the Three Months Ended March 31			
	2025		2024	
Employee stock options	**Number of Shares (units)**	**Weighted-average Exercise Price ($/per share)**	**Number of Shares (units)**	**Weighted-average Exercise Price ($/per share)**
Outstanding at the beginning of the period	176	$ 87.06	631	$ 21.83
Options forfeited	-	-	(58)	20
Options granted	-	-	(430)	20
Balance, ending of the year	176	87.06	143	28.11
Options exercisable, end of the year	-	-	59	20

Information related to outstanding employee stock warrants as of the balance sheet date is as follows:

200 Units granted on June 1, 2022		130 Units granted on October 8, 2024	
Executive Price Scope ($)	Weighted average remaining contract term (years)	Executive Price Scope ($)	Weighted average remaining contract term (years)
$ 30	1.17	$ 105	3.58

The Company uses the Black-Scholes valuation model for employee stock options granted, and the inputs used in the valuation model are as follows:

	February 1, 2021 2,055 units given	**October 1, 2021 250 units given**	**June 1, 2022 Give it 200 units**	**October 8, 2024 130 units given**
Giving daily market price	23.58 per share	25.69 per share	34.24 per share	105.00 per share
Execution Price	20 per share	20 per share	30 per share	105 per share
Expected volatility	35.04%-36.69%	38.90%-41.42%	41.79%-46.94%	35.80%-37.79%
Duration	4 years	3.33 years	4 years	4 years
Expected stock interest rate	0%	0%	0%	0%
Risk-free rate	0.16%-0.23%	0.25%-0.27%	0.90%-1.02%	1.369% - 1.3897%

The Consolidated Company recognized compensation costs of $386 thousand and $215 thousand for the periods from January 1 to March 31, 2025 and 2024, respectively.

28. GOVERNMENT SUBVENTION

In February 2025 and January 2024, Ji'an VSO Electronics Co., Ltd., received interest subsidies of RMB36 thousand (NT$161 thousand) and RMB1,080 thousand (NT$4,747 thousand), respectively, from the People's Government of Anfu County, Ji'an City, Jiangxi Province, China (the "Jiangxi Provincial Government"), which were provided by the local government pursuant to an investment agreement. The nature of the government grants was the tax reimbursement subsidies provided by the local government in accordance with the investment agreement, which were recorded as a reduction of real estate, plant and buildings.

The Group received government grants from January 1 to March 31, 2025 and 2024, which reduced depreciation expense by $454 thousand and $345 thousand, respectively, due to the reduction of real estate, plant and equipment in the accounts.

In May 2024, VSO Electronics Co., Ltd. obtained a preferential interest rate loan of $35,000 thousand from the Ministry of Economic Affairs (MOEA) for the "Low-Carbon Intelligent Nano-Management Project Loan", which was subsidized by the Ministry of Economic Affairs (MOEA) for one year at the mechanized interest rate of two-year time deposits of China Post, and estimated the fair value of the loan to be $34,404 thousand based on the prevailing market interest rate at the time of borrowing of 2.22%, and the difference between the obtained amount and fair value of the loan amounting to $596 thousand was considered to be a subsidy of the government low-interest loan and recognized as deferred income. The difference between the obtained amount and the fair value of the loan, amounting to $596 thousand, was accounted for as a low-interest government subsidy and recognized as deferred income.

In December 113, VSO Electronics Co., Ltd. entered into a loan contract with a bank for $10,000 thousand under the "Overseas Investment Financing by National Development Fund". The fair value of the loan was estimated to be $9,850 thousand based on the prevailing market interest rate of 2.195% at the time of the loan, and the difference of $150 thousand between the obtained amount and the fair value of the loan was regarded as a subsidy from the government for low-interest loans and was recognized as deferred income.

In March 2025, VSO Electronics Co., Ltd. entered into a loan contract with a bank for $49,249 thousand under the "Overseas Investment Financing by National Development Fund". The fair value of the loan was estimated to be $48,505 thousand based on the prevailing market interest rate of 2.196% at the time of the loan, and the difference of $744 thousand between the obtained amount and the fair value of the loan was regarded as a subsidy from the government for low-interest loans and was recognized as deferred income.

For the three months ended March 31, 2025, the Company recognized $175 thousand in other income-government subsidy income and $263 thousand in interest expense on this loan, respectively.

29. CASH FLOW INFORMATION AND CAPITAL RISK MANAGEMENT

(i) Non-Cash activities

Cash dividends to shareholders resolved by the Board of Directors from January 1 to March 31, 2025 and 2024 were outstanding as of March 31, 2025 and 2024 (see Note 2.2), and were classified as fundraising activities for non-cash transactions.

