

**CHENBRO MICOM CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2025 AND 2024**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

(25) PWCR 25000279

To the Board of Directors and Stockholders of Chenbro Micom Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of CHENBRO MICOM CO., LTD. and subsidiaries (the "Group") as at March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these 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" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these 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 Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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 explained in Note 4(3), the financial statements of insignificant consolidated subsidiaries were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$1,648,472 thousand and NT\$534,198 thousand, constituting 9% and 4% of the consolidated total assets as at March 31, 2025 and 2024, respectively, total liabilities amounted to NT\$681,859 thousand and NT\$305,428 thousand, constituting 7% and 4% of the consolidated total liabilities as at March 31, 2025 and 2024, respectively, and the

total comprehensive income amounted to NT\$51,284 thousand and NT\$48,569 thousand, constituting 7% and 10% of the consolidated total comprehensive income for the three months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of consolidated subsidiaries been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Pei-Chuan, Huang

Hui-Lin, Pan

For and on behalf of PricewaterhouseCoopers, Taiwan

May 8 , 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Assets			March 31, 2025		December 31, 2024		March 31, 2024				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current assets											
1100	Cash and cash equivalents	6(1)	\$	4,476,744	25	\$	3,799,819	23	\$	3,482,793	25
1136	Current financial assets at	6(4) and 8									
	amortised cost, net			655,896	4		740,616	5		227,560	2
1150	Notes receivable, net	6(5) and 7		68,927	-		36,062	-		8,307	-
1170	Accounts receivable, net	6(5) and 7		4,015,367	22		3,633,865	22		2,772,161	20
1200	Other receivables	7		78,226	-		66,535	-		31,006	-
1220	Current income tax assets	6(27)		956	-		1,388	-		10,925	-
130X	Inventories	6(6)		2,671,441	15		2,186,657	13		1,655,408	12
1410	Prepayments			105,145	1		113,357	1		88,554	1
1470	Other current assets			7,365	-		6,697	-		5,289	-
11XX	Total current assets			12,080,067	67		10,584,996	64		8,282,003	60
Non-current assets											
1510	Non-current financial assets at	6(2)									
	fair value through profit or loss			67,419	-		66,979	-		3,100	-
1517	Non-current financial assets at	6(3)									
	fair value through other										
	comprehensive income			191,356	1		209,709	1		110,176	1
1535	Non-current financial assets at	6(4) and 8									
	amortised cost			600	-		600	-		600	-
1600	Property, plant and equipment	6(7) and 8		5,370,607	30		5,314,374	32		4,921,002	36
1755	Right-of-use assets	6(8)		52,766	-		54,731	-		58,237	-
1780	Intangible assets	6(9)		60,290	-		63,487	-		67,658	-
1840	Deferred income tax assets			249,740	1		235,102	2		222,792	2
1900	Other non-current assets	6(7)(10)		71,469	1		113,833	1		71,294	1
15XX	Total non-current assets			6,064,247	33		6,058,815	36		5,454,859	40
1XXX	Total assets		\$	18,144,314	100	\$	16,643,811	100	\$	13,736,862	100

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CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Liabilities								
Current liabilities								
2100	Short-term borrowings	6(11)	\$ 746,751	4	\$ 640,630	4	\$ 347,302	3
2130	Current contract liabilities	6(21)	117,426	1	81,718	1	54,252	-
2170	Accounts payable	7	4,237,442	23	3,721,259	22	2,627,277	19
2200	Other payables	6(12) and 7	1,475,481	8	1,514,315	9	1,095,333	8
2230	Current income tax liabilities		419,869	2	231,675	1	382,533	3
2280	Current lease liabilities		3,031	-	4,768	-	8,749	-
2320	Long-term liabilities, current portion	6(14)	363,351	2	354,052	2	332,499	3
2365	Current refund liabilities		89,776	1	79,084	1	41,508	-
2399	Other current liabilities		3,315	-	4,894	-	6,217	-
21XX	Total current liabilities		7,456,442	41	6,632,395	40	4,895,670	36
Non-current liabilities								
2530	Bonds payable	6(13)	965,056	5	960,192	6	945,935	7
2540	Long-term borrowings	6(14)	1,611,926	9	1,711,014	10	1,661,300	12
2570	Deferred income tax liabilities		79,564	1	55,740	-	3,737	-
2580	Non-current lease liabilities		2,376	-	2,970	-	2,203	-
2600	Other non-current liabilities	6(15)	17,534	-	17,658	-	20,335	-
25XX	Total non-current liabilities		2,676,456	15	2,747,574	16	2,633,510	19
2XXX	Total liabilities		10,132,898	56	9,379,969	56	7,529,180	55
Equity								
Equity attributable to owners of parent								
	Share capital	6(17)						
3110	Common stock		1,209,877	7	1,209,877	7	1,205,870	9
	Capital surplus	6(18)						
3200	Capital surplus		383,452	3	383,452	3	303,421	2
	Retained earnings	6(19)						
3310	Legal reserve		1,093,782	6	1,093,782	7	985,172	7
3320	Special reserve		176,796	1	176,796	1	181,405	1
3350	Unappropriated retained earnings		5,087,646	28	4,420,844	27	3,557,228	26
	Other equity interest	6(20)						
3400	Other equity interest		(40,207)	(1)	(110,471)	(2)	(87,610)	-
31XX	Equity attributable to owners of the parent		7,911,346	44	7,174,280	43	6,145,486	45
36XX	Non-controlling interests		100,070	-	89,562	1	62,196	-
3XXX	Total equity		8,011,416	44	7,263,842	44	6,207,682	45
	Significant contingent liabilities and unrecorded contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$ 18,144,314	100	\$ 16,643,811	100	\$ 13,736,862	100

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

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

				Three months ended March 31	
				2025	2024
Items	Notes	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21) and 7	\$ 4,153,771	100	\$ 2,773,241	100
5000 Operating costs	6(6)(26) and 7	(2,954,497)	(71)	(2,084,509)	(75)
5900 Net operating margin		<u>1,199,274</u>	<u>29</u>	<u>688,732</u>	<u>25</u>
Operating expenses	6(26) and 7				
6100 Selling expenses		(107,423)	(3)	(89,585)	(3)
6200 General and administrative expenses		(174,735)	(4)	(150,542)	(6)
6300 Research and development expenses		(83,116)	(2)	(51,191)	(2)
6450 Expected credit impairment loss	12(2)	(914)	-	(56)	-
6000 Total operating expenses		(366,188)	(9)	(291,374)	(11)
6500 Net other income (expenses)		<u>51,881</u>	<u>1</u>	<u>46,372</u>	<u>2</u>
6900 Operating profit		<u>884,967</u>	<u>21</u>	<u>443,730</u>	<u>16</u>
Non-operating income and expenses					
7100 Interest income	6(4)(22)	17,836	1	10,769	1
7010 Other income	6(23)	4,923	-	5,928	-
7020 Other gains and losses	6(2)(8)(24)	16,055	-	52,059	2
7050 Finance costs	6(8)(25)	(20,661)	-	(18,330)	(1)
7000 Total non-operating income and expenses		<u>18,153</u>	<u>1</u>	<u>50,426</u>	<u>2</u>
7900 Profit before income tax		903,120	22	494,156	18
7950 Income tax expense	6(27)	(225,810)	(6)	(118,213)	(4)
8200 Profit for the period		<u>\$ 677,310</u>	<u>16</u>	<u>\$ 375,943</u>	<u>14</u>

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CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

Items	Notes	Three months ended March 31			
		2025		2024	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)			
		(\$ 18,353)	-	\$ 18,629	-
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss				
		(18,353)	-	18,629	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(20)			
		75,941	2	79,482	3
8360	Other comprehensive income that will be reclassified to profit or loss				
		75,941	2	79,482	3
8300	Total other comprehensive income for the period				
		\$ 57,588	2	\$ 98,111	3
8500	Total comprehensive income for the period				
		\$ 734,898	18	\$ 474,054	17
Profit attributable to:					
8610	Owners of the parent				
		\$ 666,802	16	\$ 364,924	13
8620	Non-controlling interest				
		10,508	-	11,019	1
		\$ 677,310	16	\$ 375,943	14
Comprehensive income attributable to:					
8710	Owners of the parent				
		\$ 724,390	18	\$ 463,035	17
8720	Non-controlling interest				
		10,508	-	11,019	-
		\$ 734,898	18	\$ 474,054	17
Earnings per share (in dollars)					
6(28)					
9750	Basic earnings per share				
		\$ 5.53		\$ 3.03	
9850	Diluted earnings per share				
		\$ 5.36		\$ 2.98	

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

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent													
		Capital Reserves				Retained Earnings			Other Equity Interest						
										Financial statements translation differences of foreign operations	Unrealised gains from financial assets measured at fair value through other comprehensive income	Other equity, others	Total	Non-controlling interests	Total equity
Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Treasury stock transactions	Capital surplus, share options	Capital Surplus, restricted stock	Legal reserve	Special reserve	Unappropriated retained earnings							
Three months ended March 31, 2024															
	Balance at January 1, 2024	\$ 1,205,945	\$ 95,015	\$ 6,222	\$ -	\$ 47,847	\$ 985,172	\$ 181,405	\$ 3,192,304	(\$ 233,649)	\$ 56,853	(\$ 10,456)	\$ 5,526,658	\$ 51,177	\$ 5,577,835
	Profit for the period	-	-	-	-	-	-	364,924	-	-	-	-	364,924	11,019	375,943
	Other comprehensive income	6(3)(20)	-	-	-	-	-	-	79,482	18,629	-	-	98,111	-	98,111
	Total comprehensive income	-	-	-	-	-	-	364,924	79,482	18,629	-	-	463,035	11,019	474,054
	Issuance of convertible bonds payable	-	-	-	154,262	-	-	-	-	-	-	-	154,262	-	154,262
	Redemption of restricted stocks	(75)	-	-	-	75	-	-	-	-	-	-	-	-	-
	Share-based payment	6(16)	-	-	-	-	-	-	-	-	-	1,531	1,531	-	1,531
	Balance at March 31, 2024	\$ 1,205,870	\$ 95,015	\$ 6,222	\$ 154,262	\$ 47,922	\$ 985,172	\$ 181,405	\$ 3,557,228	(\$ 154,167)	\$ 75,482	(\$ 8,925)	\$ 6,145,486	\$ 62,196	\$ 6,207,682
Three months ended March 31, 2025															
	Balance at January 1, 2025	\$ 1,209,877	\$ 112,198	\$ 6,222	\$ 154,232	\$ 110,800	\$ 1,093,782	\$ 176,796	\$ 4,420,844	(\$ 90,424)	\$ 69,099	(\$ 89,146)	\$ 7,174,280	\$ 89,562	\$ 7,263,842
	Profit for the period	-	-	-	-	-	-	666,802	-	-	-	-	666,802	10,508	677,310
	Other comprehensive income (loss)	6(3)(20)	-	-	-	-	-	-	75,941	(18,353)	-	-	57,588	-	57,588
	Total comprehensive income (loss)	-	-	-	-	-	-	666,802	75,941	(18,353)	-	-	724,390	10,508	734,898
	Share-based payment	6(16)	-	-	-	-	-	-	-	-	-	12,676	12,676	-	12,676
	Balance at March 31, 2025	\$ 1,209,877	\$ 112,198	\$ 6,222	\$ 154,232	\$ 110,800	\$ 1,093,782	\$ 176,796	\$ 5,087,646	(\$ 14,483)	\$ 50,746	(\$ 76,470)	\$ 7,911,346	\$ 100,070	\$ 8,011,416

