

**FOCI FIBER OPTIC COMMUNICATIONS,
INC. 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.

FOCI FIBER OPTIC COMMUNICATIONS, INC.
March 31, 2025 AND 2024 CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR24000017

To the Board of Directors and Shareholders of FOCI Fiber Optic Communications, Inc

Introduction

We have reviewed the accompanying consolidated balance sheets of FOCI Fiber Optic Communications, Inc. 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 significant 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 certain insignificant consolidated subsidiaries were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$10,937 thousand and NT\$5,878 thousand, constituting 0.36% and 0.25% of the consolidated total assets as at March 31, 2025 and 2024, respectively, total liabilities amounted to NT\$0 thousand and NT\$2,567 thousand, constituting 0% and 0.85% of the consolidated total liabilities as at March 31, 2025 and 2024, respectively, and the total comprehensive (loss) income amounted to NT(\$64) thousand and NT\$1,565 thousand, constituting 0.79% and (5.47%) of the consolidated total comprehensive income for the three months then ended, respectively. In addition, the financial statements of the investments accounted for using equity method were not reviewed by independent auditors. The comprehensive (loss) income (share of (loss) profit of associates accounted for using equity method) amounted to NT(\$1,490) thousand, constituting 5.21% of the consolidated total comprehensive income for the three months then ended. The balance of relevant investments accounted for using equity method amounted to NT\$5,154 thousand as of March 31, 2024.

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 certain consolidated subsidiaries and investments accounted for using equity method 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.

Shu-Chien Pai

Li, Tien-Yi

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.

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	March 31, 2025		December 31, 2024		March 31, 2024		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,404,679	46	\$ 1,469,741	50	\$ 921,991	39
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		44,650	2	43,050	1	208,800	9
1150	Notes receivable, net	6(5)	414	-	2,461	-	-	-
1170	Accounts receivable, net	6(5)	308,555	10	282,464	9	227,462	10
1180	Accounts receivable - related	6(5) and 7						
	parties, net		-	-	-	-	1,598	-
1200	Other receivables	7	13,287	-	10,558	-	6,147	-
130X	Inventories	6(6)	381,371	13	287,857	10	241,542	10
1470	Other current assets		39,561	1	45,157	2	18,129	1
11XX	Current Assets		<u>2,192,517</u>	<u>72</u>	<u>2,141,288</u>	<u>72</u>	<u>1,625,669</u>	<u>69</u>
Non-current assets								
1517	Financial assets at fair value	6(3)						
	through other comprehensive							
	income - non current		75,884	3	100,455	4	140,302	6
1535	Financial assets at amortised cost -	6(4) and 8						
	non-current		2,939	-	2,939	-	2,939	-
1550	Investments accounted for using	6(7)						
	equity method		-	-	-	-	5,154	-
1600	Property, plant and equipment	6(8)	563,322	18	485,106	16	373,678	16
1755	Right-of-use assets	6(9)	89,376	3	95,726	3	89,487	4
1760	Investment property, net	6(11)	39,258	1	49,724	2	50,985	2
1780	Intangible assets		29,114	1	31,831	1	27,946	1
1840	Deferred income tax assets		59,185	2	50,786	2	34,123	2
1900	Other non-current assets	6(12) and 7	11,614	-	9,373	-	10,700	-
15XX	Non-current assets		<u>870,692</u>	<u>28</u>	<u>825,940</u>	<u>28</u>	<u>735,314</u>	<u>31</u>
1XXX	Total assets		<u>\$ 3,063,209</u>	<u>100</u>	<u>\$ 2,967,228</u>	<u>100</u>	<u>\$ 2,360,983</u>	<u>100</u>

(Continued)

FOCI FIBER OPTIC COMMUNICATIONS, INC. 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	%	
Current liabilities								
2130	Contract liabilities - current	6(20)	\$ 10,922	-	\$ 8,616	-	\$ 3,547	-
2150	Notes payable		1,905	-	1,905	-	1,873	-
2170	Accounts payable		309,852	10	199,716	7	121,027	5
2200	Other payables	6(13)	94,084	3	102,503	4	71,075	3
2230	Current income tax liabilities		5,300	-	4,436	-	1,154	-
2250	Current provisions		11,011	1	11,004	-	-	-
2280	Lease liabilities - current		16,301	1	16,185	1	11,677	1
2300	Other current liabilities		3,169	-	2,850	-	2,735	-
21XX	Current Liabilities		<u>452,544</u>	<u>15</u>	<u>347,215</u>	<u>12</u>	<u>213,088</u>	<u>9</u>
Non-current liabilities								
2570	Deferred income tax liabilities		10,700	-	5,612	-	5,819	-
2580	Lease liabilities - non-current		75,802	3	82,051	3	80,021	4
2600	Other non-current liabilities		1,326	-	1,714	-	1,714	-
25XX	Non-current liabilities		<u>87,828</u>	<u>3</u>	<u>89,377</u>	<u>3</u>	<u>87,554</u>	<u>4</u>
2XXX	Total Liabilities		<u>540,372</u>	<u>18</u>	<u>436,592</u>	<u>15</u>	<u>300,642</u>	<u>13</u>
Equity								
Share capital								
3110	Share capital - common stock	6(16)	1,036,406	34	1,036,406	35	986,406	42
Capital surplus								
3200	Capital surplus	6(17)	1,440,209	47	1,439,857	49	967,857	41
Retained earnings								
3310	Legal reserve	6(18)	136,341	4	136,341	5	135,135	6
3320	Special reserve		221,187	7	221,187	7	168,227	7
3350	(Accumulated deficit)							
	Unappropriated retained earnings		(93,546)	(3)	(81,442)	(3)	25,893	1
Other equity interest								
3400	Other equity interest	6(19)	(217,760)	(7)	(221,713)	(8)	(223,177)	(10)
3XXX	Total equity		<u>2,522,837</u>	<u>82</u>	<u>2,530,636</u>	<u>85</u>	<u>2,060,341</u>	<u>87</u>
Significant events after the balance sheet date								
3X2X	Total liabilities and equity		<u>\$ 3,063,209</u>	<u>100</u>	<u>\$ 2,967,228</u>	<u>100</u>	<u>\$ 2,360,983</u>	<u>100</u>

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

FOCI FIBER OPTIC COMMUNICATIONS, INC. 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 amount)

				Three months ended March 31			
				2025		2024	
Items	Notes	AMOUNT	%	AMOUNT	%		
4000	Sales revenue	6(20) and 7	\$ 411,403	100	\$ 268,538	100	
5000	Operating costs	6(6)(25)(26)	(340,859)	(83)	(247,369)	(92)	
5900	Net operating margin		70,544	17	21,169	8	
	Operating expenses	6(25)(26)					
6100	Selling expenses		(7,223)	(2)	(6,838)	(3)	
6200	General and administrative expenses		(24,832)	(6)	(21,887)	(8)	
6300	Research and development expenses		(45,314)	(11)	(34,782)	(13)	
6450	Expected credit gains (losses)	12(2)	(8)	-	11	-	
6000	Total operating expenses		(77,377)	(19)	(63,496)	(24)	
6900	Operating loss		(6,833)	(2)	(42,327)	(16)	
	Non-operating income and expenses						
7100	Interest income	6(21)	4,226	1	1,806	1	
7010	Other income	6(22)	506	-	219	-	
7020	Other gains and losses	6(23)	4,728	1	8,175	3	
7050	Finance costs	6(24)	(439)	-	(531)	-	
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	-	-	(1,490)	(1)	
7000	Total non-operating income and expenses		9,021	2	8,179	3	
7900	Profit (loss) before income tax		2,188	-	34,148	(13)	
7950	Income tax benefit	6(27)	(1,078)	-	5,875	2	
8200	Profit (loss) for the period		\$ 1,110	-	(\$ 28,273)	(11)	
	Other comprehensive income						
	Components of other comprehensive income that will not be reclassified to profit or loss						
8316	Unrealised gain (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(19)	(\$ 15,716)	(4)	(\$ 7,785)	(3)	
	Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(19)	8,069	2	9,337	4	
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(19)(27)	(1,614)	-	(1,867)	(1)	
8300	Other comprehensive loss for the period		(\$ 9,261)	(2)	(\$ 315)	-	
8500	Total comprehensive loss for the period		(\$ 8,151)	(2)	(\$ 28,588)	(11)	
	Profit (loss), attributable to:						
8610	Owners of parent		\$ 1,110	-	(\$ 28,273)	(11)	
	Comprehensive loss attributable to:						
8710	Owners of parent		(\$ 8,151)	(2)	(\$ 28,588)	(11)	
	Basic earnings (loss) per share	6(28)					
9750	Basic earnings (loss) per share		\$ 0.01		(\$ 0.29)		
	Diluted earnings (loss) per share	6(28)					
9850	Diluted earnings (loss) per share		\$ 0.01		(\$ 0.29)		