(ii) Changes in liabilities from financing activities

January 1 to March 31, 2025

			Non-cash changes			
	January 1, 2025	**Cash Flow**	**New Leases**	**Government subsidies**	**Exchange rate changes**	**March 31, 2025**
short term loan	$34,750	$89,336	$ -	$ 149	$ 1,210	$125,445
Long-term loans	9,853	49,249	-	(718)	-	58,384
Leasehold liabilities	16,413	(2,210)	1,353	-	340	15,896
	$61,016	$136,375	$ 1,353	($ 569)	$ 1,550	$199,725

January 1 to March 31, 2024

			Non-cash changes			
	January 1, 2024	**Cash Flow**	**New Leases**	**Lease Modification**	**Exchange rate changes**	**March 31, 2024**
short term loan	$183,314	($ 106,538)	$ -	$ -	$ -	$76,776
Leasehold liabilities	22,544	(2,221)	-	-	390	20,713
	$205,858	($ 108,759)	$ -	$ -	$ 390	$97,489

(iii) Capital Risk Management

The Consolidated Company manages capital to ensure that it can continue as a going concern by optimizing debt and equity balances in order to maximize shareholders' returns.

The capital structure of the Consolidated Company consists of equity (i.e., capital stock, capital surplus, retained earnings and other equity items).

The Consolidated Company is not subject to other external capital requirements.

30. FINANCIAL INSTRUMENTS

(i) Fair Value Information-Financial Instruments Not Measured at Fair Value

The Consolidated Company's management believes that the carrying value amounts of financial assets and liabilities not measured at fair value approximate their fair values.

(ii) Fair Value Information-Financial Instruments Measured at Fair Value on a Repeat Basis

1. Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current				
Beneficiary Certificates	$ 5,075	$ -	$ -	$ 5,075
Financial liabilities at fair value through profit or loss - current				
derivatives (finance)	$ -	$ 846	$ -	$ 846

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current				
Beneficiary Certificates	$ 5,056	$ -	$ -	$ 5,056

March 31, 113

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current				
Beneficiary Certificates	$ 11,701	$ -	$ -	$ 11,701

There were no transfers between Level 1 and Level 2 fair value measurements from January 1 to March 31, 2025 and 2024.

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	The fair value of each derivative contract is determined using the discounted cash flow method and: (a) The average exchange rate (i.e., difference between the highest and the lowest exchange rates) of the counterparties' financial institutions in accordance with the Reuters quoting system, or (b) The daily spot exchange rate quoted by financial institutions.

(iii) Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL (Note 1)	$ 5,075	$ 5,056	$ 11,701
Amortized cost			
Financial assets (Note 2)	1,469,211	1,480,872	1,082,460
Financial liabilities			
FVTPL			
Held for trading (Note 3)	846	-	-
Amortized cost (Note 4)	765,007	636,491	590,437

Note 1: The balance includes the beneficiary certificates of the Fund:

Note 2: The balance includes cash and cash equivalents, financial assets carried at amortized cost, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, and refundable deposits carried at amortized cost.

Note 3: The balances represent forward exchange contracts.

Note 4: The balance includes financial liabilities measured at amortized cost, such as short-term loans, accounts payable, accounts payable - related parties, other payables, other payables - related parties, and long-term loans.

(iv) Financial Risk Management Objectives and Policies

The purpose of the Consolidated Company's financial risk management is to manage financial risks associated with operating activities, such as market risk (including exchange rate risk, interest rate risk, and other price risk), credit risk, and liquidity risk. In order to reduce the related financial risks, the Consolidated Company endeavors to identify, evaluate, and seek strategies to avoid market uncertainties so as to minimize the adverse effects of market changes on the Consolidated Company's financial position and financial performance.

The Consolidated Company's significant financial activities are approved by the board of directors. The Company's policies are followed during the financial planning period.

1. Market Risk

The Consolidated Company's operating activities expose the Consolidated Company to the risks of changes in foreign currency exchange rates (see (1) below) and interest rate fluctuations (see (2) below) and other price risks (see (3) below).

There was no change in the Consolidated Company's exposure to market risk on financial instruments and how it manages and measures such exposure.

(1) Exchange Rate Risk

Several subsidiaries of the Consolidated Company are engaged in sales and purchase transactions denominated in foreign currencies, which expose the Consolidated Company to exchange rate risk. Approximately 62% of the Consolidated Company's sales and 32% of the Consolidated Company's costs are denominated in currencies other than the functional currencies of the groups in which the transactions occur.

The carrying amounts of the Consolidated Company's monetary assets and monetary liabilities denominated in a nonfunctional currency as of the balance sheet date are summarized in Note 34.

Sensitivity analysis

The Consolidated Company was mainly affected by the fluctuation of the U.S. dollar exchange rate.

The following table details the sensitivity analysis of the Consolidated Company when the exchange rate of New Taiwan dollar (the functional currency) increases or decreases by 1% against the relevant foreign currencies. 1% is the sensitivity ratio used internally by the Consolidated Company to report exchange rate risk to the key management personnel, and it also represents management's assessment of the reasonably possible range of changes in the foreign currency exchange rate. The sensitivity analysis includes only monetary items denominated in foreign currencies that are outstanding and adjusts the period-end translation for a 1% change in foreign exchange rates. A positive number in the table below represents the amount by which pre-tax income would increase if the New Taiwan dollar weakened by 1% relative to the respective currencies. A negative number represents the amount by which pre-tax income would decrease if the New Taiwan dollar strengthened by 1% relative to the respective currencies.