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

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 903,120	\$ 494,156
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss	12(2)	914	56
Depreciation	6(7)(8)(26)	79,303	86,555
Amortization	6(9)(26)	3,281	3,126
Net loss on financial assets at fair value through profit or loss	6(2)(24)	400	800
Interest expense	6(25)	20,661	18,330
Interest income	6(22)	(17,836)	(10,769)
Loss on disposal of property, plant and equipment	6(24)	181	96
Gains arising from lease modifications	6(8)(24)	(31)	-
Share-based payment	6(16)	12,676	1,531
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(32,865)	3,532
Accounts receivable		(382,436)	826,741
Other receivables		(10,594)	28,467
Inventories		(484,784)	187,548
Prepayments		8,212	1,708
Other current assets		(668)	(830)
Changes in operating liabilities			
Current contract liabilities		35,708	(171)
Accounts payable		516,183	(410,226)
Other payables		(32,909)	(348,518)
Current refund liabilities		10,692	20,553
Other current liabilities		(1,579)	1,406
Other non-current liabilities		(140)	(163)
Cash inflow generated from operations		627,489	903,928
Interest received		16,739	7,530
Interest paid		(17,157)	(14,358)
Income tax paid		(27,998)	(17,906)
Net cash flows from operating activities		599,073	879,194

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CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 172,797)	(\$ 201,500)
Proceeds from disposal of financial assets at amortised cost		268,575	9,464
Acquisition of property, plant and equipment	6(29)	(77,203)	(113,318)
Proceeds from disposal of property, plant and equipment		655	8
Acquisition of intangible assets	6(9)(29)	-	(580)
(Increase) decrease in other non-current assets		(122)	220
Net cash flows from (used in) investing activities		19,108	(305,706)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	731,689	165,822
Repayment of short-term borrowings	6(30)	(631,361)	(195,216)
Repayment of long-term borrowings (including current portion)	6(30)	(90,816)	(1,154,521)
Payment of the principal of lease liabilities	6(30)	(1,838)	(2,291)
Net issuance of convertible bonds	6(13)(30)	-	1,091,530
Increase in guarantee deposits received	6(30)	-	32
Net cash flows from (used in) financing activities		7,674	(94,644)
Effect on foreign exchange difference		51,070	56,796
Net increase in cash and cash equivalents		676,925	535,640
Cash and cash equivalents at beginning of period	6(1)	3,799,819	2,947,153
Cash and cash equivalents at end of period	6(1)	\$ 4,476,744	\$ 3,482,793

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

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Chenbro Micom Co., Ltd. was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in December 1983. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in computer software design, export and import of computer products and peripherals, and design, manufacturing, processing and trading of computer peripherals and system of expendables.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on May 8, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment 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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, "Interim financial reporting" that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of the consolidated financial statements was consistent with that for the financial statements for the year ended December 31, 2024.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Chenbro Micom Co., Ltd.	Micom-Source Holding Co.	Holding company	100	100	100	
Chenbro Micom Co., Ltd.	Chenbro Micom (USA) INC.	Sales of computer and server chassis	100	100	100	
Chenbro Micom Co., Ltd.	CLOUDWELL HOLDINGS, LLC.	Real estate leasing company and holding company	100	100	100	Note 4
Chenbro Micom Co., Ltd.	Chenbro GmbH	Sales of computer and server chassis	100	100	100	Note 4
Chenbro Micom Co., Ltd.	Chen-Feng Precision Co., Ltd.	Manufacturing and sales of computer and server chassis	70	70	70	Note 4

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Chenbro Micom Co., Ltd.	CHENBRO (MALAYSIA) SDN.BHD.	Manufacturing and sales of computer and server chassis	100	100	-	Notes 1 and 4
Micom-Source Holding Co.	AMAC International Co.	Holding company	100	100	100	Note 4
Micom-Source Holding Co.	AMBER International Company	Holding company	100	100	100	
Micom-Source Holding Co.	PROCASE & MOREX Corporation	Holding company	100	100	100	
AMBER International Company	Chenbro Technology (Kunshan) Co., Ltd.	Manufacturing and sales of computer and server chassis	100	100	100	
AMBER International Company	ChenPower Information Technology (Shanghai) Co., Ltd.	Sales of computer and server chassis	100	100	100	
PROCASE & MOREX Corporation	Dongguan Procace Electronic Co., Ltd.	Manufacturing and sales of computer and server chassis	88	88	88	
AMAC International Co.	Dongguan Procace Electronic Co., Ltd.	Manufacturing and sales of computer and server chassis	12	12	12	
CLOUDWELL HOLDINGS, LLC.	CLOUDWELL (USA) CORPORATION	Manufacturing and sales of computer and server chassis	100	-	-	Notes 2 and 4
Chenbro Technology (Kunshan) Co., Ltd.	Qin Kun (Jinan) Precision Technology Co., Ltd.	Manufacturing and sales of computer and server chassis	100	-	-	Notes 3 and 4

Note 1: CHENBRO (MALAYSIA) SDN. BHD. was established on October 8, 2024.

Note 2: CLOUDWELL (USA) CORPORATION was established on December 20, 2024, with its funds in place by February 2025.

Note 3: Qin Kun (Jinan) Precision Technology Co., Ltd. was established on January 20, 2025.

Note 4: The financial statements of the entity as of and for the three months ended March 31, 2025 and 2024 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Under the defined benefit plans, pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year.

(5) Income tax

The tax expense for the period comprises current and deferred tax. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

The preparation of these consolidated financial statements does not require management to make critical judgements in applying the Group's accounting policies. The management makes critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

The Group's inventories are stated at the lower of cost and net realisable value. There might be material changes to the evaluation of inventory value as the technology changes rapidly, the items of the inventory in the balance sheet date are numerous, and the identification of obsolete inventory and determination of net realisable value are subject to management's judgement.

As of March 31, 2025, the carrying amount of inventories was \$2,671,441.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Petty cash and cash on hand	\$ 653	\$ 301	\$ 677
Checking account deposits	91,746	47,111	71,917
Demand deposits	151,797	311,207	414,999
Time deposits	2,370,012	2,163,339	2,088,007
Foreign currency deposits	1,862,536	1,277,861	907,193
	<u>\$ 4,476,744</u>	<u>\$ 3,799,819</u>	<u>\$ 3,482,793</u>

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has reclassified restricted cash and cash equivalents and time deposits with maturity over three months to 'current financial assets at amortised cost' and 'non-current financial assets at amortised cost'. Details of pledged assets are provided in Note 8.

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Put options of convertible bonds	\$ 999	\$ 1,399	\$ 3,100
Private equity fund investment	66,420	65,580	-
	<u>\$ 67,419</u>	<u>\$ 66,979</u>	<u>\$ 3,100</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Put options of convertible bonds	(\$ 400)	(\$ 800)

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

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Non-current items:			
Equity instruments			
Listed stocks	\$ 121,500	\$ 146,500	\$ -
Unlisted stocks	69,856	63,209	110,176
	<u>\$ 191,356</u>	<u>\$ 209,709</u>	<u>\$ 110,176</u>

A. The Group has elected to classify stock investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$191,356, \$209,709 and \$110,176 as at March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

B. For the three months ended March 31, 2025 and 2024, the amount recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income was (\$18,353) and \$18,629, respectively.

C. As at March 31, 2025, December 31, 2024 and March 31, 2024, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$191,356, \$209,709 and \$110,176, respectively.

D. Information relating to credit risk is provided in Note 12(2).

(4) Financial assets at amortised cost

Items	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Time deposits	\$ 645,896	\$ 730,616	\$ 204,100
Pledged bank deposits (including time deposits)	10,000	10,000	23,460
	<u>\$ 655,896</u>	<u>\$ 740,616</u>	<u>\$ 227,560</u>
Non-current items:			
Pledged bank deposits (including time deposits)	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 600</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended March 31,	
	2025	2024
Interest income	<u>\$ 5,279</u>	<u>\$ 1,984</u>

B. As at March 31, 2025, December 31, 2024 and March 31, 2024,, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$656,496, \$741,216 and \$228,160, respectively.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

D. Information on financial assets at amortised cost pledged to others is provided in Note 8.

(5) Accounts and notes receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	<u>\$ 68,927</u>	<u>\$ 36,062</u>	<u>\$ 8,307</u>
Accounts receivable	\$ 4,017,260	\$ 3,634,824	\$ 2,774,173
Less: Allowance for uncollectible accounts	(1,893)	(959)	(2,012)
	<u>\$ 4,015,367</u>	<u>\$ 3,633,865</u>	<u>\$ 2,772,161</u>

A. The ageing analysis of accounts and notes receivable is as follows:

	March 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 3,808,571	\$ 68,927	\$ 3,431,340	\$ 36,062
Up to 30 days	132,865	-	161,521	-
31 to 60 days	66,118	-	39,098	-
61 to 90 days	4,682	-	1,303	-
91 to 180 days	4,352	-	801	-
Over 181 days	672	-	761	-
	<u>\$ 4,017,260</u>	<u>\$ 68,927</u>	<u>\$ 3,634,824</u>	<u>\$ 36,062</u>

	March 31, 2024	
	Accounts receivable	Notes receivable
Not past due	\$ 2,209,828	\$ 8,307
Up to 30 days	414,157	-
31 to 60 days	145,990	-
61 to 90 days	2,029	-
91 to 180 days	1,918	-
Over 181 days	251	-
	<u>\$ 2,774,173</u>	<u>\$ 8,307</u>

The above ageing analysis was based on past due date.

B. As of March 31, 2025, December 31, 2024, March 31, 2024, and January 1, 2024, the balances of receivables (including notes receivable) from contracts with customers amounted to \$4,086,187, \$3,670,886, \$2,782,480 and \$3,612,753, respectively.

C. The Group does not hold any collateral as security as at March 31, 2025, December 31, 2024 and March 31, 2024, and the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable was \$68,927, \$36,062 and \$8,307 and accounts receivable was \$4,015,367, \$3,633,865 and \$2,772,161, respectively.

D. Information relating to credit risk is provided in Note 12(2).

(6) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 339,356	\$ 347,722	\$ 390,228
Semi-finished goods	617,784	404,247	307,294
Work in progress	248,225	206,288	109,657
Finished goods	1,466,076	1,228,400	848,229
	<u>\$ 2,671,441</u>	<u>\$ 2,186,657</u>	<u>\$ 1,655,408</u>

A. The cost of inventories recognised as expense for the period:

	Three months ended March 31,	
	2025	2024
Cost of goods sold	\$ 2,981,336	\$ 2,026,204
Sale of scraps	(8,319)	(2,205)
(Gain on reversal of) loss on decline in market value	(18,520)	61,959
Gain on physical inventory	-	(1,449)
	<u>\$ 2,954,497</u>	<u>\$ 2,084,509</u>

The Group reversed a previous inventory write-down because certain slow-moving inventories which were previously provided with allowance were subsequently sold.