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

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent						Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
		Share capital - common stock	Capital surplus, additional paid- in capital	Legal reserve	Special reserve	(Accumulated deficit) Unappropriated retained earnings	Other equity interest Financial statements translation differences of foreign operations		
2024									
Balance at January 1, 2024		\$ 986,406	\$ 1,017,177	\$ 135,135	\$ 168,227	\$ 54,166	(\$ 41,894)	(\$ 180,968)	\$ 2,138,249
Loss for the period		-	-	-	-	(28,273)	-	-	(28,273)
Other comprehensive income (loss) for the period	6(19)	-	-	-	-	-	7,470	(7,785)	(315)
Total comprehensive income (loss)		-	-	-	-	(28,273)	7,470	(7,785)	(28,588)
Capital surplus used to issue cash	6(17)(18)	-	(49,320)	-	-	-	-	-	(49,320)
Balance at March 31, 2024		\$ 986,406	\$ 967,857	\$ 135,135	\$ 168,227	\$ 25,893	(\$ 34,424)	(\$ 188,753)	\$ 2,060,341
2025									
Balance at January 1, 2025		\$ 1,036,406	\$ 1,439,857	\$ 136,341	\$ 221,187	(\$ 81,442)	(\$ 26,414)	(\$ 195,299)	\$ 2,530,636
Profit for the period		-	-	-	-	1,110	-	-	1,110
Other comprehensive income (loss) for the period	6(19)	-	-	-	-	-	6,455	(15,716)	(9,261)
Total comprehensive income (loss)		-	-	-	-	1,110	6,455	(15,716)	(8,151)
Disposal of financial assets or liabilities at fair value through other comprehensive income	6(3)(19)	-	-	-	-	(13,214)	-	13,214	-
Share-based payments	6(15)(17)	-	352	-	-	-	-	-	352
Balance at March 31, 2025		\$ 1,036,406	\$ 1,440,209	\$ 136,341	\$ 221,187	(\$ 93,546)	(\$ 19,959)	(\$ 197,801)	\$ 2,522,837

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

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Three months ended March 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit (loss) before tax		\$ 2,188	(\$ 34,148)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8)(9)(11)(25)	27,570	23,684
Amortisation expense	6(25)	3,465	3,848
Expected credit losses (gains)	12(2)	8	(11)
Net gain on financial assets or liabilities at fair value through profit or loss	6(23)	(1,600)	1,600
Interest expense	6(24)	439	531
Interest income	6(21)	(4,226)	(1,806)
Share-based payments	6(15)(17)(26)	352	-
Share of profit of associates accounted for using equity method	6(7)	-	1,490
Loss(gains) on disposals of property, plant and equipment	6(23)	(112)	83
Reversal of impairment loss on property, plant and equipment	6(8)(23)	(1,281)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		2,047	641
Accounts receivable (including related parties)		(26,099)	49,700
Other receivables (including related parties)		(1,264)	(771)
Inventories		(93,514)	2,812
Other current assets		5,596	(3,383)
Changes in operating liabilities			
Contract liabilities-current		2,306	1,291
Accounts payable (including related parties)		110,136	5,768
Other payables		(6,496)	5,435
Increase in provisions		7	-
Other current liabilities		319	99
Cash inflow generated from operations		19,841	56,863
Income taxes paid		(4,703)	(1,500)
Net cash flows from operating activities		15,138	55,363

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FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Three months ended March 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets or liabilities at fair value through other comprehensive income	6(3)	\$ 8,853	\$ -
Acquisition of property, plant and equipment	6(29)	(90,636)	(27,872)
Proceeds from disposal of property, plant and equipment		150	343
Decrease (Increase) in guarantee deposits paid		(4,718)	2,683
Acquisition of intangible assets		(740)	(24,164)
Other non-current assets		638	273
Decrease in prepayments for equipment		1,839	47,959
Interest received		3,854	1,987
Net cash flows (used in) from investing activities		(80,760)	1,209
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in guarantee deposits received	6(30)	(388)	-
Payments of lease liabilities	6(30)	(4,085)	(4,052)
Cash dividends paid	6(18)(29)	-	(49,320)
Interest paid		(439)	(532)
Net cash flows used in financing activities		(4,912)	(53,904)
Effect of exchange rate changes		5,472	6,283
Net (decrease) increase in cash and cash equivalents		(65,062)	8,951
Cash and cash equivalents at beginning of period		1,469,741	913,040
Cash and cash equivalents at end of period		\$ 1,404,679	\$ 921,991

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

FOCI FIBER OPTIC COMMUNICATIONS, INC. 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 Organization

FOCI Fiber Optic Communications, Inc. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on June 14, 1995 and started operation in September 1995. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the research, manufacture and sales of various passive fiber optical components, fiber optic test equipment, fiber optics application system and plan, design, consulting and technology services of system integration of the aforementioned products.

The Company’s stock was listed on the Taipei Exchange on February 25, 2011.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These consolidated financial statements were authorized for issuance by 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 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. The quantitative impact will be disclosed when the assessment is complete:

IFRS 18, ‘Presentation and disclosure in financial statements’

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 applied in the preparation of these consolidated financial statements are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for those 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 at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
- 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 were in consistent with the consolidated 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(%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
FOCI Fiber Optic Communications, Inc.	FIOPTTEC Inc.	Investment business	100%	100%	100%	
FIOPTTEC Inc.	Shanghai FOCI Fiber Optic Communications, Inc.	Manufacture and processing of passive fiber optical components, patchcords, pigtails, couplers, test equipment, switch, optical controller, fiber optical communication apparatus room, parts and components and related consulting and technology services and sales of the Company's products	100%	100%	100%	
FIOPTTEC Inc.	Jiangxi FOCI Fiber Optic Communication, Inc.	Manufacture and processing of passive fiber optical components, patchcords, pigtails, couplers, test equipment, switch, optical controller, fiber optical communication apparatus room, parts and components and related consulting and technology services and sales of the Company's products	100%	100%	100%	Note

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
Shanghai FOCI Fiber Optic Communications, Inc.	Zhongshan FOCI Fiber Optic Communications, Inc.	Manufacture and processing of passive fiber optical components, patchcords, pigtails, couplers, test equipment, switch, optical controller, fiber optical communication apparatus room, parts and components and related consulting and technology services and sales of the Company's products	100%	100%	100%	

Note: 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

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, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognized 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

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

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>
Cash on hand and petty cash	\$ 332	\$ 308	\$ 364
Checking accounts and demand deposits	258,627	270,203	235,562
Time deposits	<u>1,145,720</u>	<u>1,199,230</u>	<u>686,065</u>
Total	<u>\$ 1,404,679</u>	<u>\$ 1,469,741</u>	<u>\$ 921,991</u>

A. The Group transacts 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's restricted cash and cash equivalents were classified as "non-current financial assets at amortized cost", please refer to Notes 6(4) and 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>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 59,365	\$ 59,365	\$ 237,460
Valuation adjustment	<u>(14,715)</u>	<u>(16,315)</u>	<u>(28,660)</u>
	<u>\$ 44,650</u>	<u>\$ 43,050</u>	<u>\$ 208,800</u>

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

Items	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	<u>\$ 1,600</u>	<u>(\$ 1,600)</u>

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

Items	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Non-current items:			
Equity instruments			
Emerging stocks	\$ 46,394	\$ 68,463	\$ 69,911
Unlisted stocks	227,291	227,291	259,144
Valuation adjustment	<u>(197,801)</u>	<u>(195,299)</u>	<u>(188,753)</u>
	<u>\$ 75,884</u>	<u>\$ 100,455</u>	<u>\$ 140,302</u>