	The Impact of the Dollar	
	For the Three Months Ended March 31	
	2025	**2024**
Gain or Loss	$ 6,098 (i)	$ 2,528 (i)

(i) The main sources are U.S. dollar-denominated bank deposits, receivables, bank borrowings and payables of the Consolidated Company that were outstanding at the balance sheet date and were not hedged against cash flows.

(ii) The Consolidated Company's exchange rate sensitivity increased during the year, mainly due to the increase in net assets denominated in foreign currencies.

(2) Interest Rate Risk

The Consolidated Company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates.

The carrying amounts of the Consolidated Company's financial assets and financial liabilities exposed to interest rate risk at the balance sheet date were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
-Financial assets	$482,907	$490,374	$347,843
-Financial liabilities	74,280	26,266	20,713
Cash flow interest rate risk			
-Financial assets	173,467	167,942	164,536
-Financial liabilities	125,445	34,750	76,776

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was 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 had been 1% basis point higher/lower and all other variables were held constant, the Group's post-tax profit for the three months ended March 31, 2025 and 2024 would have decreased/increased by $120 thousand and $219 thousand, respectively, mainly due to the increase in the Consolidated Company's net assets of variable-rate bank deposits, net of short-term borrowings.

(3) Other price risk

The Group has commodity price risk due to investment in beneficiary certificates of funds. However, the Consolidated Company regularly evaluates the price risk and investment performance in accordance with the procedures for acquiring and disposing of assets, and therefore does not expect to incur significant price risk.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity and commodity price risks at the end of the reporting period.

If the fund price had increased/decreased by 1%, the Consolidated Company's pre-tax net income would have increased/decreased by $51 thousand and $117 thousand For the Three Months Ended March 31, 2025 and 2024, respectively, as a result of the change in the fair value of the financial assets measured at fair value through profit or loss.

2. Credit Risk

Credit risk represents the risk of financial loss that the Consolidated Company will incur if the counter-parties default on their contractual obligations. As of the balance sheet date, the Consolidated Company's maximum exposure to credit risk that could result in financial loss due to default of the counter-parties on contractual obligations was mainly attributable to:

(1) The carrying amount of financial assets recognized in the consolidated balance sheet.

(2) The maximum amount that the Consolidated Company may be required to pay to provide financial guarantees, without regard to the probability of occurrence.

The Consolidated Company has a policy of trading only with creditworthy counterparties and obtaining sufficient guarantees, if necessary, to minimize the risk of financial loss due to default. The Consolidated Company continuously monitors its credit risk and the credit ratings of its counterparties, and controls its credit risk by reviewing and approving counterparty credit limits annually by corporate management.

In order to mitigate credit risk, the Consolidated Company's management is responsible for credit line decisions, credit approval and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the Consolidated Company reviews the recoverable amount of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses are recognized for uncollectible receivables. Accordingly, the Consolidated Company's management believes that the Company's credit risk has been significantly reduced.

The Consolidated Company's credit risk is concentrated on specific customers of the Consolidated Company. As of March 31, 2025 and December 31 and March 31, 2024, accounts receivable from the aforementioned customers were 33%, 33% and 34%, respectively.

3. Liquidity risk

The Consolidated Company manages and maintains a sufficient portion of cash and cash equivalents to support the Group's operations and mitigate the effects of fluctuations in cash flows. The Consolidated Company's management monitors the utilization of bank loans and ensures compliance with the terms of the loan agreements.

Bank loans are an important source of liquidity for the Consolidated Company. For the Consolidated Company's unused financing as of March 31, 2025 and December 31 and March 31, 2024, see (3) below for a description of the financing.

(1) Liquidity and Interest Rate Risk of Non-derivative Financial Liabilities

The maturity analysis of the remaining non-derivative financial liabilities was prepared on the basis of the undiscounted cash flows (including principal and estimated interest) of the financial liabilities based on the earliest possible date on which the Consolidated Company could be required to make repayment. Accordingly, the Consolidated Company's bank borrowings that could be demanded to be repaid immediately are listed in the earliest period in the table below, regardless of the probability that the bank will immediately enforce the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

The following table details the remaining contractual maturity analysis of the Consolidated Company's non-derivative financial liabilities with scheduled repayment periods, which are based on the earliest date on which the Consolidated Company may be required to make a repayment and are prepared on the basis of the undiscounted cash flows of the financial liabilities, which consist of principal and estimated interest.