B. The Group has no inventories pledged to others.

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Mold equipment	Computer communication equipment	Testing equipment	Transportation equipment	Office equipment	Others	Unfinished construction and equipment under acceptance	Total	Prepayments for land, building, construction, and equipment (Note)
<u>At January 1, 2025</u>												
Cost	\$ 1,648,851	\$ 3,834,469	\$ 1,075,672	\$ 639,890	\$ 135,779	\$ 67,930	\$ 20,672	\$ 88,893	\$ 160,590	\$ 43,210	\$ 7,715,956	\$ 91,517
Accumulated depreciation and impairment	- (1,058,769)	(576,999)	(471,621)	(93,002)	(48,350)	(20,081)	(61,218)	(71,542)	- (2,401,582)	-	-	-
	<u>\$ 1,648,851</u>	<u>\$ 2,775,700</u>	<u>\$ 498,673</u>	<u>\$ 168,269</u>	<u>\$ 42,777</u>	<u>\$ 19,580</u>	<u>\$ 591</u>	<u>\$ 27,675</u>	<u>\$ 89,048</u>	<u>\$ 43,210</u>	<u>\$ 5,314,374</u>	<u>\$ 91,517</u>
<u>2025</u>												
Opening net book amount	\$ 1,648,851	\$ 2,775,700	\$ 498,673	\$ 168,269	\$ 42,777	\$ 19,580	\$ 591	\$ 27,675	\$ 89,048	\$ 43,210	\$ 5,314,374	\$ 91,517
Additions	-	19,454	2,257	243	605	369	55	443	543	41,617	65,586	6,922
Disposals	-	-	(816)	-	(1)	-	-	-	(19)	-	(836)	-
Transfers (Note)	-	28,754	7,455	-	-	-	-	-	-	13,329	49,538	(49,538)
Depreciation charges	-	(32,506)	(21,378)	(11,367)	(3,897)	(1,858)	(71)	(1,732)	(4,382)	-	(77,191)	-
Effects of foreign exchange	980	11,123	3,621	3,122	110	61	5	25	89	-	19,136	130
Closing net book amount	<u>\$ 1,649,831</u>	<u>\$ 2,802,525</u>	<u>\$ 489,812</u>	<u>\$ 160,267</u>	<u>\$ 39,594</u>	<u>\$ 18,152</u>	<u>\$ 580</u>	<u>\$ 26,411</u>	<u>\$ 85,279</u>	<u>\$ 98,156</u>	<u>\$ 5,370,607</u>	<u>\$ 49,031</u>
<u>At March 31, 2025</u>												
Cost	\$ 1,649,831	\$ 3,909,972	\$ 1,096,734	\$ 675,210	\$ 137,079	\$ 68,800	\$ 18,334	\$ 89,776	\$ 147,567	\$ 98,156	\$ 7,891,459	\$ 49,031
Accumulated depreciation and impairment	- (1,107,447)	(606,922)	(514,943)	(97,485)	(50,648)	(17,754)	(63,365)	(62,288)	- (2,520,852)	-	-	-
	<u>\$ 1,649,831</u>	<u>\$ 2,802,525</u>	<u>\$ 489,812</u>	<u>\$ 160,267</u>	<u>\$ 39,594</u>	<u>\$ 18,152</u>	<u>\$ 580</u>	<u>\$ 26,411</u>	<u>\$ 85,279</u>	<u>\$ 98,156</u>	<u>\$ 5,370,607</u>	<u>\$ 49,031</u>

Note: Prepayments for land, building, construction, and equipment are shown as ‘other non-current assets’. Details are provided in Note 6(10).

- A. The significant components of buildings include buildings and accessory equipment of buildings, which are depreciated over 10~50 years and 5~11 years, respectively.
- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.
- C. No borrowing cost was capitalized as part of property, plant and equipment for this period.

	Land	Buildings and structures	Machinery and equipment	Mold equipment	Computer communication equipment	Testing equipment	Transportation equipment	Office equipment	Others	Unfinished construction and equipment under acceptance	Total	Prepayments for land, building, construction, and equipment (Note)
<u>At January 1, 2024</u>												
Cost	\$ 1,340,612	\$ 3,671,151	\$ 956,474	\$ 506,733	\$ 138,434	\$ 66,478	\$ 19,722	\$ 87,326	\$ 86,610	\$ 77,543	\$ 6,951,083	\$ 33,469
Accumulated depreciation and impairment	- (902,052)	(488,398)	(443,604)	(79,837)	(40,458)	(19,060)	(50,423)	(52,572)	- (2,076,404)	-	-	-
	<u>\$ 1,340,612</u>	<u>\$ 2,769,099</u>	<u>\$ 468,076</u>	<u>\$ 63,129</u>	<u>\$ 58,597</u>	<u>\$ 26,020</u>	<u>\$ 662</u>	<u>\$ 36,903</u>	<u>\$ 34,038</u>	<u>\$ 77,543</u>	<u>\$ 4,874,679</u>	<u>\$ 33,469</u>
<u>2024</u>												
Opening net book amount	\$ 1,340,612	\$ 2,769,099	\$ 468,076	\$ 63,129	\$ 58,597	\$ 26,020	\$ 662	\$ 36,903	\$ 34,038	\$ 77,543	\$ 4,874,679	\$ 33,469
Additions	-	5,670	2,045	5,250	1,460	-	-	87	799	62,621	77,932	47,519
Disposals	-	- (86)	- (7)	- (1)	-	-	-	- (10)	- (104)	-	-	-
Transfers (Note)	-	1,820	2,141	-	-	825	-	-	189	24,799	29,774	(29,774)
Depreciation charges	- (31,675)	(18,967)	(19,787)	(4,964)	(1,914)	(141)	(2,703)	(3,576)	- (83,727)	-	-	-
Effects of foreign exchange	3,009	15,216	3,011	848	138	43	11	28	144	-	22,448	44
Closing net book amount	<u>\$ 1,343,621</u>	<u>\$ 2,760,130</u>	<u>\$ 456,220</u>	<u>\$ 49,440</u>	<u>\$ 55,224</u>	<u>\$ 24,973</u>	<u>\$ 532</u>	<u>\$ 34,315</u>	<u>\$ 31,584</u>	<u>\$ 164,963</u>	<u>\$ 4,921,002</u>	<u>\$ 51,258</u>
<u>At March 31, 2024</u>												
Cost	\$ 1,343,621	\$ 3,709,114	\$ 969,659	\$ 500,176	\$ 140,785	\$ 67,677	\$ 20,021	\$ 88,047	\$ 88,177	\$ 164,963	\$ 7,092,240	\$ 51,258
Accumulated depreciation and impairment	- (948,984)	(513,439)	(450,736)	(85,561)	(42,704)	(19,489)	(53,732)	(56,593)	- (2,171,238)	-	-	-
	<u>\$ 1,343,621</u>	<u>\$ 2,760,130</u>	<u>\$ 456,220</u>	<u>\$ 49,440</u>	<u>\$ 55,224</u>	<u>\$ 24,973</u>	<u>\$ 532</u>	<u>\$ 34,315</u>	<u>\$ 31,584</u>	<u>\$ 164,963</u>	<u>\$ 4,921,002</u>	<u>\$ 51,258</u>

Note: Prepayments for land, building, construction, and equipment are shown as 'other non-current assets'. Details are provided in Note 6(10)

- A. The significant components of buildings include buildings and accessory equipment of buildings, which are depreciated over 10~50 years and 5~11 years, respectively.
- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.
- C. No borrowing cost was capitalized as part of property, plant and equipment for this period.

(8) Leasing arrangements - lessee

- A. The Group leases various assets including land, office, warehouse, business vehicles, parking spaces, printers and landscaping, etc. Rental contracts are typically made for periods of 3 months to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. Short-term leases with a lease term of 12 months or less pertain to parking spaces and offices. Low-value assets pertain to coffee machine and printers.
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 47,358	\$ 47,061	\$ 47,525
Buildings	3,064	4,748	6,410
Transportation equipment	2,007	2,399	3,221
Others	337	523	1,081
	<u>\$ 52,766</u>	<u>\$ 54,731</u>	<u>\$ 58,237</u>

	Three months ended March 31,	
	2025	2024
	Depreciation charge	Depreciation charge
Land	\$ 247	\$ 239
Buildings	1,307	1,573
Transportation equipment	372	830
Others	186	186
	<u>\$ 2,112</u>	<u>\$ 2,828</u>

- D. For the three months ended March 31, 2025 and 2024, the additions to right-of-use assets were \$0, and \$675, respectively.

- E. Information on profit or loss in relation to lease contracts is as follows:

	Three months ended March 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 35	\$ 56
Expense on short-term lease contracts	1,044	876
Expense on leases of low-value assets	339	316
Expense on variable lease payments	401	466
Gain on lease modification	31	-

- F. The Group early terminated the building leasing contract in February 2025. Right-of-use assets and lease liabilities have decreased by \$462 and \$493, respectively, and the gain on lease

modification of \$31 was recognised.

H. For the three months ended March 31, 2025 and 2024, the Group's total cash outflow for leases was \$3,657 and \$4,005 (of which \$1,838 and \$2,291 represents payments of the principal of lease liabilities), respectively.

I. Variable lease payments

Some of the Group's lease contracts contain variable lease payment terms that are determined and recognised as expense based on the actual usage during the period.

J. Extension and termination options

In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(9) Intangible assets

	<u>Trademarks</u>	<u>Computer software</u>	<u>Patents</u>	<u>Total</u>
<u>At January 1, 2025</u>				
Cost	\$ 1,477	\$ 136,096	\$ 5,436	\$ 143,009
Accumulated amortisation	(886)	(73,542)	(5,094)	(79,522)
	<u>\$ 591</u>	<u>\$ 62,554</u>	<u>\$ 342</u>	<u>\$ 63,487</u>
<u>2025</u>				
At January 1	\$ 591	\$ 62,554	\$ 342	\$ 63,487
Amortisation charge	(28)	(3,226)	(27)	(3,281)
Effects of foreign exchange	-	84	-	84
At March 31	<u>\$ 563</u>	<u>\$ 59,412</u>	<u>\$ 315</u>	<u>\$ 60,290</u>
<u>At March 31, 2025</u>				
Cost	\$ 1,477	\$ 136,392	\$ 5,436	\$ 143,305
Accumulated amortisation	(914)	(76,980)	(5,121)	(83,015)
	<u>\$ 563</u>	<u>\$ 59,412</u>	<u>\$ 315</u>	<u>\$ 60,290</u>

	<u>Trademarks</u>	<u>Computer software</u>	<u>Patents</u>	<u>Total</u>
<u>At January 1, 2024</u>				
Cost	\$ 1,332	\$ 130,814	\$ 5,140	\$ 137,286
Accumulated amortisation	(721)	(60,842)	(5,048)	(66,611)
	<u>\$ 611</u>	<u>\$ 69,972</u>	<u>\$ 92</u>	<u>\$ 70,675</u>
<u>2024</u>				
At January 1	\$ 611	\$ 69,972	\$ 92	\$ 70,675
Additions	21	-	-	21
Amortisation charge	(47)	(3,071)	(8)	(3,126)
Effects of foreign exchange	-	88	-	88
At March 31	<u>\$ 585</u>	<u>\$ 66,989</u>	<u>\$ 84</u>	<u>\$ 67,658</u>
<u>At March 31, 2024</u>				
Cost	\$ 1,353	\$ 131,066	\$ 5,140	\$ 137,559
Accumulated amortisation	(768)	(64,077)	(5,056)	(69,901)
	<u>\$ 585</u>	<u>\$ 66,989</u>	<u>\$ 84</u>	<u>\$ 67,658</u>

Details of amortisation on intangible assets are as follows:

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Manufacturing cost	\$ 719	\$ 623
Selling expenses	86	94
Administrative expenses	2,162	2,196
Research and development expenses	314	213
	<u>\$ 3,281</u>	<u>\$ 3,126</u>

(10) Other non-current assets

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Prepayments for land, building, construction, and equipment	\$ 49,031	\$ 91,517	\$ 51,258
Guarantee deposits paid	5,982	5,737	3,866
Prepayments for intangible assets	1,374	1,374	3,241
Others	15,082	15,205	12,929
	<u>\$ 71,469</u>	<u>\$ 113,833</u>	<u>\$ 71,294</u>

(11) Short-term borrowings

Type of borrowings	March 31, 2025	Interest rate	Collateral
Short-term borrowings	\$ 386,054	4.62%~4.81%	A promissory note of the same amount was issued as collateral. Refer to Note 8.
Short-term secured borrowings	360,697	4.50%~4.61%	
	<u>\$ 746,751</u>		

Type of borrowings	December 31, 2024	Interest rate	Collateral
Short-term borrowings	\$ 447,427	4.85%~5.2%	A promissory note of the same amount was issued as collateral. Refer to Note 8.
Short-term secured borrowings	193,203	4.84%	
	<u>\$ 640,630</u>		

Type of borrowings	March 31, 2024	Interest rate	Collateral
Short-term borrowings	\$ 312,254	5.70%~6.06%	A promissory note of the same amount was issued as collateral. None.
Short-term borrowings	35,048	3.55%~3.60%	
	<u>\$ 347,302</u>		

(12) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Remuneration due to directors' and employees' compensation	\$ 307,683	\$ 225,590	\$ 175,373
Payables for product development expenses	294,206	311,047	141,714
Wages and bonus payable	289,907	396,169	236,409
Payables for export freight and customs clearance charges	182,620	156,080	149,033
Payables for mold	91,548	111,674	82,214
Payables for construction and equipment	22,215	26,780	49,399
Others	287,302	286,975	261,191
	<u>\$ 1,475,481</u>	<u>\$ 1,514,315</u>	<u>\$ 1,095,333</u>

(13) Bonds payable

	March 31, 2025	December 31, 2024	March 31, 2024
Bonds payable	\$ 999,800	\$ 999,800	\$ 1,000,000
Less: Discount on bonds payable	(34,744)	(39,608)	(54,065)
	<u>\$ 965,056</u>	<u>\$ 960,192</u>	<u>\$ 945,935</u>

A. The issuance of domestic convertible bonds by the Company:

(a) The terms of the first domestic unsecured convertible bonds issued by the Company are as follows:

- i. The Company issued \$1,000,000, 0% first domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (January 19, 2024 ~ January 19, 2027) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on January 19, 2024.
- ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. The conversion price was NT\$271 on the date of the bonds issuance. The aforementioned conversion price had been reset as NT\$266.6 (in dollars) according to the terms starting from July 1, 2024 (the effective date of price resetting).
- iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
- v. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$154,262 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 2.0417%.

C. For the three months ended March 31, 2025, there were no bondholders exercising their

conversion rights.

(14) Long-term borrowings

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2025
Loan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan (Note 1)	NTD 1,280,000 thousand, borrowing period is from February 8, 2021 to February 8, 2031, principal and interest are repayable monthly from March 15, 2024	1.275%	(Note 1)	\$ 1,027,810
"	NTD 736,000 thousand, borrowing period is from January 15, 2021 to January 15, 2028, principal and interest are repayable monthly from February 15, 2024	1.275%	"	266,695
"	NTD 640,000 thousand, borrowing period is from June 15, 2021 to June 15, 2028, principal and interest are repayable monthly from July 15, 2024	1.275%	"	280,182
Purchase of land and plant (Note 2)	NTD 35,000 thousand, borrowing period is from June 24, 2024 to June 24, 2039, principal and interest are repayable monthly from July 24, 2027	1.88%	(Note 2)	35,000
"	NTD 245,000 thousand, borrowing period is from June 24, 2024 to June 24, 2044, principal and interest are repayable monthly from July 24, 2027	1.88%	"	245,000

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2025
Working capital (Note 2)	NTD 40,000 thousand, borrowing period is from June 24, 2024 to June 24, 2031, principal and interest are repayable monthly from July 24, 2026	1.88%	(Note 2)	\$ 40,000
Foreign currency borrowings	USD 2,800 thousand; borrowing period is from November 2023 to November 2033; principal and interest are repayable monthly from December 2023	6.7% ~ 7.724%	Real estate in the USA	
				80,590
				1,975,277
Less: Current portion				(363,351)
				<u>\$ 1,611,926</u>

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2024
Loan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan (Note 1)	NTD 1,280,000 thousand, borrowing period is from February 8, 2021 to February 8, 2031, principal and interest are repayable monthly from March 15, 2024	1.150% ~ 1.275%	(Note 1)	\$ 1,071,238
„	NTD 736,000 thousand, borrowing period is from January 15, 2021 to January 15, 2028, principal and interest are repayable monthly from February 15, 2024	1.150% ~ 1.275%	„	290,227

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2024
Loan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan (Note 1)	NTD 640,000 thousand, borrowing period is from June 15, 2021 to June 15, 2028, principal and interest are repayable monthly from July 15, 2024	1.150% ~ 1.275%	(Note 1)	\$ 301,735
Purchase of land and plant (Note 2)	NTD 35,000 thousand, borrowing period is from June 24, 2024 to June 24, 2039, principal and interest are repayable monthly from July 24, 2027	1.88%	(Note 2)	35,000
"	NTD 245,000 thousand, borrowing period is from June 24, 2024 to June 24, 2044, principal and interest are repayable monthly from July 24, 2027	1.88%	"	245,000
Working capital (Note 2)	NTD 40,000 thousand, borrowing period is from June 24, 2024 to June 24, 2031, principal and interest are repayable monthly from July 24, 2026	1.88%	"	40,000
Foreign currency borrowings	USD 2,800 thousand; borrowing period is from November 2023 to November 2033; principal and interest are repayable monthly from December 2023	6.7% ~ 7.724%	Real estate in the USA	81,866
				2,065,066
Less: Current portion				(354,052)
				<u>\$ 1,711,014</u>

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2024
Loan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan (Note 1)	NTD 1,280,000 thousand, borrowing period is from February 8, 2021 to February 8, 2031, principal and interest are repayable monthly from March 15, 2024	1.150% ~ 1.275%	(Note 1)	\$ 1,201,523
"	NTD 736,000 thousand, borrowing period is from January 15, 2021 to January 15, 2028, principal and interest are repayable monthly from February 15, 2024	1.150% ~ 1.275%	"	360,823
"	NTD 640,000 thousand, borrowing period is from June 15, 2021 to June 15, 2028, principal and interest are repayable monthly from July 15, 2024	1.150% ~ 1.275%	"	344,840
Foreign currency borrowings	USD 2,800 thousand; borrowing period is from November 2023 to November 2033; principal and interest are repayable monthly from December 2023	7.644% ~ 7.724%	Real estate in the USA	86,613
				1,993,799
Less: Current portion				(332,499)
				<u>\$ 1,661,300</u>

Note 1: The Company applied for Loans for Returning Overseas Taiwanese Businesses with the Bank of Taiwan in October 2020. The total amount of the loan was \$1,344,000. In July 2021, the Company applied for an adjustment of loan amount to \$2,656,000, and the loan term was 7 to 10 years after the first drawdown date. The interest rate of the loan was the floating interest rate on a 2-year time deposit offered by the Directorate General of the Postal Remittances and Savings Bank less 0.445% of annual interest and the markdown interest rate shall be no less than 0.4%. The commission fee shall be paid by the National Development Fund at an annual interest of 0.5%, and the payment period shall not exceed

5 years. The loan is mainly for construction of plant, purchase of machinery and equipment and working capital. The Company pledged promissory note of the same amount as the loan, machinery and equipment purchased with the loan proceeds and buildings as collateral.

If, during the contract period, there is a violation of any of the loan covenants, the budget of the National Development Fund may be frozen, there are changes in government policies, there is a need for capital procurement, or any other situation where the National Development Fund is not liable, the commission fee shall not be paid by the National Development Fund after notice and the interest rate of the loan shall be adjusted to the floating interest rate on a 2-year time deposit offered by the Directorate General of the Postal Remittances and Savings Bank plus 0.055% of annual interest and the markdown interest rate shall be no less than 0.9%. As of March 31, 2025, no violations of legal regulations have occurred.

Note 2: The subsidiary, Chen-Feng Precision Co., Ltd., obtained a loan from the Bank of Taiwan in the amount of \$320,000 in March 2024. The borrowing interests are the floating interest rate on a 2-year time deposit offered by the Directorate General of the Postal Remittances and Savings Bank plus 0.16% of annual interest and the floating interest rate on a 2-year time deposit offered by the Bank of Taiwan and Savings Bank plus 0.13 % of annual interest. The subsidiary provided the land and building located in Shulin District, New Taipei City as collateral.

(15) Pensions

A. Defined benefit plan

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

- (b) The pension costs under the defined benefit pension plan of the Company for the three months ended March 31, 2025 and 2024 were \$64 and \$60, respectively.
 - (c) Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2026 amount to \$851.
- B. Defined contribution plan
- (a) The Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
 - (b) Other overseas companies have a defined contribution plan in accordance with the local regulations, and contributions to endowment insurance and pension reserve are based on employees’ salaries and wages. Other than the periodic contribution, the overseas companies have no further obligations.
 - (c) The pension costs under the defined contribution pension plan of the Company and its domestic subsidiaries for the three months ended March 31, 2025 and 2024 were \$4,916 and \$4,017, respectively.
 - (d) Micom-Source Holding Co., CLOUDWELL HOLDINGS, LLC., AMAC International Co., AMBER International Company, PROCASE & MOREX Corporation, CLOUDWELL (USA) CORPORATION, and Qin Kun (Jinan) Precision Technology Co., Ltd. did not establish their pension plans or had no employees. In addition, the pension costs under the defined contribution pension plans of Chenbro Micom (USA) INC., Chenbro GmbH, CHENBRO (MALAYSIA) SDN. BHD., Chenbro Technology (Kunshan) Co., Ltd., ChenPower Information Technology (Shanghai) Co., Ltd., and Dongguan Procace Electronic Co., Ltd. for the three months ended March 31, 2025 and 2024 were \$13,824 and \$11,588, respectively.

(16) Share-based payment

A. For the three months ended March 31, 2025 and 2024, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees (Note 1)	2020.8.11	1,200 thousand shares	4 years	Graded vesting at a certain percentage after one year of service and achieving the required KPI (Note 2)
"	2024.8.8	400 thousand shares	3 years	Graded vesting at a certain percentage after one year of service and achieving the required KPI (Note 3)

Note 1: During the vesting period, the restricted stocks issued by the Company cannot be sold, pledged, transferred, donated, collateralised, or disposed in any other method, except for inheritance, and the shareholders' rights to attend, propose, speak and vote in the shareholders' meeting are executed by the trust institution according to the agreement. Employees are entitled to the cash and stock dividends distributed by the Company. The distributed cash and stock dividends are treated as meeting the vesting conditions and are not required to be kept in the trust institution. This also applies to capital reduction. If employees resign during the vesting period, the Company will redeem those stocks but employees are not required to return the dividends received.

Note 2: The vesting percentage for the employee who has one, two, three and four years of service with the Company since the grant date and achieves the performance condition is 25% each year.