- A. The Group has elected to classify equity instruments 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 \$75,884, \$100,455 and \$140,302 as at March 31, 2025, December 31, 2024 and March 31,2024, respectively.
- B. The Group disposed financial assets at fair value through other comprehensive income – equity instruments whose fair value was \$8,853 for the three months ended March 31, 2025. The cumulative losses on disposal of \$13,214 was transferred from other equity to retained earnings.
- C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

Items	Three months ended March 31,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 15,716)	(\$ 7,785)
Cumulative profits (losses) transferred to retained earnings due to derecognition	\$ 13,214	\$ -

(4) Financial assets at amortized cost

Items	March 31, 2025	December 31, 2024	March 31, 2024
Non-current items:			
Time deposits	\$ 2,939	\$ 2,939	\$ 2,939

- A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

Items	Three months ended March 31,	
	2025	2024
Interest income	\$ 12	\$ 12

- B. As at March 31, 2025, December 31, 2024 and March 31,2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was \$2,939.
- C. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group’s investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.
- D. Details of the Group’s non-current financial assets at amortized cost pledged to others as collateral are provided in Note 8.

(5) Notes and accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable	\$ 414	\$ 2,461	\$ -
Accounts receivable			
- general customers	308,647	282,548	227,530
Accounts receivable -related parties	-	-	1,598
	<u>309,061</u>	<u>285,009</u>	<u>229,128</u>
Less: Allowance for uncollectible accounts	(92)	(84)	(68)
	<u>\$ 308,969</u>	<u>\$ 284,925</u>	<u>\$ 229,060</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>March 31, 2025</u>		<u>December 31, 2024</u>	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 282,068	\$ 414	\$ 257,061	\$ 2,461
Up to 30 days	4,189	-	17,821	-
31 to 90 days	7,745	-	6,457	-
91 to 180 days	14,347	-	1,018	-
Over 181 days	298	-	191	-
	<u>\$ 308,647</u>	<u>\$ 414</u>	<u>\$ 282,548</u>	<u>\$ 2,461</u>
			<u>March 31, 2024</u>	
			Accounts receivable	Notes receivable
Not past due			\$ 207,461	\$ -
Up to 30 days			6,142	-
31 to 90 days			13,939	-
91 to 180 days			1,489	-
Over 181 days			97	-
			<u>\$ 229,128</u>	<u>\$ -</u>

The above ageing analysis was based on past due date.

- B. As of March 31, 2025, December 31, 2024 and March 31,2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$279,306.
- C. As of March 31, 2025, December 31, 2024 and March 31,2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$414, \$2,461 and \$0; \$308,555, \$282,464 and \$229,060, respectively.
- D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(6) Inventories

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Finished goods	\$ 199,338	\$ 193,987	\$ 156,494
Work in progress	60,581	35,165	28,330
Raw materials	<u>172,666</u>	<u>102,646</u>	<u>98,570</u>
Subtotal	432,585	331,798	283,394
Allowance for inventory valuation losses	(<u>51,214</u>)	(<u>43,941</u>)	(<u>41,852</u>)
Total	<u>\$ 381,371</u>	<u>\$ 287,857</u>	<u>\$ 241,542</u>

The cost of inventories recognized as expense for the period:

<u>Items</u>	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Cost of goods sold	\$ 333,627	\$ 246,611
Loss on decline in market value	6,666	280
Loss on scrapping inventory	232	58
Lease cost	<u>334</u>	<u>420</u>
	<u>\$ 340,859</u>	<u>\$ 247,369</u>

(7) Investments accounted for using equity method

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
BKS TEC Corp.	\$ -	\$ -	\$ 5,154

A. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Loss for the period from continuing operations	\$ -	(\$ 1,490)
Other comprehensive loss, net of tax	-	-
Total comprehensive loss for the period	<u>\$ -</u>	<u>(\$ 1,490)</u>

B. BKS TEC Corp. increased its capital on April 1, 2024. The Group did not participate in the capital increase. As a result, the Group decreased its share interest from 11.07% to 3.89%. In addition, BKS TEC Corp. held an annual shareholders' meeting and re-elected directors on June 25, 2024 and the Group is no longer a director of the entity. Therefore, the Group lost significant influence over the entity starting from the date based on the judgement. The investments were transferred to financial assets at fair value through other comprehensive income and losses on disposals of investments amounting to \$4,500 were recognized.

C. On March 31, 2024, the Group held 11.07% equity interests in BKS TEC Corp. and held 1 seat in the Board of Directors, and thus the Group was considered to have significant influence over BKS TEC Corp..

(8) Property, plant and equipment

2025

	Buildings and structures	Machinery and equipment	Research and development equipment	Transportation equipment	Office equipment	Miscellaneous equipment	Unfinished construction and equipment under acceptance	Total
<u>Cost</u>								
Opening net book amount as at January 1	\$ 377,158	\$ 325,936	\$ 102,781	\$ 1,951	\$ 8,713	\$ 30,056	\$ 118,206	\$ 964,801
Additions for the period	4,306	10,160	2,315	-	2,470	1,404	68,058	88,713
Disposals for the period	(1,512)	(5,368)	(506)	-	-	-	-	(7,386)
Reclassifications in the period	19,242	6,314	2,720	-	-	-	(9,034)	19,242
Translation adjustments	11	1,721	-	39	76	608	40	2,495
At March 31	<u>\$ 399,205</u>	<u>\$ 338,763</u>	<u>\$ 107,310</u>	<u>\$ 1,990</u>	<u>\$ 11,259</u>	<u>\$ 32,068</u>	<u>\$ 177,270</u>	<u>\$ 1,067,865</u>
<u>Accumulated depreciation and impairment</u>								
At January 1	\$ 188,840	\$ 208,779	\$ 56,465	\$ 1,217	\$ 4,717	\$ 19,677	\$ -	\$ 479,695
Depreciation expense for the period	3,665	11,303	7,090	36	195	648	-	22,937
Disposals for the period	(1,512)	(5,330)	(506)	-	-	-	-	(7,348)
Reversal of impairment loss	-	(1,281)	-	-	-	-	-	(1,281)
Reclassifications in the period	9,110	2,144	(2,144)	-	-	-	-	9,110
Translation adjustments	10	925	-	25	68	402	-	1,430
Closing net book amount as at March 31	<u>200,113</u>	<u>216,540</u>	<u>60,905</u>	<u>1,278</u>	<u>4,980</u>	<u>20,727</u>	<u>-</u>	<u>504,543</u>
Net amount	<u>\$ 199,092</u>	<u>\$ 122,223</u>	<u>\$ 46,405</u>	<u>\$ 712</u>	<u>\$ 6,279</u>	<u>\$ 11,341</u>	<u>\$ 177,270</u>	<u>\$ 563,322</u>

2024

	Buildings and structures	Machinery and equipment	Research and development equipment	Transportation equipment	Office equipment	Miscellaneous equipment	Unfinished construction and equipment under acceptance	Total
<u>Cost</u>								
Opening net book amount as at January 1	\$ 392,762	\$ 285,867	\$ 93,141	\$ 1,884	\$ 6,417	\$ 24,868	\$ 13,385	\$ 818,324
Additions for the period	898	33,111	1,195	-	185	-	685	36,074
Disposals for the period	(242)	(14,238)	(7,244)	-	(427)	(285)	-	(22,436)
Reclassifications in the period	-	13,385	-	-	-	-	(13,385)	-
Translation adjustments	387	1,344	-	34	72	451	-	2,288
At March 31	<u>\$ 393,805</u>	<u>\$ 319,469</u>	<u>\$ 87,092</u>	<u>\$ 1,918</u>	<u>\$ 6,247</u>	<u>\$ 25,034</u>	<u>\$ 685</u>	<u>\$ 834,250</u>
<u>Accumulated depreciation and impairment</u>								
At January 1	\$ 195,090	\$ 199,720	\$ 43,616	\$ 1,038	\$ 5,326	\$ 17,641	\$ -	\$ 462,431
Depreciation expense for the period	3,397	9,046	5,617	35	90	457	-	18,642
Disposals for the period	(242)	(13,916)	(7,244)	-	(384)	(224)	-	(22,010)
Translation adjustments	380	723	-	19	63	324	-	1,509
Closing net book amount as at March 31	<u>198,625</u>	<u>195,573</u>	<u>41,989</u>	<u>1,092</u>	<u>5,095</u>	<u>18,198</u>	<u>-</u>	<u>460,572</u>
Net amount	<u>\$ 195,180</u>	<u>\$ 123,896</u>	<u>\$ 45,103</u>	<u>\$ 826</u>	<u>\$ 1,152</u>	<u>\$ 6,836</u>	<u>\$ 685</u>	<u>\$ 373,678</u>

A. The significant components of buildings include main plants and electromechanical power equipment and constructions and clean room, which are depreciated over 55 years, 10 years, and 10 years, respectively.