March 31, 2025

Non-derivative financial liabilities	Less than 1 year	1～ 5 years	5 to 10 years	10-15 years
Non-interest-bearing liabilities	$664,611	$ -	$ -	$ -
Floating interest rate liabilities	125,903	-	-	-
Fixed interest rate liabilities	15	59,250	-	-
Lease liabilities	8,932	9,593	-	-
	$799,670	$ 68,843	$ -	$ -

December 31, 2024

Non-derivative financial liabilities	Less than 1 year	1～ 5 years	5 to 10 years	10-15 years
Non-interest-bearing liabilities	$591,888	$ -	$ -	$ -
Floating interest rate liabilities	35,086	-	-	-
Fixed interest rate liabilities	188	10,441	-	-
Lease liabilities	8,442	9,231	-	-
	$635,604	$ 19,672	$ -	$ -

March 31, 2024

Non-derivative financial liabilities	Less than 1 year	1～ 5 years	5 to 10 years	10-15 years
Non-interest-bearing liabilities	$513,661	$ -	$ -	$ -
Floating interest rate liabilities	77,027	-	-	-
Lease liabilities	9,558	13,461	-	-
	$600,246	$ 13,461	$ -	$ -

(2) Liquidity and Interest Rate Risk of Derivative Financial Liabilities

The liquidity analysis of derivative financial instruments is prepared on the basis of undiscounted net contractual cash inflows and outflows for net-settled derivatives and on the basis of undiscounted gross cash inflows and outflows for gross-settled derivatives. When the amount of payable or receivable is variable, the amount disclosed is based on the projected interest rate derived from the yield curve at the balance sheet date.

March 31, 2025

	Requires immediate payment or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Net Settlement					
Forward foreign exchange	$ 282	$ 564	$ -	$ -	$ 846

(3) Financing

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured Bank Borrowing Limit			
-Amount utilized	$ -	$ -	$ 35,189
-Unutilized amount	170,000	120,000	24,811
	$170,000	$120,000	$ 60,000
Guaranteed Bank Loan Limit			
-Amount utilized	$184,795	$ 45,000	$ 41,587
-Unutilized amount	418,428	419,038	371,573
	$603,223	$464,038	$413,160

31. RELATED PARTY TRANSACTIONS

Transactions, account balances, gains and losses between the Consolidated Company and its subsidiaries, which are related parties of the Consolidated Company, were eliminated upon consolidation and are not disclosed in this note. In addition to those disclosed in other notes, transactions between the Consolidated Company and other related parties were as follows.

(i) Names of related parties and their relationships

Related Party	Relationship with the Group
Advantech Co., Ltd.	Parent Company of Significantly Affected Investors
Advantech Technology (China) Company Ltd. (AKMC)	Subsidiaries of Significantly Affected Investors
LNC Technology Co., Ltd.	Sister Company of Significantly Affected Investors
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Affiliates of Significantly Affected Investors
Advantech Europe B.V.	Affiliates of Significantly Affected Investors
LINK UPON ADVANCED MATERIAL CORP.	Significantly influenced investor of a subsidiary (Junto International Co., Ltd.)
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material, inc.	Affiliated Subsidiaries
I-SHENG Electric Wire & Cable Company (Vietnam)	Related party in substance (Note 2)

Note 1: The parent company of the Group's significant influence investor lost control over LNC Technology Co., Ltd. and its subsidiaries during the second quarter of fiscal year 2024, and therefore is not a related party of the Group since the second quarter of fiscal year 2024.

Note 2: I-SHENG Electric Wire & Cable Company (Vietnam) is a 100% owned entity of I-SHENG Electric Wire & Cable Co., Ltd.

(ii) Operating revenue

Related Party Category/Name	For the Three Months Ended March 31 2025	2024
Parent Company of Significantly Affected Investors		
Advantech Co., Ltd.	$ 11,580	$ 7,237
Subsidiaries of Significantly Affected Investors		
AKMC	20,453	16,020
Affiliates of Significantly Affected Investors	80	1,015
Substantial Influence on Subsidiaries		
LINK UPON ADVANCED MATERIAL CORP.	-	2,373
	$ 32,113	$ 26,645

From January 1 to March 31, 2025, the amount of refund discounts recognized to the parent company of a significant investor and the subsidiary of a significant investor was $260 thousand, which was recorded as a reduction of sales revenue.

The transaction prices and credit terms for sales to related parties are not significantly different from those to non-related parties. If there are no comparable transactions due to special specifications, the sales prices are based on the sales prices agreed upon by both parties.

(iii) Purchases of goods

	For the Three Months Ended March 31	
Related Party Category/Name	**2025**	**2024**
Substantial Influence on Subsidiaries		
Link Upon Advanced Material Corp.	$ 544	$ -

The transaction prices and credit terms for purchases from related parties were not significantly different from those for unrelated parties.

(iv) Amounts due from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable - Relationship	Parent Company of Significantly Affected Investors			
	Advantech Co., Ltd.	$12,295	$13,330	$10,761
	Subsidiaries of Significantly Affected Investors			
	AKMC	27,934	28,259	19,550
	Significant Influential Investor Affiliations Corporate	49	9	816
	Substantial Influence on Subsidiaries			
	Link Upon Advanced Material Corp.	-	83	-
		$40,278	$41,681	$31,127

The Consolidated Company receives payments for intercompany transactions within 30 to 120 days from the end of each month.