Note 3: The vesting percentage for the employee who has one, two and three years of service with the Company since the grant date and achieves the performance condition is 30%, 30% and 40% each year.

B. Details of the above restricted stocks to employees are as follows:

	2025	2024
	Quantity of stocks (in thousands)	Quantity of stocks (in thousands)
Restricted stocks at the beginning and the end of period	400	209

C. The fair value of restricted stocks granted on grant date is measured based on the stock price on the grant date and the estimated annual employee turnover rate. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected option life	Fair value per unit (in dollars)
Restricted stocks to employees	2020.8.11	\$91.3	-	4 years	\$91.3
"	2024.8.8	287.0	-	3 years	287.0

D. Expenses incurred on share-based payment transactions are shown below:

	Three months ended March 31,	
	2025	2024
Equity-settled	\$ 12,676	\$ 1,531

(17) Ordinary shares

As of March 31, 2025, the Company's authorised capital was \$1,500,000, consisting of 150 million shares of ordinary stock (including 1 million shares reserved for employee stock options), and the paid-in capital was \$1,209,877, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The Company's ordinary shares outstanding during the three months ended March 31, 2025 and 2024, were 120,988 shares and 120,587 shares, respectively.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the amount of legal reserve reaches total capital. The remaining shall take into account item D below for the related regulations of setting aside special reserve. The appropriation of the remaining earnings along with the unappropriated earnings of prior years depends on annual financial status and economic development and shall be proposed by the Board of Directors and approved by the shareholders.

- B. The Company's dividend policy is based on the current profit and consideration of the Company's growth in the future, capital budget plan and capital needs as well as consideration of shareholders' interest and long-term financial plan, etc. Earnings can be distributed to shareholders as cash dividends or stock dividends. Cash dividends shall account for at least 10% of the total dividends distributed. If cash dividends are lower than \$0.20 (in dollars) per share, stock dividends will be issued instead.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debitbalance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amount of \$65,573 previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- E. The appropriations of 2024 retained earnings resolved by the Board of Directors of the Company on March 11, 2025 and the appropriations of 2023 retained earnings approved by the shareholders on May 27, 2024, are as follows:

	<u>Year ended December 31, 2024</u>		<u>Year ended December 31, 2023</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Legal reserve	\$ 193,548	\$ -	\$ 108,610	\$ -
Reversal of special reserve	(111,223)	-	(4,609)	-
Cash dividends to shareholders	<u>907,408</u>	<u>7.50</u>	<u>602,935</u>	<u>5.00</u>
	<u>\$ 989,733</u>	<u>\$ 7.50</u>	<u>\$ 706,936</u>	<u>\$ 5.00</u>

As of May 8, 2025, the abovementioned appropriations of 2024 earnings have not yet been resolved by the shareholders.

(20) Other equity items

2025				
	Currency translation	Unrealised gains on valuation	Other, unearned compensation	Total
At January 1	(\$ 90,424)	\$ 69,099	(\$ 89,146)	(\$ 110,471)
Valuation adjustment	-	(18,353)	-	(18,353)
Employee restricted shares:				
- Transferred to expenses	-	-	12,676	12,676
Currency translation differences:				
- Group	75,941	-	-	75,941
At March 31	<u>(\$ 14,483)</u>	<u>\$ 50,746</u>	<u>(\$ 76,470)</u>	<u>(\$ 40,207)</u>
2024				
	Currency translation	Unrealised gains on valuation	Other, unearned compensation	Total
At January 1	(\$ 233,649)	\$ 56,853	(\$ 10,456)	(\$ 187,252)
Valuation adjustment	-	18,629	-	18,629
Employee restricted shares:				
- Transferred to expenses	-	-	1,531	1,531
Currency translation differences:				
- Group	79,482	-	-	79,482
At March 31	<u>(\$ 154,167)</u>	<u>\$ 75,482</u>	<u>(\$ 8,925)</u>	<u>(\$ 87,610)</u>

(21) Operating revenue

A. The Group derives revenue from the transfer of control of goods to customers in the following major product types:

	Three months ended March 31,	
	2025	2024
Server cases, peripheral products and components	\$ 4,126,402	\$ 2,730,692
Personal computer cases	27,369	42,549
	<u>\$ 4,153,771</u>	<u>\$ 2,773,241</u>

B. Contract liabilities

(a) The Group has recognised the following revenue-related contract liabilities:

	March 31, 2025	December 31, 2024
Contract liabilities - sale of products	\$ 117,426	\$ 81,718
	March 31, 2024	January 1, 2024
Contract liabilities - sale of products	\$ 54,252	\$ 54,423

(b) Revenue and net other income (expenses) recognised that was included in the contract liability balance at the beginning of the period:

	Three months ended March 31, 2025	2024
Contract liabilities - sale of products	\$ 2,376	\$ 16,875

(22) Interest income

	Three months ended March 31, 2025	2024
Interest income from bank deposits	\$ 12,557	\$ 8,785
Interest income from financial assets measured at amortised cost	5,279	1,984
	<u>\$ 17,836</u>	<u>\$ 10,769</u>

(23) Other income

	Three months ended March 31, 2025	2024
Rental income	\$ 1,594	\$ 1,354
Government grant revenues	453	1,306
Other income, others	2,876	3,268
	<u>\$ 4,923</u>	<u>\$ 5,928</u>

(24) Other gains and losses

	Three months ended March 31, 2025	2024
Net currency exchange gain	\$ 16,689	\$ 55,023
Losses on financial assets measured at fair value through profit or loss	(400)	(800)
Loss on disposal of property, plant and equipment	(181)	(96)
Gain on lease modification	31	-
Others	(84)	(2,068)
	<u>\$ 16,055</u>	<u>\$ 52,059</u>

(25) Finance costs

	Three months ended March 31,	
	2025	2024
Interest expense on bank borrowings	\$ 15,762	\$ 13,507
Interest expense on bonds payable	4,864	4,767
Interest expense on lease liabilities	35	56
	<u>\$ 20,661</u>	<u>\$ 18,330</u>

(26) Employee benefit, depreciation and amortisation expenses

	Three months ended March 31,	
	2025	2024
Wages and salaries	\$ 398,818	\$ 306,503
Share-based payment	12,676	1,531
Labour and health insurance fees	20,250	15,816
Pension costs	18,804	15,665
Other personnel expenses	30,810	22,321
Employee benefit expense	<u>\$ 481,358</u>	<u>\$ 361,836</u>
Depreciation charges	<u>\$ 79,303</u>	<u>\$ 86,555</u>
Amortisation charges	<u>\$ 3,281</u>	<u>\$ 3,126</u>

- A. According to the Articles of Incorporation of the Company and its domestic subsidiaries, a ratio of profit of the current year distributable, shall be distributed as employees' compensation and directors' remuneration. For the Company, the ratio shall be between 3%~12% for employees' compensation and shall not be higher than 3% for directors' remuneration. For the domestic subsidiaries, the ratio shall not be lower than 2% for employees' compensation. Employees' compensation and directors' remuneration will be distributed in the form of stock or cash as resolved by the Board of Directors. Employees who are entitled to receive employees' compensation include employees of subsidiaries of the company meeting certain specific requirements. Related regulations were set by the Board of Directors. The distribution of employees' compensation and directors' remuneration should be reported to the stockholders. However, if the Company has accumulated deficit, the Company should cover accumulated losses first, then distribute employees' compensation and directors' remuneration proportionately as described above.
- B. For the three months ended March 31, 2025 and 2024, employees' compensation were accrued at \$63,638 and \$28,783, respectively; while directors' remuneration were accrued at \$18,455 and \$8,190, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2024, employees' compensation and directors' remuneration amounted to \$170,851 and \$50,250 as resolved by the Board of Directors on March 11, 2025, respectively, and the differences with the amounts recognised in the current year's financial

statements amounted to \$958 and \$282, respectively. The differences will be accounted for as changes in accounting estimates in profit or loss for 2025.

For the year ended December 31, 2023, employees' compensation and directors' remuneration amounted to \$105,158 and \$30,929 as resolved by the Board of Directors on March 12, 2024, respectively, and the differences with the amounts recognised in the current year's financial statements amounted to \$368 and \$108, respectively. The differences were accounted for as changes in accounting estimates in profit or loss for 2024.

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

(27) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended March 31,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 216,624	\$ 90,038
Total current tax	216,624	90,038
Deferred tax:		
Origination and reversal of temporary differences	9,186	28,175
Total deferred tax	9,186	28,175
Income tax expense	\$ 225,810	\$ 118,213

- B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority. The subsidiary, Chen-Feng Precision Co., Ltd.'s income tax returns through 2023 have been assessed and approved by the Tax Authority.
- C. The Company had applied for investment of repatriated offshore funds back in Taiwan in 2021 and received a tax refund of \$4,009 from the National Taxation Bureau in November 2024.

(28) Earnings per share

Three months ended March 31, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 666,802</u>	120,588	<u>\$ 5.53</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 666,802		
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	3,891	3,750	
Employees' compensation	-	703	
Restricted stocks	-	144	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 670,693</u>	<u>125,185</u>	<u>\$ 5.36</u>
Three months ended March 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 364,924</u>	120,378	<u>\$ 3.03</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 364,924		
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	3,814	2,960	
Employees' compensation	-	188	
Restricted stocks	-	186	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 368,738</u>	<u>123,712</u>	<u>\$ 2.98</u>

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

(a) Purchase of property, plant and equipment:

	Three months ended March 31,	
	2025	2024
Purchase of property, plant and equipment	\$ 115,124	\$ 107,706
Add: Opening balance of payable on construction and equipment	26,780	37,222
Ending balance of prepayments for construction and equipment	49,031	51,258
Less: Opening balance of prepayments for construction and equipment	(91,517)	(33,469)
Ending balance of payable on construction and equipment	(22,215)	(49,399)
Cash paid during the period	<u>\$ 77,203</u>	<u>\$ 113,318</u>

(b) Acquisition of intangible assets:

	Three months ended March 31,	
	2025	2024
Acquisition of intangible assets	\$ -	\$ 21
Add: Ending balance of prepayment for intangible assets	1,374	3,241
Less: Opening balance of prepayment for intangible assets	(1,374)	(2,682)
Cash paid during the period	<u>\$ -</u>	<u>\$ 580</u>

(30) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Long-term borrowings
At January 1, 2025	\$ 640,630	\$ 960,192	\$ 2,065,066
Changes in cash flow from financing activities	100,328	-	(90,816)
Impact of changes in foreign exchange rate	5,793	-	1,027
Changes in other non-cash items	-	4,864	-
At March 31, 2025	<u>\$ 746,751</u>	<u>\$ 965,056</u>	<u>\$ 1,975,277</u>

	Lease liability	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2025	\$ 7,738	\$ 803	\$ 3,674,429
Changes in cash flow from financing activities (	1,838)	-	7,674
Impact of changes in foreign exchange rate	-	16	6,836
Changes in other non-cash items	(493)	-	4,371
At March 31, 2025	<u>\$ 5,407</u>	<u>\$ 819</u>	<u>\$ 3,693,310</u>

	Short-term borrowings	Bonds payable	Long-term borrowings
At January 1, 2024	\$ 375,751	\$ -	\$ 3,144,778
Changes in cash flow from financing activities (	29,394)	1,091,530	(1,154,521)
Impact of changes in foreign exchange rate	945	-	-
Changes in other non-cash items	-	(145,595)	3,542
At March 31, 2024	<u>\$ 347,302</u>	<u>\$ 945,935</u>	<u>\$ 1,993,799</u>

	Lease liability	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2024	\$ 12,568	\$ 538	\$ 3,533,635
Changes in cash flow from financing activities (	2,291)	32	(94,644)
Impact of changes in foreign exchange rate	-	-	945
Changes in other non-cash items	675	-	(141,378)
At March 31, 2024	<u>\$ 10,952</u>	<u>\$ 570</u>	<u>\$ 3,298,558</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's shares are held by the public, thus, there is no parent company or ultimate parent.