B. The equipment was for the Group's own use and not for lease.

(9) Leasing arrangements – lessee

A. The Group leases various assets including land, buildings, business vehicles, multifunction printers. Rental contracts are typically made for periods of 1 to 20 years.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 67,205	\$ 70,281	\$ 72,058
Buildings	21,814	24,772	15,706
Transportation equipment (Business vehicles)	357	673	1,723
	<u>\$ 89,376</u>	<u>\$ 95,726</u>	<u>\$ 89,487</u>

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 572	\$ 592
Buildings	3,411	3,675
Transportation equipment (Business vehicles)	316	355
	<u>\$ 4,299</u>	<u>\$ 4,622</u>

C. For the three months ended March 31, 2025 and 2024, the additions to right-of-use assets were \$2,504 and \$0, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 439	\$ 485
Expense on short-term lease contracts	146	197
Expense on leases of low-value assets	62	55
Total	<u>\$ 647</u>	<u>\$ 737</u>

E. For the three months ended March 31, 2025 and 2024, the Group's total cash outflow for leases were \$4,732 and \$4,789, respectively.

(10) Leasing arrangements – lessor

A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a certain amount of guarantee deposits is required.

B. For the three months ended March 31, 2025 and 2024, the Group recognized rent income in the amounts of \$2,045 and \$2,626, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Not later than one year	\$ 2,329	\$ 4,051	\$ 9,528
Later than one year but not later than five years	<u>180</u>	<u>223</u>	<u>2,050</u>
Total	<u>\$ 2,509</u>	<u>\$ 4,274</u>	<u>\$ 11,578</u>

(11) Investment property

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Buildings and structures</u>			
Cost			
Equity at beginning of period	\$ 94,436	\$ 94,436	\$ 94,436
Reclassifications for the period	(19,242)	-	-
Equity at end of period	<u>75,194</u>	<u>94,436</u>	<u>94,436</u>
Accumulated depreciation			
Equity at beginning of period	44,712	43,031	43,031
Additions for the period	334	1,681	420
Reclassifications for the period	(9,110)	-	-
Equity at end of period	<u>35,936</u>	<u>44,712</u>	<u>43,451</u>
Closing net book amount as at March 31	<u>\$ 39,258</u>	<u>\$ 49,724</u>	<u>\$ 50,985</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Rental income from investment property	<u>\$ 2,045</u>	<u>\$ 2,626</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 334</u>	<u>\$ 420</u>

B. The fair value of the investment property held by the Group as at March 31, 2025, December 31, 2024 and March 31, 2024, was \$71,685, \$92,074 and \$92,074, respectively, which was valued by the Group using the income approach which is categorized within Level 3 in the fair value hierarchy. Key assumptions are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Discount rate	<u>2.470%</u>	<u>2.470%</u>	<u>2.470%</u>

(12) Other non-current assets

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Prepayments for business facilities	\$ 3,860	\$ 5,699	\$ 4,526
Guarantee deposits paid	7,754	3,036	4,716
Other assets	-	638	1,458
	<u>\$ 11,614</u>	<u>\$ 9,373</u>	<u>\$ 10,700</u>

(13) Other payables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Salaries and bonuses payable	\$ 26,349	\$ 34,839	\$ 23,327
Payable on equipment	30,730	32,653	13,459
Dividends payable	27	27	-
Others	36,978	34,984	34,289
	<u>\$ 94,084</u>	<u>\$ 102,503</u>	<u>\$ 71,075</u>

(14) Pensions

- A. The Company has 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 domestic 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. The Company’s mainland China subsidiaries in Shanghai, Jiangxi, and Zhongshan have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage for the three months ended March 31, 2025 and 2024 was 15% ~ 20%. Other than the monthly contributions, the Group has no further obligations.
- C. The pension costs under defined contribution pension plans of the Group for the three months ended March 31, 2025 and 2024 were \$5,869 and \$4,804, respectively.

(15) Share-based payment

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

Type of arrangement	Grant date	Quantity granted (share)	Contract period	Vesting conditions
First issuance of employee stock options in 2025	2025.3.27	1,280,000	5 years	2 years' service can be vested with 50% 3 years' service can be vested with 25% 4 years' service can be vested with 25%

Among the share-based payment arrangements above are settled by equity ◦

B. Details of the share-based payment arrangements are as follows:

	2025	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	\$ -
Options granted	1,280,000	286.00
Options outstanding at March 31	1,280,000	286.00
Options exercisable at March 31	-	-

C. As of March 31, 2025, the range of exercise prices of stock options outstanding was \$286 (in dollars); the weighted-average remaining contractual period was 4.99 years.

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility (Note 1)	Expected option life	Expected dividends (Note 2)	Risk-free interest rate	Fair value per unit
First issuance of employee stock options in 2025	2025.3.27	\$ 286	\$ 286	39.77%~ 39.98%	3.5~4.5	4.45%	1.4286%~ 1.5014%	\$62.41~ 66.29

Note 1: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

Note 2: The expected dividend yield was adjusted by using the securities lending revenue as the additional dividends received by the stockholders and the average expense rate for securities lending transactions of that month.

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

	Three months ended March 31, 2025
Equity-settled	\$ <u>352</u>

F. For the three months ended March 31, 2024, the Group had no share-based payment arrangements.

(16) Share capital

A. As of March 31, 2025, the Company's authorized capital was \$1,800,000, consisting of 180,000 thousand shares of ordinary stock (including 6,000 thousand shares reserved for employee stock options), and the paid-in capital was \$1,036,406 with a par value of NT\$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	<u>2025 (in thousands)</u>	<u>2024 (in thousands)</u>
At January 1/March 31	103,641	98,641

B. The Board of Directors of the Company during their meeting on June 11, 2024 adopted a resolution to raise additional cash through private placement by issuing 5,000 thousand ordinary shares with a par value of NT\$10 (in dollars) per share, the issuing price was NT\$104.4 (in dollars) per share and \$522,000 in total. The effective date of the capital increase was set on June 25, 2024. Proceeds had been fully collected and the registration for the change had been completed.

(17) 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 Act requires that the amount of capital surplus to be capitalized 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.

	<u>2025</u>			
	<u>Share premium</u>	<u>Changes in ownership interests in subsidiaries</u>	<u>Gains on disposals of fixed assets and others</u>	<u>Total</u>
At January 1	\$ 1,437,824	\$ 1,775	\$ 258	\$ 1,439,857
Share-based payments	-	-	352	352
At March 31	<u>\$ 1,437,824</u>	<u>\$ 1,775</u>	<u>\$ 610</u>	<u>\$ 1,440,209</u>

	2024			
	Share premium	Changes in ownership interests in subsidiaries	Gains on disposals of fixed assets and others	Total
At January 1	\$ 1,015,144	\$ 1,775	\$ 258	\$ 1,017,177
Capital surplus distributed as cash	(49,320)	-	-	(49,320)
At March 31	<u>\$ 965,824</u>	<u>\$ 1,775</u>	<u>\$ 258</u>	<u>\$ 967,857</u>

(18) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be appropriated in the following orders:
- (a) Pay all taxes;
 - (b) Cover prior years' losses;
 - (c) Set aside 10% as legal reserve (unless the legal reserve has reached the total capital);
 - (d) Set aside or reverse special reserve as required by regulations;
 - (e) The remainder, if any, along with the accumulated unappropriated earnings, shall be proposed by the Board of Directors and be resolved by the shareholders.
- B. The Board of Directors of the Company may, upon resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute dividends, bonus, legal reserve, or capital surplus, in whole or in part, in the form of cash, which shall also be reported at the shareholders' meeting.
- C. The Company's dividend policy is set up in accordance with the Company Act and the Company's Articles of Incorporation, and in consideration of factors including the Company's capital and financial structure, operational condition, earnings, and the industry's nature and cycle, etc. Suppose the Company has a surplus in its final annual accounts, and the distributable surplus reaches 2% of the paid-in capital. In that case, the dividend distribution shall not be less than 10% of the distributable surplus. Cash dividends are preferred in the distribution of earnings, but stock dividends can also be distributed on the basis that the distribution ratio of stock dividends is no higher than 50% of total dividends of the year.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance 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.
- E. Legal reserve shall be set aside until its balance reaches the Company's total paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of its paid-in capital, the excess may be transferred to capital or distributed in cash.