Outstanding receivables from related parties are not guaranteed, and no allowance for losses has been provided for receivables from related parties as of March 31, 2025 and December 31 and March 31, 2024, respectively.

(v) Amounts due to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable -Related parties	Subsidiaries of Significantly Affected Investors	$ -	$ -	$ 104
	Subsidiaries of Significantly Affected Investors	550	2,531	880
		$ 550	$ 2,531	$ 984

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Other payables - related parties	Subsidiaries of Significantly Affected Investors	$ 160	$ 24	$ -
Other current liabilities - refund liabilities	Parent Company of Significantly Affected Investors	$ 297	$ -	$ -

(vi) Tenancy Agreement

Related Party Category/Name	For the Three Months Ended March 31 2025	2024
Rental Fees		
Affiliated Subsidiaries	$ 5	$ 5
Related party in substance	4,885	1,959
	$ 4,890	$ 1,964

	March 31, 2025	December 31, 2024	March 31, 2024
Other payables - related parties			
Rent payable			
Related party in substance	$ 1,650	$ 677	$ 661

The Consolidated Company leases office space from an affiliated company of the Consolidated Company for a period of one year. The Consolidated Company recognized marketing expenses under marketing expenses-rent expense for the periods from January 1 to March 31, 2025 and 2024, with reference to the rental level of similar assets, and made fixed annual lease payments in accordance with the lease agreements.

The Consolidated Company leases a plant from a related party for a period of one year. The lease term is based on the rental level of similar assets, and fixed monthly payments are made in accordance with the lease agreement.

	For the Three Months Ended March 31	
	2025	2024
Rental expenses are summarized by function		
Operating Costs	$ 1,597	$ 1,371
Operating Expenses	3,293	593
	$ 4,890	$ 1,964

Lease expenses are for short-term leases. Future total lease payments to be made under short-term leases are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Total lease payments to be made in the future	$ 14,670	$ 19,587	$ 3,939

(vii) Compensation of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term Employee Benefits	$ 11,531	$ 8,436
Share-based Payment	178	178
Post-employment benefits	385	382
	$ 12,094	$ 8,996

The remuneration of directors and key executives was determined by the remuneration committee with regard to the performance of individuals and market trends.

32. PLEDGED ASSETS

The following assets had been pledged or mortgaged as collateral for bank loans, guarantees provided on certain commitments, bank acceptance bills and other credit facilities:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	$ 25,532	$ 25,532	$ 25,532
Buildings	110,929	110,087	121,812
Land use rights	1,937	9,358	9,358
Deposit of security deposits	6,981	6,904	5,866
	$ 145,379	$ 151,881	$ 162,568

33. UNRECOGNIZED CONTRACTUAL COMMITMENTS

Unrecognized contractual commitments of the Consolidated Company at the balance sheet date, other than those already described in other notes, are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Purchase of real estate, plant and equipment	$ 354,730	$ 68,360	$ 10,149
Acquisition of intangible assets	3,224	4,942	2,126
Acquisition of land use rights	-	-	63,110
	$ 357,954	$ 73,302	$ 75,385

34. INFORMATION ON FOREIGN CURRENCY ASSETS AND LIABILITIES WITH MATERIAL EFFECT

The following information is presented on a consolidated basis for each of the Consolidated Company's entities in foreign currencies other than their functional currencies, and the exchange rates disclosed represent the rates at which these foreign currencies are translated into their functional currencies. Information on foreign-currency financial assets and liabilities with significant effect is summarized as follows:

March 31, 2025

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 23,223	33.18 (USD: NTD)	$ 770,555
Non-Monetary Items			
Equity-method affiliates RMB	10,911	4.573 (RMB: NTD)	49,897
Financial liabilities			
Monetary items			
USD	4,846	33.18 (USD: NTD)	160,785

December 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 18,678	32.78 (USD: NTD)	$ 612,254
Non-Monetary Items			
Equity-method affiliates RMB	10,830	4.478 (RMB: NTD)	48,495
Financial liabilities			
Monetary items			
USD	3,720	32.78 (USD: NTD)	121,628

March 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 14,588	31.99 (USD: NTD)	$ 466,670
Non-Monetary Items			
Equity-method affiliates			
RMB	10,788	4.408 (RMB: NTD)	47,555
Financial liabilities			
Monetary items			
USD	6,687	31.99 (USD: NTD)	213,917

The Consolidated Company's foreign currency exchange gains and losses for the periods from January 1 to March 31, 2025 and 2024 were $6,689 thousand and $9,695 thousand, respectively. Due to the wide variety of foreign currency transactions, the Consolidated Company is unable to disclose the exchange gains and losses by each of the foreign currencies in which they have a significant impact.

35. DISCLOSURE OF NOTES

(i) Information on significant transactions:

1. Loans to others: Refer to Table 1.
2. Provision of endorsements and guarantees to others: Refer to Table 2
3. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to Table 3.
4. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Refer to Table 4.
5. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Refer to Table 5.
6. Other: Significant inter-company transactions during the reporting periods: Refer Table 6.