(2) Name of related party and relationship

Name of related party	Relationship with the Group
Chen-Source Inc.	Other related party
SUPPER LASERS INDUSTRY CO., LTD.	Other related party
DONGGUAN SUPPER LASERS INDUSTRY CO., LTD.	Other related party
CHAU JIE TECHNOLOGY CO., LTD.	Other related party

(3) Significant related party transactions

A. Operating revenue

	Three months ended March 31,	
	2025	2024
Sales:		
Other related parties	\$ 23	\$ 40

Goods are sold based on normal prices and terms. Payment term is 60~90 days after monthly billings.

B. Purchases and other expenses

	Three months ended March 31,	
	2025	2024
Purchases:		
Other related parties	\$ 40,406	\$ 24,354

Purchases: No similar transaction can be compared with. Prices and terms are determined based on mutual agreements and payment term is 60~90 days after monthly billings.

C. Receivables from related parties

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable:			
Other related parties	\$ 25	\$ 769	\$ 45
Other receivables - payment on behalf of others:			
Other related parties	103	-	33
	\$ 128	\$ 769	\$ 78

The receivables from related parties are unsecured in nature and bear no interest.

D. Payables to related parties

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable:			
Other related parties	\$ 47,934	\$ 17,129	\$ 27,351

(4) Key management compensation

	Three months ended March 31,	
	2025	2024
Short-term employee benefits	\$ 41,899	\$ 27,471
Post-employment benefits	42	84
Share-based payments	951	549
	\$ 42,892	\$ 28,104

8. PLEGDED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	March 31, 2025	December 31, 2024	March 31, 2024	
Time deposits (shown as 'current /non-current financial assets at amortised cost')	\$ 10,600	\$ 10,600	\$ 10,600	Customs duty guarantee Long-term borrowings
Land and buildings	\$ 2,832,187	\$ 2,842,105	\$ 2,933,488	(Notes 1, 2, 3 and 4) Long-term borrowings
Machinery and equipment	\$ 278,438	\$ 287,516	\$ 244,928	(Note 2) Short-term borrowings
Accounts receivable	\$ 223,474	\$ 219,764	\$ -	(Note 5)

Note 1: In November, 2023, the subsidiary, CLOUDWELL HOLDINGS, LLC., signed a long-term borrowing contract for a credit line of USD 2.8 million with banks. The contract requires the subsidiary to pledge land and buildings as mortgage.

Note 2: The Company applied for Loans for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan and Preferential Loans for Returning Taiwanese Businesses for the Purchase of Land in Taiwan with the Bank of Taiwan in October 2020 and pledged promissory note of the same amount as the loan, machinery and equipment purchased from the loan, land in Lucao Township, Chiayi County and buildings as collateral.

Note 3: In August 2021, the Company signed a long-term borrowing contract for a credit line of \$372,000 with the Bank of Taiwan. The contract requires the Company to pledge land and buildings located on 18F & 19F, Xinzhuang District, New Taipei City as mortgage. The borrowing has been repaid in 2024. Consequently, the release of certain land and buildings pledged as collateral had been completed in April 2024.

Note 4: In June 2024, Chen-Feng Precision Co., Ltd. signed a long-term borrowing contract for a credit line of \$320,000 with the Bank of Taiwan. The contract requires the Company to pledge land and buildings located in Shulin District, New Taipei City as collateral.

Note 5: The subsidiary, Chenbro Technology (Kunshan) Co., Ltd., pledged its accounts receivable from the parent company, Chenbro Micom Co., Ltd., as collateral and was eliminated when preparing the consolidated financial statements.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

The Group's contracted but not yet incurred capital expenditures related to property, plant and equipment amounted to \$436,615.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On May 8, 2025, the Company's Board of Directors resolved that the subsidiary, Micom-Source Holding Co., shall grant loans to its fellow subsidiary, Chenbro Micom (USA) INC. The Chairman has been authorised to extend the loan in installments or in the form of a revolving credit line up to maximum of US\$9.5 million for a period of one year. The loan shall be used as contingency fund to enhance the fellow subsidiary's operational flexibility.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to maintain an optimal financial structure and capital ratio in order to support operations and maximise interests for shareholders.

(1) Financial instruments

A. Financial instruments by category

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 67,419	\$ 66,979	\$ 3,100
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	191,356	209,709	110,176
Financial assets at amortised cost			
Cash and cash equivalents	4,476,744	3,799,819	3,482,793
Financial assets at amortised cost	656,496	741,216	228,160
Notes receivable	68,927	36,062	8,307
Accounts receivable	4,015,367	3,633,865	2,772,161
Other receivables	78,226	66,535	31,006
Guarantee deposits paid	5,982	5,737	3,866
	<u>\$ 9,560,517</u>	<u>\$ 8,559,922</u>	<u>\$ 6,639,569</u>

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 746,751	\$ 640,630	\$ 347,302
Accounts payable	4,237,442	3,721,259	2,627,277
Other payables	1,475,481	1,514,315	1,095,333
Bonds payable	965,056	960,192	945,935
Long-term borrowings (including current portion)	1,975,277	2,065,066	1,993,799
Guarantee deposits received	819	803	570
Other current liabilities	3,315	4,894	6,217
	<u>\$ 9,404,141</u>	<u>\$ 8,907,159</u>	<u>\$ 7,016,433</u>
Lease liabilities	<u>\$ 5,407</u>	<u>\$ 7,738</u>	<u>\$ 10,952</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury, and primarily hedge using natural hedge.

- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2025			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 80,709	33.21	\$ 2,680,346
USD:RMB	41,349	7.27	1,373,200
<u>Non-monetary items</u>			
USD:NTD	114,807	33.21	3,812,729
EUR:NTD	1,102	35.97	39,636
RMB:NTD	489,990	4.57	2,239,256
MYR:NTD	65,256	7.47	487,461
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 70,296	33.21	\$ 2,334,530
USD:RMB	23,198	7.27	770,406

December 31, 2024			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 68,298	32.79	\$ 2,239,491
USD:RMB	36,882	7.32	1,209,361
<u>Non-monetary items</u>			
USD:NTD	110,530	32.79	3,624,282
EUR:NTD	1,107	34.14	37,791
RMB:NTD	470,414	4.48	2,107,455
MYR:NTD	64,968	7.33	476,216
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 64,494	32.79	\$ 2,114,758
USD:RMB	19,475	7.32	638,585
March 31, 2024			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 51,459	32.00	\$ 1,646,688
USD:RMB	16,049	7.26	513,568
<u>Non-monetary items</u>			
USD:NTD	93,886	32.00	3,004,343
EUR:NTD	1,084	34.46	37,342
RMB:NTD	375,025	4.41	1,653,860
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 27,259	32.00	\$ 872,288
USD:RMB	7,616	7.26	243,712

- iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2025 and 2024, amounted to \$16,689 and \$55,023, respectively.

- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Three months ended March 31, 2025			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 26,803	\$ -
USD:RMB	1%	13,732	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	23,345	-
USD:RMB	1%	7,704	-
Three months ended March 31, 2024			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 16,467	\$ -
USD:RMB	1%	5,136	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	8,723	-
USD:RMB	1%	2,437	-

Price risk

- The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income.
- Shares were issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other comprehensive income for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$1,914 and \$1,102, respectively, as a result of other

comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk primarily arises from various borrowings. Borrowings with variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. For the three months ended March 31, 2025 and 2024, the Group's borrowings were issued at fixed rate and are denominated in New Taiwan dollars.
- ii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 1 basis point with all other variables held constant, profit, net of tax for the three months ended March 31, 2025 and 2024 would have decreased/increased by \$189 and \$191, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the financial assets at amortised cost and equity instruments stated at fair value through other comprehensive income.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external factors in accordance with limits set by the supervisors of credit control. The utilisation of credit limits is regularly monitored.
- iv. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- vi. The Group classifies customer's accounts receivable in accordance with credit risk on trade. The Group applies the simplified approach using the provision matrix and loss rate methodology to estimate expected credit loss. The Group's notes receivable have no significant impairment losses.
- vii. The Group used the forecastability of The New Basel Capital Accord to adjust historical and timely information to assess the default possibility of accounts receivable. As of

March 31, 2025, December 31, 2024 and March 31, 2024, the loss allowance is as follows:

	Not past due	Up to 30 days past due	31 to 60 days past due	61 to 90 days past due	91 to 180 days past due
<u>March 31, 2025</u>					
Expected loss rate	0.03%	0.03%	1.00%	5.00%	20.00%
Total book value	\$ 3,808,571	\$ 132,865	\$ 66,118	\$ 4,682	\$ 4,352
Loss allowance	\$ -	\$ -	\$ 623	\$ 243	\$ 371
	181 to 270 days past due	271 to 360 days past due	Over 361 days past due	Total	
<u>March 31, 2025</u>					
Expected loss rate	30.00%	50.00%	100.00%		
Total book value	\$ 664	\$ -	\$ 8	\$ 4,017,260	
Loss allowance	\$ 649	\$ -	\$ 7	\$ 1,893	
	Not past due	Up to 30 days past due	31 to 60 days past due	61 to 90 days past due	91 to 180 days past due
<u>December 31, 2024</u>					
Expected loss rate	0.03%	0.03%	1.00%	5.00%	20.00%
Total book value	\$ 3,431,340	\$ 161,521	\$ 39,098	\$ 1,303	\$ 801
Loss allowance	\$ -	\$ -	\$ 358	\$ 182	\$ 157
	181 to 270 days past due	271 to 360 days past due	Over 361 days past due	Total	
<u>December 31, 2024</u>					
Expected loss rate	30.00%	50.00%	100.00%		
Total book value	\$ 636	\$ 102	\$ 23	\$ 3,634,824	
Loss allowance	\$ 191	\$ 49	\$ 22	\$ 959	
	Not past due	Up to 30 days past due	31 to 60 days past due	61 to 90 days past due	91 to 180 days past due
<u>March 31, 2024</u>					
Expected loss rate	0.03%	0.03%	1.00%	5.00%	20.00%
Total book value	\$ 2,209,828	\$ 414,157	\$ 145,990	\$ 2,029	\$ 1,918
Loss allowance	\$ -	\$ -	\$ 1,456	\$ 99	\$ 381
	181 to 270 days past due	271 to 360 days past due	Over 361 days past due	Total	
<u>March 31, 2024</u>					
Expected loss rate	30.00%	50.00%	100.00%		
Total book value	\$ 251	\$ -	\$ -	\$ 2,774,173	
Loss allowance	\$ 76	\$ -	\$ -	\$ 2,012	

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	Three months ended March 31,	
	2025	2024
	Accounts receivable	Accounts receivable
At January 1	\$ 959	\$ 1,936
Provision for impairment loss	914	56
Effect of exchange rate changes	20	20
At March 31	\$ 1,893	\$ 2,012