F. The Board of Directors on February 22, 2024 adopted a resolution on the distribution of 2023 earnings, distribute cash dividends from capital surplus amounting to \$49,320 at NT\$0.5 (in dollars) per share.

G. The Board of Directors on February 22, 2024 and the shareholder's meeting on May 30, 2024 adopted a resolution on the distribution of 2023 earnings, appropriating \$1,206 as legal reserve and \$52,960 as special reserve.

(19) Other equity items

	2025		
	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1	(\$ 26,414)	(\$ 195,299)	(\$ 221,713)
Revaluation – gross	-	(15,716)	(15,716)
Revaluation transferred to retained earnings – gross	-	13,214	13,214
Currency translation differences			
– Group:			
–Group	8,069	-	8,069
–Tax on Group	(1,614)	-	(1,614)
At March 31	<u>(\$ 19,959)</u>	<u>(\$ 197,801)</u>	<u>(\$ 217,760)</u>

	2024		
	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1	(\$ 41,894)	(\$ 180,968)	(\$ 222,862)
Revaluation – gross	-	(7,785)	(7,785)
Currency translation differences			
– Group:			
–Group	9,337	-	9,337
–Tax on Group	(1,867)	-	(1,867)
At March 31	<u>(\$ 34,424)</u>	<u>(\$ 188,753)</u>	<u>(\$ 223,177)</u>

(20) Operating revenue

	Three months ended March 31,	
	2025	2024
Revenue from contracts with customers	\$ 409,358	\$ 265,912
Others – lease revenue	2,045	2,626
Total	<u>\$ 411,403</u>	<u>\$ 268,538</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

Three months ended					Other	
March 31, 2025	Taiwan	China	America	Asia	regions	Total
Revenue from external customer contracts	<u>\$ 21,690</u>	<u>\$ 13,341</u>	<u>\$ 333,517</u>	<u>\$ 27,103</u>	<u>\$ 13,707</u>	<u>\$ 409,358</u>
Three months ended					Other	
March 31, 2024	Taiwan	China	America	Asia	regions	Total
Revenue from external customer contracts	<u>\$ 21,685</u>	<u>\$ 5,724</u>	<u>\$ 217,067</u>	<u>\$ 18,102</u>	<u>\$ 3,334</u>	<u>\$ 265,912</u>

B. Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Product sales contracts	<u>\$ 10,922</u>	<u>\$ 8,616</u>	<u>\$ 3,547</u>	<u>\$ 2,256</u>

C. Revenue recognized that was included in the contract liability balance at the beginning of the period:

	Three months ended March 31,	
	2025	2024
Product sales contracts	<u>\$ 7,955</u>	<u>\$ 1,786</u>

(21) Interest income

	Three months ended March 31,	
	2025	2024
Interest income from bank deposits	\$ 4,214	\$ 1,794
Interest income from financial assets measured at amortised cost	<u>12</u>	<u>12</u>
	<u>\$ 4,226</u>	<u>\$ 1,806</u>

(22) Other income

	Three months ended March 31,	
	2025	2024
Other income, others	<u>\$ 506</u>	<u>\$ 219</u>

(23) Other gains and losses

	Three months ended March 31,	
	2025	2024
Gains (losses) on disposals of property, plant and equipment	\$ 112	(\$ 83)
Foreign exchange gains	1,738	9,431
Gains (losses) on financial assets and liabilities at fair value through profit or loss	1,600	(1,600)
Reversal of impairment loss recognised in profit or loss, property, plant and equipment	1,281	-
Other gains and losses	(3)	427
	<u>\$ 4,728</u>	<u>\$ 8,175</u>

(24) Finance costs

	Three months ended March 31,	
	2025	2024
Interest expense	\$ 439	\$ 531

(25) Expenses by nature

	Three months ended March 31,	
	2025	2024
Employee benefit expense	\$ 99,739	\$ 79,550
Depreciation charges	27,570	23,684
Amortization charges	3,465	3,848
	<u>\$ 130,774</u>	<u>\$ 107,082</u>

(26) Employee benefit expense

	Three months ended March 31,	
	2025	2024
Wages and salaries	\$ 82,000	\$ 64,313
Share-based payments	352	-
Director' remuneration	970	925
Labour and health insurance fees	5,895	4,921
Pension costs	5,869	4,804
Other personnel expenses	4,653	4,587
	<u>\$ 99,739</u>	<u>\$ 79,550</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 5% ~ 15% for employees' compensation and shall not be higher than 5% for directors' remuneration. If the Company has accumulated deficit, earnings should be reserved to cover losses.
- B. For the three months ended March 31, 2025 and 2024, no employees' compensation and directors' remuneration was accrued. The aforementioned amounts were recognised in salary expenses.
- C. For the years ended December 31, 2024, no employees' compensation and directors' remuneration were accrued because of losses incurred for the period.
- D. 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 (benefit)
 (a) Components of income tax expense (benefit):

	Three months ended March 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 823	\$ -
Prior year income tax underestimation	248	-
Total current tax	<u>1,071</u>	<u>-</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>7</u>	<u>(5,875)</u>
Total deferred tax	<u>7</u>	<u>(5,875)</u>
Income tax expense (benefit)	<u>\$ 1,078</u>	<u>(\$ 5,875)</u>

- (b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Three months ended March 31,	
	2025	2024
Currency translation differences	<u>\$ 1,614</u>	<u>\$ 1,867</u>

- (c) The income tax charged/(credited) to equity during the period is as follows: None.
- B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

B. Financing activities with partial cash payments:

	Three months ended March 31,	
	2025	2024
Cash dividends declared	\$ -	\$ 49,320
Add: Opening balance of dividends payable	27	-
Less: Ending balance of dividends payable	(27)	-
Cash paid during the period	\$ -	\$ 49,320

(30) Changes in liabilities from financing activities

	2025		
	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 1,714	\$ 98,236	\$ 99,950
Changes in cash flow from financing activities	(388)	(4,085)	(4,473)
Interest payments	-	(439)	(439)
Amortisation charges on interest expenses	-	439	439
Changes in other non-cash items	-	(2,504)	(2,504)
Impact of changes in foreign exchange rate	-	456	456
At March 31	<u>\$ 1,326</u>	<u>\$ 92,103</u>	<u>\$ 93,429</u>
	2024		
	Lease liabilities	Liabilities from financing activities-gross	
At January 1	\$ 95,900	\$	\$ 95,900
Changes in cash flow from financing activities	(4,052)	((4,052)
Interest payments	(485)	((485)
Amortisation charges on interest expenses	485		485
Changes in other non-cash items	(463)	((463)
Impact of changes in foreign exchange rate	313		313
At March 31	<u>\$ 91,698</u>	\$	<u>\$ 91,698</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
BKS TEC Corp.	Associate (Note)

Note: BKS TEC Corp. held an annual shareholders' meeting and re-elected directors on June 25, 2024 and the Group is no longer a director of the entity. Therefore, the Group lost significant influence over the entity starting from the date based on the judgement.