(ii) Information on reinvestments: Table 7.

(iii) Information on investments in mainland China:

1.Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8).

2. The following significant transactions with investees in Mainland China, directly or indirectly through a third party, and the prices, terms of payment, and unrealized gain or loss on these transactions were as follows: None.

(1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
(2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
(3) The amount of property transactions and the amount of the resultant gains or losses.
(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
(5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
(6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

36. DEPARTMENTAL INFORMATION

The information provided to the chief operating decision maker for the purpose of allocating resources and evaluating departmental performance focuses on the type of products or services delivered or provided by each. The Consolidated Company's reportable segments are as follows:

(I) Departmental Revenue and Results of Operations

The Consolidated Company's revenues and results of operations are analyzed by reportable segment as follows:

January 1 to March 31, 2025

	Wire Harness Division	Engineering Plastics Department	Total
Revenue from external customers	$ 473,230	$ 105,334	$ 578,564
Inter-departmental revenue	318,628	30,529	349,157
Departmental Revenue	795,715	135,862	927,721
Internal elimination	(318,628)	(30,529)	(349,157)
Consolidated revenue	$ 473,230	$ 105,334	578,564
Departmental Profit and Loss	$ 48,826	$ 7,429	56,255
Directors' Remuneration			(951)
Interest income			2,434
Other income			2,083
Other benefits and losses			4,329
Finance Costs			(886)
Equity-method share of profits and losses of related parties			368
Pre-tax benefits			$ 63,632

January 1 to March 31, 2024

	Wire Harness Division	Engineering Plastics Department	Total
Revenue from external customers	$ 289,342	$ 130,655	$ 419,997
Inter-departmental revenue	199,097	26,589	225,686
Departmental Revenue	488,439	157,244	645,683
Internal elimination	(199,097)	(26,589)	(225,686)
Consolidated revenue	$ 289,342	$ 130,655	419,997
Departmental Profit and Loss	$ 20,339	$ 6,609	27,008
Directors' Remuneration			(371)
Interest income			2,234
Other income			699
Other benefits and losses			10,221
Finance Costs			(1,898)
Equity-method share of profits and losses of related parties			221
Pre-tax benefits			$ 38,114

Intersegment sales are based on market prices.

Segment profit is defined as profit earned by each segment, excluding allocable head office management costs and directors' compensation, equity-method share of gain or loss from affiliates, other income, net (gain) or loss on foreign-currency translation, gain or loss on the valuation of financial instruments, finance costs, and income tax expense. This measurement is provided to the chief operating decision maker for the purpose of allocating resources to the segment and evaluating its performance.

(ii) Total departmental assets and liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Departmental assets			
Wire Harness Division	$ 2,224,617	$ 2,034,836	$ 1,427,129
Engineering Plastics Department	351,983	365,759	375,915
Total consolidated assets	$ 2,576,600	$ 2,400,595	$ 1,803,044
Departmental liabilities			
Wire Harness Division	($ 904,156)	($ 684,636)	($ 612,647)
Engineering Plastics Department	(110,644)	(133,689)	(148,371)
Consolidated total liabilities	($ 1,014,800)	($ 818,325)	($ 761,018)

Assets of the Consolidated Company's operating divisions are measured on the basis of controllable assets. Liabilities are allocated in consideration of the cost of capital and capital deployment needs of the entire company, and are not under the control of individual operating divisions; therefore, they are not included in the basis for evaluating the performance of the divisions' management.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 1

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 2 and 3)	Ending Balance (Note 3)	Actual Borrowing Amount (Note 3)	Interest Rate	Nature of Financing (Note 1)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limits (Note 2)	Note.
													Item	Value			
0	VSO ELECTRONICS CO., LTD.	VSO (Viet Nam) Electronics Co., LTD.	Other receivables -Related party	Yes	$ 97,881 (USD 2,950 thousand dollars)	$ 82,950 (USD 2,500 thousand dollars)	$ 34,839 (USD 1,050 thousand dollars)	5.3 to 5.4	2	$ -	Business Cycle	$ -	-	$ -	$ 586,106	$ 586,106	

Note 1: The following table describes the nature of loans and capitalization:

(1) Please fill in 1 if you have business dealings.

(2) Please fill in 2 if you have a need for short-term financing.

Note 2: The total amount of the Company's capital loan shall not exceed 40% of the Company's net worth and the limit for each target shall not exceed 40% of the Company's net worth.

Note 3: Amounts in New Taiwan dollars were translated into New Taiwan dollars based on the exchange rate at the end of the period.