For the three months ended March 31, 2025 and 2024, losses on impairment of accounts receivable arising from customer contracts amounted to \$914 and \$56, respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Group's non-derivative financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The analysis is as follows:

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
<u>March 31, 2025</u>				
Short-term borrowings	\$ 753,050	\$ -	\$ -	\$ -
Accounts payable	4,237,442	-	-	-
Other payables	1,475,481	-	-	-
Lease liabilities	3,111	2,306	137	-
Bonds payable	-	999,800	-	-
Other current liabilities	3,315	-	-	-
Long-term borrowings (including current portion)	392,328	792,829	473,402	449,118
Guarantee deposits received	819	-	-	-

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
<u>December 31, 2024</u>				
Short-term borrowings	\$ 645,934	\$ -	\$ -	\$ -
Accounts payable	3,721,259	-	-	-
Other payables	1,514,315	-	-	-
Lease liabilities	4,863	2,946	175	-
Bonds payable	-	999,800	-	-
Other current liabilities	4,894	-	-	-
Long-term borrowings (including current portion)	393,473	804,595	504,180	503,006
Guarantee deposits received	803	-	-	-

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
<u>March 31, 2024</u>				
Short-term borrowings	\$ 350,881	\$ -	\$ -	\$ -
Accounts payable	2,627,277	-	-	-
Other payables	1,095,333	-	-	-
Lease liabilities	8,861	2,018	291	-
Bonds payable	-	1,000,000	-	-
Other current liabilities	6,217	-	-	-
Long-term borrowings (including current portion)	369,488	781,524	584,554	487,929
Guarantee deposits received	570	-	-	-

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(2) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

- B. Financial instruments not measured at fair value

- (a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid (shown as other non-current assets), short-term borrowings, accounts payable, other payables, lease liabilities, long-term borrowings (including current portion) and guarantee deposits received (shown as other non-current liabilities), are approximate to their fair values.

	<u>March 31, 2025</u>			
	<u>Fair value</u>			
	<u>Book value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities:				
Bonds payable	<u>\$ 965,056</u>	<u>\$ -</u>	<u>\$ 977,458</u>	<u>\$ -</u>

December 31, 2024				
		Fair value		
	<u>Book value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities:				
Bonds payable	<u>\$ 960,192</u>	<u>\$ -</u>	<u>\$ 971,763</u>	<u>\$ -</u>
March 31, 2024				
		Fair value		
	<u>Book value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities:				
Bonds payable	<u>\$ 945,935</u>	<u>\$ -</u>	<u>\$ 968,304</u>	<u>\$ -</u>

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable is measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

March 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss				
Put options of convertible				
bonds	\$ -	\$ 999	\$ -	\$ 999
Private equity fund investment	-	-	66,420	66,420
Financial assets at fair				
value through other				
comprehensive income				
Equity securities	<u>121,500</u>	<u>-</u>	<u>69,856</u>	<u>191,356</u>
	<u>\$ 121,500</u>	<u>\$ 999</u>	<u>\$ 136,276</u>	<u>\$ 258,775</u>

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Put options of convertible bonds	\$ -	\$ 1,399	\$ -	\$ 1,399
Private equity fund investment	-	-	65,580	65,580
Financial assets at fair value through other comprehensive income				
Equity securities	<u>146,500</u>	<u>-</u>	<u>63,209</u>	<u>209,709</u>
	<u>\$ 146,500</u>	<u>\$ 1,399</u>	<u>\$ 128,789</u>	<u>\$ 276,688</u>
March 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Put options of convertible bonds	\$ -	\$ 3,100	\$ -	\$ 3,100
Financial assets at fair value through other comprehensive income				
Equity securities	<u>-</u>	<u>-</u>	<u>110,176</u>	<u>110,176</u>
	<u>\$ -</u>	<u>\$ 3,100</u>	<u>\$ 110,176</u>	<u>\$ 113,276</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>
Market quoted price	Closing price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

- iii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. The evaluation of derivative financial instruments is based on evaluation models widely accepted by market users, such as discount methods and option pricing models.
- iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. The following chart is the movement of Level 3 for the three months ended March 31, 2025 and 2024:

	2025	2024
	Equity securities	Equity securities
January 1	\$ 128,789	\$ 91,547
Recorded as unrealised gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	6,647	18,629
Effect of exchange rate changes	840	-
At March 31	<u>\$ 136,276</u>	<u>\$ 110,176</u>

- E. For the three months ended March 31, 2025 and 2024, there was no transfer out from Level 3.
- F. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

	<u>Fair value at March 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (first quartile)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity					
Unlisted shares	\$ 69,856	Market comparable companies	Price to book ratio multiple	1.53-1.93 (1.56)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares	\$ 66,420	Based on the most recent transaction price in a non-active market	Not applicable	Not applicable	Not applicable
Private equity fund investment					

	<u>Fair value at December 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (first quartile)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity					
Unlisted shares	\$ 63,209	Market comparable companies	Price to book ratio multiple	1.71-1.96 (1.77)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares	\$ 65,580	Based on the most recent transaction price in a non-active market	Not applicable	Not applicable	Not applicable
Private equity fund investment					
	<u>Fair value at March 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (first quartile)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity					
Unlisted shares	110,176	Market comparable companies	Price to book ratio multiple	2.04-4.30 (2.06)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			March 31, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
	Input	Change	change	change	change	change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	-	-	\$ 699	(\$ 699)
	Discount for lack of marketability	±1%	-	-	233	(233)
			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
	Input	Change	change	change	change	change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	\$ -	\$ -	\$ 632	(\$ 632)
	Discount for lack of marketability	±1%	-	-	211	(211)
			March 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
	Input	Change	change	change	change	change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	-	-	\$ 1,102	(\$ 1,102)
	Discount for lack of marketability	±1%	-	-	367	(367)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

(2) Information on investees

Counterparties' information are disclosed based on subsidiaries' financial statements, which were not reviewed by independent auditors. However, the information on investments between companies was eliminated when preparing the consolidated financial statements. The following disclosures are for reference only.

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area:

Name of company	Counterparty	Accounts	Three months ended March 31, 2025	Percentage representing the account of the company (%)	Note
Chenbro Micom Co., Ltd.	Chenbro Technology (Kunshan) Co., Ltd.	Purchases	\$ 1,137,996	44	
Chenbro Micom Co., Ltd.	Chenbro Technology (Kunshan) Co., Ltd.	Accounts payable	1,197,666	43	
Chenbro Micom Co., Ltd.	Dongguan Procace Electronic Co., Ltd.	Purchases	224,030	9	
Chenbro Micom Co., Ltd.	Dongguan Procace Electronic Co., Ltd.	Accounts payable	237,645	9	

14. OPERATING SEGMENT INFORMATION

(1) General information

Because each plant possesses similar economic characteristics, produces similar products under similar production process, uses the same machinery and equipment, as well as the distribution methods and customer categories are alike, the Company and subsidiaries' chief operating decision-maker has assessed that the Company and its subsidiaries only have one reportable operating segment. Furthermore, the measurement basis for the Company is in agreement with the basis stated in the reports reviewed by the chief operating decision-maker.

(2) Information about segment profit or loss, assets and liabilities

The Company and subsidiaries have only one reportable operating segment, thus, the reportable information is in agreement with those in the consolidated financial statements.

(3) Reconciliation for segment income (loss)

The segment operating profit provided to the chief operating decision-maker is measured in a manner consistent with that used for the statement of comprehensive income. Amounts of total assets and total liabilities of segments are not provided to the chief operating decision-maker to make strategic decisions. There is no difference between the presentation of segment report and income statement and accordingly, no reconciliation is required to be disclosed.

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES

Loans to others

Three months ended March 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended March 31, 2025	Balance at March 31, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
1	Micom- Source Holding Co. INC.	Chenbro Micom (USA) INC.	Other receivables due from related parties	Yes	\$ 332,100	\$ 332,100	\$ 332,100	0	Short-term financing	\$ -	Operating Capital	\$ -	None	\$ -	\$ 945,324	\$ 1,575,541	Note 3
1	Micom- Source Holding Co. LLC.	CLOUDWELL HOLDINGS, LLC.	Other receivables due from related parties	Yes	166,050	166,050	166,050	0	Short-term financing	-	Operating Capital	-	None	-	945,324	1,575,541	Note 4

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: In accordance with the Company's "Procedures for Provision of Loans", for the purpose of loans between the Company's foreign subsidiaries or from foreign subsidiaries to the Company, for which the Company both have 100% shares directly or indirectly, limit on total loans granted by subsidiaries to a single party is 50% of subsidiaries' net assets and loans granted by subsidiaries to a single party is 30% of subsidiaries' net assets.

Note 3: The maximum balance of Micom-Source Holding Co.'s loan to Chenbro Micom (USA) INC. during the three months ended March 31, 2025 was USD 10 million.

Note 4: The maximum balance of Micom-Source Holding Co.'s loan to CLOUDWELL HOLDINGS, LLC. during the three months ended March 31, 2025 was USD 5 million.

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Three months ended March 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 2

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2025	Outstanding endorsement/ guarantee amount at March 31, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary (Note 4)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 4)	Provision of endorsements/ guarantees to the party in Mainland China (Note 4)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
1	Chenbro Micom (USA) INC.	CLOUDWELL HOLDINGS, LLC.	4	\$ 92,988	\$ 92,988	\$ 92,988	\$ 80,590	\$ -	13.26	\$ 420,716	N	N	N	Note 3

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1)The Company is '0'.
- (2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1)Having business relationship.
- (2)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3)The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7)Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: The limit of endorsement guarantee is explained as follows:

- (1) In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", ceiling on accumulated endorsements/guarantees to others and limit on endorsements/guarantees to a single party was 60% and 20% of the Company's net assets, respectively.
- (2) In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", limit on endorsements/guarantees provided by the company to the subsidiaries holding more than 90% of the equity is 50% of the company's net assets.
- (3) In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", limit on endorsements/guarantees provided by the company and its subsidiaries to the subsidiaries holding more than 90% of the equity is 60% of the company's net assets.
- (4) The original currency amount of maximum and outstanding endorsement/guarantee provided by Chenbro Micom (USA) INC. to CLOUDWELL HOLDINGS, LLC. was based on the credit limit of USD 2,800 thousand for the three months ended March 31, 2025, which was approved by the board of directors on November 8, 2023.

Note 4: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES

Holding of material marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 3

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
CHENBRO MICOM CO., LTD.	Diamond Creative Holding Limited	None	Non-current financial assets at fair value through other comprehensive income	625,879	\$ 69,856	14.29%	\$ 69,856	
CHENBRO MICOM CO., LTD.	JESS-LINK PRODUCTS CO., LTD.	None	Non-current financial assets at fair value through other comprehensive income	1,000,000	121,500	0.82%	121,500	
Micom-Source Holding Co.	Andra Capital Fund LP Private Equity Fund Investment	None	Non-current financial assets at fair value through profit or loss	-	66,420	-	66,420	

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Three months ended March 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 4

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
CHENBRO MICOM CO., LTD.	Chenbro Micom (USA) INC.	Parent-subsiary company	Sales	\$ 2,011,870	66.52	OA 120 days	Note 1	Note 1	\$ 1,374,004	55.65	Note 2
Chenbro Technology (Kunshan) Co., Ltd.	CHENBRO MICOM CO., LTD.	Parent-subsiary company	Sales	1,137,996	81.73	60 days after monthly billing	Note 1	Note 1	1,197,666	76.98	Note 2
Chenbro Technology (Kunshan) Co., Ltd.	ChenPower Information Technology (Shanghai) Co., Ltd.	Affiliate	Sales	181,813	13.06	90 days after monthly billing	Note 1	Note 1	266,133	17.11	Note 2
Dongguan Procace Electronic Co., Ltd.	CHENBRO MICOM CO., LTD.	Parent-subsiary company	Sales	224,030	26.06	60 days after monthly billing	Note 1	Note 1	237,645	18.58	Note 2
Dongguan Procace Electronic Co., Ltd.	ChenPower Information Technology (Shanghai) Co., Ltd.	Affiliate	Sales	635,193	73.90	90 days after monthly billing	Note 1	Note 1	1,041,450	81.41	Note 2
Chen-Feng Precision Co., Ltd.	CHENBRO MICOM CO., LTD.	Parent-subsiary company	Sales	223,506	98.77	90 days after monthly billing	Note 1	Note 1	286,103	98.83	Note 2

Note 1: Terms and prices for the abovementioned transactions are the same with third parties.