(2) Significant related party transactions

A. Operating revenue:

	Three months ended March 31,	
	2025	2024
Sales of goods:		
BKS TEC Corp.	\$ -	\$ 123

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Receivables from related parties:

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable:			
BKS TEC Corp.	\$ -	\$ -	\$ 1,598
Other receivables - current:			
BKS TEC Corp.	\$ -	\$ -	\$ 1,858
Lease payments receivable			
- non current:			
BKS TEC Corp.	\$ -	\$ -	\$ 1,458

The receivables from related parties arise mainly from sale of goods. The receivables are unsecured in nature and bear no interest.

The Group leased assets to BKS TEC Corp. under finance lease, and on March 31, 2024, the Group accounted its lease payments receivable as other receivables and other non-current assets in the amounts of \$1,476 and \$1,458, respectively.

(3) Key management compensation

	Three months ended March 31,	
	2025	2024
Short-term employee benefits	\$ 3,892	\$ 3,869
Post-employment benefits	145	122
Share-based payments	110	-
	\$ 4,147	\$ 3,991

8. Pledged Assets

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

<u>Pledged asset</u>	<u>Book value</u>			<u>Purpose</u>
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	
Time deposits (Note)	\$ 2,939	\$ 2,939	\$ 2,939	Land lease deposits

Note : “ Financial assets at amortized cost – non-current ” are listed in the table.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

None.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group manages its capital to ensure that the Group will be able to stay in operation while maximizing the return to stakeholders. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of the Company's net debt (being borrowings offset by cash) and equity (comprising share capital, capital surplus, retained earnings and other equity).

(2) 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 mandatorily measured at fair value through profit or loss	\$ 44,650	\$ 43,050	\$ 208,800
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	75,884	100,455	140,302
Financial assets at amortised cost			
Cash and cash equivalents	1,404,679	1,469,741	921,991
Notes receivable	414	2,461	-
Accounts receivable (including related parties)	308,555	282,464	229,060
Other receivables (including related parties)	13,287	10,558	6,147
Financial assets at amortised cost	2,939	2,939	2,939
Guarantee deposits paid	7,754	3,036	4,716
	<u>\$ 1,858,162</u>	<u>\$ 1,914,704</u>	<u>\$ 1,513,955</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			
Notes payable	\$ 1,905	\$ 1,905	\$ 1,873
Accounts payable	309,852	199,716	121,027
Other payables	94,084	102,503	71,075
Guarantee deposits received	1,326	1,714	1,714
	<u>\$ 407,167</u>	<u>\$ 305,838</u>	<u>\$ 195,689</u>
Lease liability	<u>\$ 92,103</u>	<u>\$ 98,236</u>	<u>\$ 91,698</u>

B. Financial risk management policies

The Group's major financial instruments include financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, net notes and accounts receivable, notes and accounts payable, etc. The Group's objectives when managing financial risks are to manage foreign exchange risk, price risk, interest rate risk, credit risk and liquidity risk related to its operating activities. In order to decrease the relevant financial risk, the Group focuses on identifying, evaluating and hedging market uncertainties to minimize potential adverse effects from markets on the Group's financial performance.

The Group's major financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal controls. During the implementation of financial plans, the Group must comply with the financial procedures relating to overall financial risk management and segregation of duties.

C. Significant financial risks and degrees of financial risks

(a) Market risk

The Group's operating activities exposed it primarily to financial risks, which are foreign exchange risk, interest rate risk and price risk. There have been no changes to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Exchange rate risk

- i. The Group's cash inflows and outflows are partially denominated in foreign currencies and therefore have a natural hedging effect. The Group manages exchange rate risk for hedging purposes, not for profit-making.
- ii. The Group's strategy to manage exchange rate risk is to regularly review the net position of assets and liabilities in each currency and manage the risk accordingly. Currently, trading foreign currency deposits is the main tool to hedge exchange rate risk.
- iii. As the net investments in foreign operations are considered to be strategic investments, the Company does not hedge the investments.

iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: 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		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 12,515	33.21	\$ 415,623
USD:RMB	6,941	7.26	230,511
<u>Non-monetary items</u>			
USD:NTD	\$ 8,249	33.21	\$ 273,933
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 8,191	33.21	\$ 272,023
USD:RMB	3,339	7.26	110,888
<u>Non-monetary items: None.</u>			
December 31, 2024			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 10,454	32.77	\$ 342,578
USD:RMB	8,826	7.31	289,228
<u>Non-monetary items</u>			
USD:NTD	\$ 9,717	32.77	\$ 318,438
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 7,599	32.77	\$ 249,019
USD:RMB	1,606	7.31	52,629
<u>Non-monetary items: None.</u>			

March 31, 2024			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 8,576	31.99	\$ 274,346
USD:RMB	8,538	7.26	273,131
<u>Non-monetary items</u>			
USD:NTD	\$ 13,047	31.99	\$ 417,266
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 6,796	31.99	\$ 217,404
USD:RMB	1,518	7.26	48,561
<u>Non-monetary items:</u> None.			

- v. The total exchange (loss) gain, including realized and unrealized, 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 \$1,738 and \$9,431, respectively.
- vi. 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	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1% \$ 4,156	\$	-
USD:RMB	1% 2,305		-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1% (\$ 2,720)	\$	-
USD:RMB	1% (1,109)		-

	Three months ended March 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 2,743	
USD:RMB	1%	2,731	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(2,174)	\$ -
USD:RMB	1%	(486)	-

(b) Price risk

- i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as financial asset measured at fair value through profit or loss and measured at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares issued by the domestic and foreign companies. The prices of financial instruments 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, post-tax profit for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$475 and \$1,900, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$2,737 and \$3,291, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

(c) 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 contract cash flows of debt instruments stated at amortized cost.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with good credit rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing 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. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.

- iii. The Group adopts the assumptions under IFRS 9 that 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.
- iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties ;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties ;
 - (iii) Default or delinquency in interest or principal repayments ;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of notes receivable and accounts receivable. On March 31, 2025, December 31, 2024 and March 31, 2024, the provision matrix is as follows:

	Not past due	Up to 30 days	31~90 days	91~180 days	Over 180 days	Total
<u>At March 31, 2025</u>						
Expected loss rate	0.03%	0.03%	0.03%	0.03%-46.31%	0.03%-100%	
Total book value	\$ 282,482	\$ 4,189	\$ 7,745	\$ 14,347	\$ 298	\$ 309,061
Loss allowance	(\$ 85)	(\$ 1)	(\$ 2)	(\$ 4)	\$ -	(\$ 92)
	Not past due	Up to 30 days	31~90 days	91~180 days	Over 180 days	Total
<u>At December 31, 2024</u>						
Expected loss rate	0.03%	0.03%	0.03%	0.03%-46.31%	0.03%-100%	
Total book value	\$ 259,522	\$ 17,821	\$ 6,457	\$ 1,018	\$ 191	\$ 285,009
Loss allowance	(\$ 77)	(\$ 5)	(\$ 2)	\$ -	\$ -	(\$ 84)

	Not past due	Up to 30 days	31~90 days	91~180 days	Over 180 days	Total
<u>At March 31, 2024</u>						
Expected loss rate	0.03%	0.03%	0.03%	0.03%	0.03%-100%	
Total book value	<u>\$ 207,461</u>	<u>\$ 6,142</u>	<u>\$ 13,939</u>	<u>\$ 1,489</u>	<u>\$ 97</u>	<u>\$ 229,128</u>
Loss allowance	<u>(\$ 62)</u>	<u>(\$ 2)</u>	<u>(\$ 4)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 68)</u>

- ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable and other receivables are as follows:

	<u>2025</u>	<u>2024</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 84	\$ 79
Provision for impairment loss	8	-
Reversal of impairment loss	-	(11)
At March 31	<u>\$ 92</u>	<u>\$ 68</u>

- x. Financial assets at amortized cost held by the Group are the restricted bank deposits. The credit ratings of the counterparty banks are all with high credit quality, so it expects that the risk of incurring credit losses is remote.