Note 4: The intercompany transactions have been eliminated in full in the preparation of the financial statements.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 2

No.	Endorser/Guarantor	Endorser/Guarantor		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount (Notes 2 and 3)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in the Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note.
		Name	Relationship											
0	VSO Electronics Co., Ltd.	LINKUPON INTERNATIONAL LIMITED	Companies in which the Company directly and indirectly owns more than 60% of the voting stock	$ 439,579	$ 150,000	$ 150,000	$ 65,460	$ -	10.24%	$ 1,172,212	Y	N	N	

Note 1:The aggregate amount of the Company's and its subsidiaries' overall endorsements and guarantees shall not exceed 80% of the net worth of each company's most recent financial statements. The aggregate endorsement and guarantee amount of the Company and its subsidiaries as a whole shall not exceed 30% of the net worth of each company's most recent financial statements; the aggregate endorsement and guarantee amount of the Company and its subsidiaries directly and indirectly holding 100% of the voting shares shall not exceed 40% of the net worth of each company's most recent financial statements .

Note 2: Amounts in New Taiwan dollars were translated into New Taiwan dollars based on the exchange rate at the end of the year.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

Significant securities held at the end of the period
MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 3

(In Thousands of New Taiwan Dollars)	Types and names of marketable securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Number of shares/units	Carrying amount	Percentage of Ownership (%)	Fair value	
VSO ELECTRONICS CO., LTD.	Bonds with Repurchase P13 National Life 1A (Note 1)	No	Cash and cash equivalents	-	$ 275,000	-	$ 275,000	

Note 1: The collaterals attached to the repurchased bonds are unsecured cumulative subordinated common bonds of Cathay Life Insurance Company Limited No. 1, FY2024.

Note 2: The disclosure standard is based on the significant intercompany transactions amounting to 1% or more of the Consolidated Company's total assets.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 4

Company Name	Related Party	Relationship	Transaction Details				Trading conditions are different from normal trading circumstances and reasons for the increase in the number of		Notes and accounts receivable (payable)		Note
			Purchase/ Sale	Amount	% of goods	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
VSO ELECTRONICS CO., LTD.	Ji'an Hongcheng Electronics Co.	Subsidiary	Purchases	$ 204,831	75%	60 days per month	Priced on the basis of internal transfers	-	($ 213,507)	(82%)	-
Ji'an Hongcheng Electronics Co.	Hong Ching Industrial Co.	Parent company	Sales	(204,831)	(76%)	60 days per month	Priced on the basis of internal transfers	-	213,507	66%	-

Note: The intercompany transactions have been eliminated in full in the preparation of the consolidated financial statements.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 5

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Ji'an Hongcheng Electronics Co.	VSO ELECTRONICS CO., LTD.	Parent company	$ 213,507	4.55	$ -	-	$ 196,005	$ -

Note: The intercompany transactions have been eliminated in full in the preparation of the consolidated financial statements.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 6

No (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction history			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	VSO Electronics Co., Ltd.	Ji An VSO Electronics Co., LTD	1	Purchases of goods	$ 204,831	Note 4	35%
				Accounts payable - related parties	213,507	60 days per month	8%
		VSO (Viet Nam) Electronics Co., LTD	1	Purchases of goods	48,523	Note 4	8%
				Accounts payable - related parties	35,779	End of month 30 days	1%
		VSO Electronics (Suzhou) Co., LTD	1	Purchases of goods	5,641	Note 4	1%
1	Ji An VSO Electronics Co., LTD	VSO Electronics (Suzhou) Co., LTD	3	Sales	42,569	Note 4	7%
				Accounts receivable - related parties	55,838	60 days per month	2%
		VSO (Viet Nam) Electronics Co., LTD	3	Sales	17,063	Note 4	3%
				Accounts receivable - related parties	26,135	End of month 30 days	1%
2	LINKUPON INTERNATIONAL LIMITED	Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	3	Accounts receivable - related parties	20,651	60 days per month	1%

Note 1: The information of intercompany transactions between the parent company and subsidiaries should be indicated in the number column separately, and the number should be filled in as follows:

1. Enter 0 for the parent company.
2. Subsidiaries are numbered in order from the Arabic number 1.

Note 2: There are three types of relationships with traders as follows, and it is sufficient to indicate the type of relationship:

1. Parent to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The above transactions have been fully eliminated.

Note 4: In accordance with the Group's transfer pricing policy system.

Note 5: The disclosure standard is based on the amount of significant intercompany transactions amounting to at least 1% of the Consolidated Company's consolidated revenue or total assets.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES.
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 7

Investment Company Name	Name of investee company	Location	Major Business Items	Investment Amount		Held at end of period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of shares	%	Carrying amount			
VSO Electronics Co., Ltd.	Cable Garden Holdings Limited	SAMOA	Investment holding business	$ 314,786	$ 314,786	10,224,804	100%	$ 465,648	$ 4,573	$ 2,931	Notes 1 and 3
	LINKUPON INTERNATIONAL LIMITED	Taiwan	Sales of engineering plastics for optical automotive 3C products.	90,000	90,000	9,000,000	60%	144,804	6,071	3,643	Note 3
	Vsovn Electronics (HANOI) Company Limited	Vietnam	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	208,971 (USD 6,500 thousand dollars)	159,606 (USD 5,000 thousand dollars)	-	100%	151,756	(3,056) (VND 2,363,846 Thousand Dollars)	(3,056) (VND 2,363,846 Thousand Dollars)	Note 3
Cable Garden Holdings Limited	Hong Ching Electronics (Vietnam) Co.	Vietnam	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	60,847 (USD 2,000 thousand dollars)	60,847 (USD 2,000 thousand dollars)	-	100%	78,664	(4,714) (VND 3,645,972 Thousand Dollars)	(4,574) (VND 3,538,213 Thousand Dollars)	Notes 2 and 3
	Cleveland Investment Limited	SAMOA	Investment holding business	56,101	56,101	1,700,000	100%	93,959	1,634	1,634	Note 3
LINKUPON INTERNATIONAL LIMITED	Linkupon International Holdings, Limited	SAMOA	Investment holding business	71,444	71,444	2,407,795	100%	151,226	3,123	3,123	Note 3