Note 2: The transactions were eliminated when preparing the consolidated financial statements.

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

March 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 5

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2025 (Note 3)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts (Note 2)
					Amount	Action taken		
CHENBRO MICOM CO., LTD.	Chenbro Micom (USA) INC.	Parent-subsidiary company	Accounts receivable \$ 1,374,004	6.34	\$ -		\$ 544,761	\$ -
Chenbro Technology (Kunshan) Co., Ltd.	CHENBRO MICOM CO., LTD.	Parent-subsidiary company	Accounts receivable \$ 1,197,666	4.17	44,655	Promptly demanding collection of the overdue receivables	209,604	-
Chenbro Technology (Kunshan) Co., Ltd.	ChenPower Information Technology (Shanghai) Co., Ltd.	Affiliate	Accounts receivable \$ 266,133	3.10	-		57,511	-
Dongguan Procace Electronic Co., Ltd.	CHENBRO MICOM CO., LTD.	Parent-subsidiary company	Accounts receivable \$ 237,645	3.55	5,056	Promptly demanding collection of the overdue receivables	66,419	-
Dongguan Procace Electronic Co., Ltd.	ChenPower Information Technology (Shanghai) Co., Ltd.	Affiliate	Accounts receivable \$ 1,041,450	2.52	-		308,500	-
Chen-Feng Precision Co., Ltd.	CHENBRO MICOM CO., LTD.	Parent-subsidiary company	Accounts receivable \$ 286,103	3.80	-		53,195	-

Note 1: Subsequent collections as of May 8, 2025.

Note 2: As the related parties have excellent credit condition, no allowance for doubtful accounts was recognised.

Note 3: The transactions were eliminated when preparing the consolidated financial statements.

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
Three months ended March 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 6

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 5)
				General ledger account	Amount	Transaction terms	
0	CHENBRO MICOM CO., LTD.	Chenbro Micom (USA) INC.	1	Sales	\$ 2,011,870	Note 4	48
0	CHENBRO MICOM CO., LTD.	Chenbro Micom (USA) INC.	1	Accounts receivable	1,374,004	Note 4	8
1	Chenbro Technology (Kunshan) Co., Ltd.	CHENBRO MICOM CO., LTD.	2	Sales	1,137,996	Note 4	27
1	Chenbro Technology (Kunshan) Co., Ltd.	CHENBRO MICOM CO., LTD.	2	Accounts receivable	1,197,666	Note 4	7
1	Chenbro Technology (Kunshan) Co., Ltd.	ChenPower Information Technology (Shanghai) Co., Ltd.	3	Sales	181,813	Note 4	4
1	Chenbro Technology (Kunshan) Co., Ltd.	ChenPower Information Technology (Shanghai) Co., Ltd.	3	Accounts receivable	266,133	Note 4	1
2	Dongguan Procace Electronic Co., Ltd.	CHENBRO MICOM CO., LTD.	2	Sales	224,030	Note 4	5
2	Dongguan Procace Electronic Co., Ltd.	CHENBRO MICOM CO., LTD.	2	Accounts receivable	237,645	Note 4	1
2	Dongguan Procace Electronic Co., Ltd.	ChenPower Information Technology (Shanghai) Co., Ltd.	3	Sales	635,193	Note 4	15
2	Dongguan Procace Electronic Co., Ltd.	ChenPower Information Technology (Shanghai) Co., Ltd.	3	Accounts receivable	1,041,450	Note 4	6
3	Chen-Feng Precision Co., Ltd.	CHENBRO MICOM CO., LTD.	2	Sales	223,506	Note 4	5
3	Chen-Feng Precision Co., Ltd.	CHENBRO MICOM CO., LTD.	2	Accounts receivable	286,103	Note 4	2

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Transaction amounts less than NT\$100 million are not disclosed.

Note 4: There is no transaction similar to the above purchases and sales, which are determined in accordance with mutual agreement.

Note 5: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 6: Except for current profit (loss) for the three months ended March 31, 2025 translated using the average exchange rate of that period, amounts in currencies other than NTD disclosed by investees are translated using the spot rate at March 31, 2025.

Note 7: The transactions were eliminated when preparing the consolidated financial statements.

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES

Information on investees

Three months ended March 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 7

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three months ended March 31, 2025	Investment income (loss) recognised by the Company for the three months ended March 31, 2025	Footnote
				Balance as at March 31, 2025 (Note 3)	Balance as at December 31, 2024 (Note 3)	Number of shares	Ownership (%)	Book value (Note 3)	(Note 3)	(Note 3 and 4)	
CHENBRO MICOM CO., LTD.	Micom-Source Holding Co.	Cayman Islands	Holding company	\$ 720,264	\$ 720,264	22,323,002	100.00	\$ 3,085,994	\$ 92,078	\$ 46,877	Notes 1 and 3
CHENBRO MICOM CO., LTD.	Chenbro Micom (USA) INC.	USA	Sales of computer and server chassis	32,408	32,408	10,000,000	100.00	586,075	57,581	55,541	Notes 1 and 3
CHENBRO MICOM CO., LTD.	Cloudwell Holdings, LLC.	USA	Real estate leasing company and holding company	109,365	109,365	3,600,000	100.00	140,660	902	902	Note 3
CHENBRO MICOM CO., LTD.	Chenbro GmbH	Germany	Sales of computer and server chassis	9,019	9,019	250,000	100.00	39,636	200	224	Notes 1 and 3
CHENBRO MICOM CO., LTD.	Chen-Feng Precession Co., Ltd.	Taiwan	Manufacturing and sales of computer and server chassis	56,000	56,000	6,319,600	70.00	233,494	35,027	24,519	-
CHENBRO MICOM CO., LTD.	CHENBRO (MALAYSIA) SDN. BHD.	Malaysia	Manufacturing and sales of computer and server chassis	476,100	476,100	64,920,121	100.00	487,461	2,126	2,126	-
Micom-Source Holding Co.	AMAC International Co.	Cayman Islands	Holding company	200,190	200,190	6,027,738	100.00	97,084	7,768	-	Notes 2, 3 and 4
Micom-Source Holding Co.	AMBER International Company	Cayman Islands	Holding company	273,650	273,650	8,239,890	100.00	1,428,576	23,698	-	Notes 2, 3 and 4
Micom-Source Holding Co.	PROCASE & MOREX Corporation	British Virgin Islands	Holding company	282,285	282,285	35,502	100.00	733,155	56,739	-	Notes 2, 3 and 4
CLOUDWELL HOLDINGS, LLC.	CLOUDWELL (USA) CORPORATION	USA	Manufacturing and sales of computer and server chassis	166,050	-	5,000	100.00	166,439	386	-	Notes 3, 4, 5 and 6

Note 1: Investment income (loss) recognised for the three months ended March 31, 2025 includes recognition and elimination of realised and unrealised gain (loss) on upstream transactions.

Note 2: The indirect reinvestment company of the Company and investment income / loss recognised by Micom-Source Holding Co..

Note 3: Except for current profit (loss) for the three months ended March 31, 2025 translated using the average exchange rate of that period, amounts in currencies other than NTD disclosed by investees are translated using the spot rate at March 31, 2025.

Note 4: Investment income / loss recognised by the Company includes only that of the subsidiaries in which the Company directly invested and that of investees accounted for using equity method.

Note 5: CLOUDWELL (USA) CORPORATION was established on December 20, 2024, with its funds in place by February 2025.

Note 6: The indirect reinvestment company of the Company and investment income / loss recognised by CLOUDWELL HOLDINGS, LLC..

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

Three months ended March 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 8

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2025	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income (loss) of investee for the three months ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2025	Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Footnote
Chenbro Technology (Kunshan) Co., Ltd.	Manufacturing and sales of computer and server chassis	\$ 332,100	2	\$ 332,100	\$ - \$ -	\$ 332,100	\$ 11,209	100.00	\$ 11,209	\$ 1,083,475	\$ 767,130	Notes 2, 4, 7, 8 and 11
Dongguan Procace Electronic Co., Ltd.	Manufacturing and sales of computer and server chassis	416,520	2	99,497	- -	99,497	64,737	100.00	64,737	807,820	-	Notes 2, 5 and 11
ChenPower information Technology (ShangHai) Co., Ltd.	Sales of computer and server chassis	69,741	2	-	- -	-	13,094	100.00	13,094	347,961	-	Notes 2, 4, 9 and 11
Qin Kun (Jinan) Precision Technology Co., Ltd.	Manufacturing and sales of computer and server chassis	59,385	3	-	- -	- (	4)	100.00 (	4)	59,381	-	Notes 3, 6, 10 and 11

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China..

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: The investment income / loss of current period were audited by independent auditors of the Company.

Note 3: The investment income / loss of current period were recognized based on the company's internally prepared financial statements.

Note 4: The Company reinvested through AMBER International Company.

Note 5: The Company reinvested through PROCASE & MOREX Corporation and AMAC International Co..

Note 5: The Company reinvested through Chenbro Technology (Kunshan) Co., Ltd..

Note 7: The Company distributed cash dividends of \$302,406 (net of taxation on earnings remitted from Mainland China) to the Company through the holding companies, AMBER International Company and Micom-Source Holding Co. on October 17, 2014.

Note 8: The Company distributed cash dividends of \$464,724 (net of taxation on earnings remitted from Mainland China) to the Company through the holding companies, AMBER International Company and Micom-Source Holding Co. on May 28, 2020.

Note 9: The Company incorporated on October 8, 2016 and was reinvested by Chenbro Technology (Kunshan) Co., Ltd. through AMBER International Company at an amount of USD\$ 2.1 million as capital of the Company on December 23, 2016.

Note 10: The Company was established on January 20, 2025 and received RMB 13 million as capital which was remitted from the earnings of Chenbro Technology (Kunshan) Co., Ltd. on February 13, 2025.

Note 11: Except for current profit (loss) for the three months ended March 31, 2025 translated using the average exchange rate of that period, amounts in currencies other than NTD disclosed by investees are translated using the spot rate at March 31, 2025.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 12)
CHENBRO MICOM CO., LTD.	\$ 431,597	\$ 441,967	\$ -

Note 12: Pursuant to the Gong-Zhi-Zi Order No. 11251035860, certificate for qualified operational headquarters, issued by the Industrial Development Bureau, Ministry of Economic Affairs on September 7, 2023, there is no ceiling on accumulated investments in Mainland China for the period from September 4, 2023 to September 3, 2026.