(d) Liquidity risk

- i. The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.
- ii. The Group has the following undrawn borrowing facilities:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Floating rate:			
Expiring within one year	<u>\$ 899,860</u>	<u>\$ 748,906</u>	<u>\$ 587,509</u>

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

At March 31, 2025	Immediate payment or less than 1 month	Between 1 and 3 month(s)	Between 3 months and 1 year	Between 1 and 5 year(s)	Over 5 years	Total
<u>Non-derivative financial liabilities</u>						
Notes payable	\$ 15	\$ 1,890	\$ -	\$ -	\$ -	\$ 1,905
Accounts payable	114,296	158,933	36,623	-	-	309,852
Other payables	54,778	21,925	17,381	-	-	94,084
Lease liability	1,508	3,033	12,984	19,427	68,984	105,936

Derivative financial liabilities:None.

At December 31, 2024	Immediate payment or less than 1 month	Between 1 and 3 month(s)	Between 3 months and 1 year	Between 1 and 5 year(s)	Over 5 years	Total
<u>Non-derivative financial liabilities</u>						
Notes payable	\$ 15	\$ -	\$ 1,890	\$ -	\$ -	\$ 1,905
Accounts payable	57,271	121,186	21,259	-	-	199,716
Other payables	49,346	28,657	24,500	-	-	102,503
Lease liability	1,517	2,986	13,212	23,263	72,177	113,155

Derivative financial liabilities:None.

At March 31, 2024	Immediate payment or less than 1 month	Between 1 and 3 month(s)	Between 3 months and 1 year	Between 1 and 5 year(s)	Over 5 years	Total
<u>Non-derivative financial liabilities</u>						
Notes payable	\$ 28	\$ 1,845	\$ -	\$ -	\$ -	\$ 1,873
Accounts payable	51,105	53,007	16,915	-	-	121,027
Other payables	42,358	22,148	6,569	-	-	71,075
Lease liability	2,206	3,940	14,093	12,560	74,372	107,171

Derivative financial liabilities:None.

(3) 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. The fair value of the Group's investment in listed stocks, beneficiary certificates, on-the-run Taiwan central government bonds, corporate bonds and derivative instruments with quoted market prices is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in off-the-run government bonds, corporate bonds, bank debentures, convertible bonds and

most derivative instruments is included in Level 2.

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

B. Fair value information of the Group's investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, notes payable, accounts payable, other payables, lease liabilities (current and non-current) and guarantee deposits received are approximate to their fair values.

D. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at March 31, 2025, December 31, 2024 and March 31, 2024, are as follows:

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

<u>March 31, 2025</u>	<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				
Listed stocks	\$ 44,650	\$ -	\$ -	\$ 44,650
Financial assets at fair value through other comprehensive income				
Emerging stocks	17,301	-	-	17,301
Unlisted stocks	-	-	58,583	58,583
	<u>\$ 61,951</u>	<u>\$ -</u>	<u>\$ 58,583</u>	<u>\$ 120,534</u>
Liabilities				
<u>Recurring fair value measurements: None.</u>				
<u>December 31, 2024</u>	<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				
Listed stocks	\$ 43,050	\$ -	\$ -	\$ 43,050
Financial assets at fair value through other comprehensive income				
Emerging stocks	24,290	-	-	24,290
Unlisted stocks	-	-	76,165	76,165
	<u>\$ 67,340</u>	<u>\$ -</u>	<u>\$ 76,165</u>	<u>\$ 143,505</u>
Liabilities				
<u>Recurring fair value measurements: None.</u>				

March 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Listed stocks	\$ 208,800	\$ -	\$ -	\$ 208,800
Financial assets at fair value through other comprehensive income				
Emerging stocks	22,873	-	-	22,873
Unlisted stocks	-	-	117,429	117,429
	<u>\$ 231,673</u>	<u>\$ -</u>	<u>\$ 117,429</u>	<u>\$ 349,102</u>

Liabilities

Recurring fair value measurements: None.

- (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:

Market quoted price	<u>Listed stock and Emerging stocks</u> Closing price
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- ii. When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

E. For the three months ended March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

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

	2025	2024
	<u>Financial instruments</u>	<u>Financial instruments</u>
At January 1	\$ 76,165	\$ 117,429
Gain or loss recognized in other comprehensive income	(17,582)	-
At March 31	<u>\$ 58,583</u>	<u>\$ 117,429</u>

G. For the three months ended March 31, 2025 and 2024, there was no transfer into or out from Level 3.

H. Treasury segment is in charge of valuation procedures for fair value measurements being categorized 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 calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value. Investment property is valued regularly by the Group based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau.

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

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 22,850	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted shares	1,152	Market comparable companies	Discount for lack of marketability	21.07%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	15,321	Market comparable companies	Discount for lack of marketability	15.60%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	19,260	Income approach	Discount for lack of marketability and discount for lack of control	33.14% 20.90%	The higher the discount for lack of marketability, the lower the fair value; the higher the discount for lack of control, the lower the fair value

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 29,615	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted shares	1,152	Market comparable companies	Discount for lack of marketability	21.07%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	26,138	Market comparable companies	Discount for lack of marketability	15.60%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	19,260	Income approach	Discount for lack of marketability and discount for lack of control	33.14% 20.90%	The higher the discount for lack of marketability, the lower the fair value; the higher the discount for lack of control, the lower the fair value
	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 29,616	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted shares	124	Market comparable companies	Discount for lack of marketability	20.50%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	39,988	Income approach	Discount for lack of marketability and discount for lack of control	15.70% 21.50%	The higher the discount for lack of marketability, the lower the fair value; the higher the discount for lack of control, the lower the fair value
Unlisted shares	47,701	Income approach	Discount for lack of marketability and discount for lack of control	32.28% 21.20%	The higher the discount for lack of marketability, the lower the fair value; the higher the discount for lack of control, the lower the fair value

J. 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. Based on the assessment, there is no material impact on profit or loss or other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed.

13. Supplementary Disclosures

The transactions with subsidiaries were eliminated when preparing consolidated financial statements. The following disclosure information is for reference only.

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- F. The business relationships and significant transactions between the parent company and its subsidiaries, as well as among the subsidiaries, along with the associated amounts.: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 7.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5.

14. Segment Information

(1) General information

Information reported to the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance focuses on types of products. Each product has similar economic characteristics, and the products are sold through a centralised sales method, and thus the Group summarises that it has only one reportable operating segment.

(2) Measurement of segment information

Information reported to the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance focuses on types of products. Each product has similar economic characteristics, and the products are sold through a centralised sales method, and thus the Group summarises that it has only one reportable operating segment. In addition, the segment information provided by the Company to the chief operating decision-maker for review is measured in a manner consistent with that in the consolidated financial statements.

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Revenue from external customers	<u>\$ 411,403</u>	<u>\$ 268,538</u>
Segment income (loss)	<u>\$ 1,110</u>	<u>(\$ 28,273)</u>
Segment assets (Note)	<u>\$ 2,872,797</u>	<u>\$ 1,970,103</u>

Note : Of which non-current assets do not include deferred tax assets and financial instruments.

(3) Reconciliation for segment income (loss) : None.

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Three months ended March 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed		Limit on endorsements/guarantees provided for a single party (Note 3)	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 (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Relationship with the endorser/ guarantor (Note 2)	Company name											
0	The Company	Shanghai FOCI Fiber Optic Communications, Inc.	2	\$ 756,851	\$ 36,576	\$ 36,576	\$ -	\$ -	1.45	\$ 1,261,419	Y	N	Y	
0	The Company	Zhongshan FOCI Fiber Optic Communications, Inc.	2	756,851	45,720	45,720	-	-	1.81	\$ 1,261,419	Y	N	Y	

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: Ceiling on total amount of endorsements/guarantees provided by the Company shall not exceed 50% of its current net assets. Limit on endorsements/guarantees provided for a single party shall not exceed 20% of its current net assets, and for a single foreign affiliated company shall not exceed 30% of net assets. If the endorsements/guarantees are provided because of having business relationship, the amount of endorsements/guarantees shall not exceed the total transaction amount with the Company in the latest year.