Note 1: The investment loss recognized for the three months ended March 31, 2005 was the reversal of the unrealized gross profit of $2,800 thousand from the beginning of the period from the reverse flow transactions and the addition of the unrealized gross profit of $4,442 thousand from the end of the period from the reverse flow transactions; and the carrying value was reduced by the unrealized gain of $887 thousand from the downstream transactions.

Note 2: The investment income recognized for the year ended FY2024 was the reversal of unrealized gross profit on sales of $4 thousand from side-stream transactions at the beginning of the year and the addition of unrealized gross loss of $136 thousand from side-stream transactions at the end of the period.

Note 3: The carrying amounts of long-term equity investments, recognized investment income or loss, and equity in earnings of investees have been eliminated in the preparation of consolidated financial statements.

Note 4: Please refer to Table 8 (attached) for information on investees in Mainland China.

VSO ELECTRONICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 8

Investee in Mainland China	Main Businesses and Products	Paid-in capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outflow of Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2025	Accumulated Repatriation of Investment Income as of March 31, 2025	Note
					Outward	Inward							
Ji'an Hongcheng Electronics Co.	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	$ 175, 176 (USD 2,800 thousand and RMB 17,600 thousand)	Notes 4 and 7	$ 83,052 (USD2,800 thousand)	$ -	$ -	$ 83,052 (USD 2,800 thousand)	$ 7,501 (RMB 1,662 thousand)	100%	$ 7,501 (RMB1,662 thousand) (Note 1 (2) 2.)	$ 307,951 (RMB 67,341thousand)	$ 44,000 (RMB10,000 thousand)	
Hung Ching Electronics (Suzhou) Co.	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	56,101 (USD1,700 thousand)	Notes 6 and 7	56,101 (USD1,700 thousand)	-	-	56,101 (USD 1,700 thousand)	1,634 (RMB 362 thousand)	100%	1,634 (RMB 362 thousand) (Note 1 (2) 2.)	93,951 (RMB20,545thousand)	35,200 (RMB 8,000 thousand)	
Zhangjiagang Free Trade Zone Yuntuo Material Trading Co.	Sales of engineering plastics for optical automotive 3C products.	53,095 (USD1,400 thousand)	Notes 5 and 7	56,046 (USD 1,724 thousand)	-	-	56,046 (USD 1,724 thousand)	2,755 (RMB 611 Thousand)	60%	1,653 (RMB 367 thousand) (Note 1 (2) 2.)	105,132 (RMB22,990 thousand)	30,800 (RMB 7,000 thousand)	
Zhangjiagang FTZ Mitsui Yuntuo Composite Material Co.	Production and sales of engineering plastic composites.	190,371 (USD 5,690 thousand)	Note 5	50,066 (USD 1,739 thousand)	-	-	50,066 (USD 1,739 thousand)	1,533 (RMB 340 Thousand)	24%	368 (RMB 82 thousand) (Note 1 (2) 3.)	49,897 (RMB10,911 thousand)	3,084 (RMB 698 Thousand)	

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by the Investment Commission, MOEA (Note 2)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
$ 245,265	$ 337,389	$ 937,080

Note 1: In the column of investment gain or loss recognized during the period:

(1) Note if there is no investment profit or loss in preparation.

(2) The following three bases for recognizing investment gains and losses should be noted.

1. The financial statements have been audited by an international accounting firm with which the ROC Government has a cooperative relationship.
2. Financial statements reviewed by the certified public accountants of the parent company in Taiwan.
3. Based on investees' unreviewed financial statements for the same period.

Note 2: The investment amount approved by the Investment Commission of the Ministry of Economic Affairs amounted to USD10,479,405.55, which was calculated based on the original exchange rate.

Note 3: Calculated based on the limit of 60% of the consolidated net worth as stipulated in the Investment Commission's Letter No. 09704604680.

Note 4: The investment was transferred from Cable Garden Holding Limited, a 100%-owned third-party company, to a mainland company.

Note 5: It was transferred from Linkupon International Holdings, Limited, a third-party company, which is owned as to 60% by Yoon Toh International Corporation and 100% by Yoon Toh International Corporation, to a mainland company.

Note 6: Invested by 100% owned third-party Cleveland Investment Limited.

Note 7: Eliminated in full in the preparation of the consolidated financial statements.