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES

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

March 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of March 31, 2025				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares/units (thousands of shares/units)	Book value	Ownership (%)	Fair value	Footnote
FOCI Fiber Optic Communications, Inc.	APEX OPTECH CORPORATION	None	Financial assets at fair value through other comprehensive income	99	\$ 1,563	3.95%	\$ 1,563	Note
FOCI Fiber Optic Communications, Inc.	APEX BVI	None	Financial assets at fair value through other comprehensive income	155	-	1.83%	-	Note
FOCI Fiber Optic Communications, Inc.	DARJUN VENTURE CORPORATION	None	Financial assets at fair value through other comprehensive income	2,738	21,287	5.78%	21,287	Note
FOCI Fiber Optic Communications, Inc.	Xsense Technology Corporation, INC.	None	Financial assets at fair value through other comprehensive income	2,263	15,321	9.84%	15,321	Note
FOCI Fiber Optic Communications, Inc.	Aptos Technology Inc.	None	Financial assets at fair value through other comprehensive income	9,000	19,260	14.91%	19,260	Note
FOCI Fiber Optic Communications, Inc.	ADVAGENE BIOPHARMA CO., LTD.	None	Financial assets at fair value through other comprehensive income	801	17,301	1.35%	17,301	
FOCI Fiber Optic Communications, Inc.	BKS TEC Corp.	None	Financial assets at fair value through other comprehensive income	600	1,152	3.89%	1,152	Note
FOCI Fiber Optic Communications, Inc.	United Microelectronics Corporation	None	Financial assets at fair value through profit or loss	1,000	44,650	0.01%	44,650	

Note: There was no quoted market price. It pertained to the company's self-assessed fair value.

FOCI FIBER OPTIC COMMUNICATIONS, INC. 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

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				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 at March 31, 2025	Percentage of total notes/accounts receivable (payable)	
The Company	Zhongshan FOCI Fiber Optic Communications, Inc.	Subsidiary	Purchase	181,399	51.99%	60 days	Note 1	Note 1	(152,509)	53.18%	

Note 1: The goods purchased by the Company from related parties have not been purchased from other suppliers, and thus there is no market price for comparison. Transaction prices were determined by referring to market prices and based mutual agreement. Payment terms were available to third parties, but the payments can also be collected according to the capital needs of subsidiaries.

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 Three months ended March 31, 2025

Table 4

Expressed in thousands of NTD
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for creditor counterparty doubtful accounts
					Amount	Action taken		
Zhongshan FOCI Fiber Optic Communications, Inc.	FOCI Fiber Optic Communications, Inc.	Parent company of the entity	\$ 152,509	2.14	\$ -	-	\$ 80,898	-
FOCI Fiber Optic Communications, Inc.	Zhongshan FOCI Fiber Optic Communications, Inc.	Subsidiary of the entity	102,666	9.75	-	-	12,357	-

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Three months ended March 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	FOCI Fiber Optic Communications, Inc.	Shanghai FOCI Fiber Optic Communications, Inc.	1	Purchase	\$ 46,301	Note 5	11%
0	FOCI Fiber Optic Communications, Inc.	Shanghai FOCI Fiber Optic Communications, Inc.	1	Sales	19,700	Note 5	5%
0	FOCI Fiber Optic Communications, Inc.	Shanghai FOCI Fiber Optic Communications, Inc.	1	Accounts payable	61,585	Note 5	2%
0	FOCI Fiber Optic Communications, Inc.	Shanghai FOCI Fiber Optic Communications, Inc.	1	Accounts receivable	5,841	Note 5	0%
0	FOCI Fiber Optic Communications, Inc.	Zhongshan FOCI Fiber Optic Communications, Inc.	1	Purchase	181,399	Note 5	44%
0	FOCI Fiber Optic Communications, Inc.	Zhongshan FOCI Fiber Optic Communications, Inc.	1	Sales	77,615	Note 5	19%
0	FOCI Fiber Optic Communications, Inc.	Zhongshan FOCI Fiber Optic Communications, Inc.	1	Accounts payable	152,509	Note 5	5%
0	FOCI Fiber Optic Communications, Inc.	Zhongshan FOCI Fiber Optic Communications, Inc.	1	Accounts receivable	102,666	Note 5	3%
2	Shanghai FOCI Fiber Optic Communications, Inc.	Zhongshan FOCI Fiber Optic Communications, Inc.	3	Purchase	4,785	Note 5	1%
2	Shanghai FOCI Fiber Optic Communications, Inc.	Zhongshan FOCI Fiber Optic Communications, Inc.	3	Accounts payable	5,003	Note 5	0%

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: 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 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Note 5: The price of related party transactions was based on the mutual agreement, the collecting and payment terms were 60-90 days after the date of sales or purchase.

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES

Information on investees

Three months ended March 31, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net income of investee as of 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	Balance as at December 31, 2024	Number of shares (shares)	Ownership (%)	Book value			
FOCI Fiber Optic Communications, Inc.	FIOPTec Inc.	Cayman Islands	Investment business	\$ 225,864	\$ 291,444	7,200,000	100%	\$ 273,933	\$ 18,363	\$ 18,363	Note

Note: On August 8, 2024, the Board of Directors of FIOPTec Inc. resolved to reduce capital and return cash amounting to US\$2,000 thousand (approximately NT\$65,580 thousand). The amounts were actually paid on February 5, 2025.

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES

Information on investments in Mainland China

Three months ended March 31, 2025

Table 7

Expressed in thousands of NTD; thousands of USD; thousands of CYN

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated	Amount remitted from Taiwan to		Accumulated	Net income of	Ownership held	Investment income	Book value of	Accumulated	Footnote
				remittance from	Mainland China/Amount remitted		amount of					back to Taiwan for the three months	
				Taiwan to Mainland	ended March 31, 2025		Taiwan to Mainland	March 31, 2025	(direct or	three months ended	of March 31, 2025	remitted back to	
				China as of	Remitted to	Remitted back to	China as of March	March 31, 2025	indirect)	(Note 3)	Mainland China as	Taiwan as of	
				January 1, 2025	Mainland China	Taiwan	31, 2025	March 31, 2025			of March 31, 2025	March 31, 2025	
Shanghai FOCI Fiber Optic Communications, Inc.	Manufacture and processing of passive fiber optical components, patchcords, pigtails, couplers, test equipment, switch, optical controller, fiber optical communication apparatus room, parts and components and related consulting and technology services and sales of the Company's products	USD 5,200	Note 1	\$ 239,388 (USD 7,200)	\$ -	\$ 65,580 (USD 2,000)	\$ 173,808 (USD 5,200)	\$ 18,644	100%	\$ 18,644	\$ 262,996	\$ 140,586	Note 4
Jiangxi FOCI Fiber Optic Communication, Inc.	Manufacture and processing of passive fiber optical components, patchcords, pigtails, couplers, test equipment, switch, optical controller, fiber optical communication apparatus room, parts and components and related consulting and technology services and sales of the Company's products	USD 2,000	Note 1	52,056 (USD 2,000)	-	-	52,056 (USD 2,000)	(281)	100%	(281)	10,937	-	
Zhongshan FOCI Fiber Optic Communications, Inc.	Manufacture and processing of passive fiber optical components, patchcords, pigtails, couplers, test equipment, switch, optical controller, fiber optical communication apparatus room, parts and components and related consulting and technology services and sales of the Company's products	CNY 20,000	Note 2	-	-	-	-	12,213	100%	12,213	118,529	-	
					Investment amount	Ceiling on							
					approved by the	investments in							
					Investment	Mainland China							
					Commission of the	imposed by the							
					Ministry of Economic	Investment							
					Affairs (MOEA)	Commission of							
					MOEA	MOEA							
FOCI Fiber Optic Communications, Inc.		\$ 225,864		\$ 225,864	\$ 225,864	\$ 1,513,702							

Note 1: Reinvestments in Mainland China company through FIOPTec INC.

Note 2: Reinvestment in Mainland China company through Shanghai FOCI Fiber Optic Communications, Inc.

Note 3: The financial statements of Shanghai FOCI Fiber Optic Communications, Inc. and Zhongshan FOCI Fiber Optic Communications, Inc. were reviewed and calculated by the parent company's CPA in the same period.

Note 4: On August 8, 2024, the Board of Directors of Shanghai FOCI Fiber Optic Communications, Inc. resolved to reduce capital and return cash amounting to US\$2,000 thousand (approximately NT\$65,580 thousand). The amounts were actually paid on February 5, 2025.