

Solomon Data International Corporation
Financial Statements and Independent Auditor's Review Report
First Quarter 2025 and 2024
(Stock Code 5432)

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Solomon Data International Corporation
Financial Statements and Independent Auditor's Review Report
for First Quarter 2025 and 2024
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Independent Auditor's Review Report

(2025) Letter Cai-Shen-Bao-Zi No. 25000250

To Solomon Data International Corporation:

Introduction

We reviewed the balance sheet of Solomon Data International Corporation as of March 31, 2025 and 2024, its statement of comprehensive income, statement of changes in equity and statement of cash flows for the periods from January 1 to March 31, 2025 and 2024, and the notes to the financial statements (including the summary of material accounting policies). Compiling fairly presented financial statements according to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission is the responsibility of the management. Our responsibility is to make conclusions about the financial statements based on the review result.

Scope

Except as explained in the Basis of Qualified Conclusion paragraph, we conducted our review in accordance with the Standards on Review Engagements of the Republic of China No. 2410 "Review of Financial Statements." The procedures carried out during the review of the financial statements include inquiries (mainly to the personnel in charge of financial and accounting matters), analytical procedures and other review procedures. The scope of the review is obviously narrower than the scope of the audit. Hence, we may not identify the material matters that can be identified during the audit and, thus, cannot give audit opinions.

Basis of Qualified Conclusion

As disclosed in Note 6 (7) to the financial statements, the financial statements for the same period of investments accounted for using the equity method included in the above-mentioned financial statements were not reviewed by us. As of March 31, 2025 and 2024, the investments accounted for using the equity method amounted to NT\$56,002 thousand and NT\$92,185 thousand, representing 13% and 20%, respectively, of the total assets; for the three months ended March 31, 2025 and 2024, the comprehensive income recognized was NT\$(388) thousand and NT\$(3,730) thousand, representing 39% and (64%), respectively, of the total comprehensive income.

Qualified Conclusion

Based on our review, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of investments accounted for using the equity method as described in the Basis of Qualified Conclusion paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Solomon Data International Corporation as of March 31, 2025 and 2024 and its financial performance and its cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission.

PricewaterhouseCoopers Taiwan

Wen Ya-Fang

CPA

Lin Se-Kai

Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1100350706

Former Securities and Futures Bureau, Financial Supervisory
Commission, Executive Yuan

Approval No.: Jin-Guan-Zheng-Liu-Zi No. 0960072936

May 7, 2025

Solomon Data International Corporation
Balance Sheet
March 31, 2025 and December 31 and March 31, 2024

Unit: NT\$ Thousand

			March 31, 2025		December 31, 2024		March 31, 2024				
			Amount	%	Amount	%	Amount	%			
Assets			Note								
Current assets											
1100	Cash and cash equivalents	6 (1)	\$	79,770	18	\$	59,304	14	\$	127,453	27
1110	Financial assets measured at fair value through profit or loss – current	6 (5)		55,876	13		55,666	13		45,624	10
1136	Financial assets measured at amortized cost – current	6 (2)		94,554	22		107,519	25		57,519	12
1150	Net notes receivable	6 (3)		3,498	1		2,023	1		1,235	-
1170	Net accounts receivable	6 (3)		17,885	4		11,973	3		19,260	4
1180	Net accounts receivable – related party	6 (3) and 7		411	-		180	-		1,495	-
1200	Other receivables			252	-		266	-		347	-
1220	Income tax assets in the current period			63	-		-	-		-	-
130X	Inventory	6 (4)		57,331	13		52,967	13		82,652	17
1410	Prepayments			1,449	-		1,195	-		2,978	1
11XX	Total current assets			311,089	71		291,093	69		338,563	71
Non-current assets											
1510	Financial assets measured at fair value through profit or loss – non-current	6 (5)		16,289	4		16,900	4		15,569	3
1517	Financial assets measured at fair value through other comprehensive income – non-current	6 (6)		27,533	6		31,938	7		-	-
1535	Financial assets measured at amortized cost – non-current	6 (2) and 8		561	-		561	-		551	-
1550	Investments accounted for using the equity method	6 (7)		56,002	13		56,397	13		92,185	20
1600	Property, plant and equipment	6 (8)		243	-		277	-		228	-
1755	Right-of-use assets	6 (9)		1,954	-		2,562	1		4,388	1
1760	Net investment property	6 (11)		20,593	5		20,593	5		20,593	5
1920	Deposits paid	8		2	-		2	-		2	-
1975	Net defined benefit assets – non-current			3,271	1		3,271	1		1,464	-
15XX	Total non-current assets			126,448	29		132,501	31		134,980	29
1XXX	Total assets		\$	437,537	100	\$	423,594	100	\$	473,543	100

(Continued to next page)

Solomon Data International Corporation
Balance Sheet
March 31, 2025 and December 31 and March 31, 2024

Unit: NT\$ Thousand

Liabilities and equity			March 31, 2025		December 31, 2024		March 31, 2024	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2130	Contractual liabilities – current	6 (16)	\$ 10,131	2	\$ 9,255	2	\$ 9,075	2
2170	Accounts payable		30,725	7	13,964	3	59,092	12
2180	Accounts payable – related party	7	3,428	1	4,912	1	2,768	1
2200	Other payables	6 (25) and 7	25,158	6	5,042	1	26,249	6
2230	Income tax liabilities in the current period		7	-	7	-	414	-
2250	Liability provisions – current		16	-	16	-	21	-
2280	Lease liabilities – current		1,794	-	2,363	1	2,442	-
2300	Other current liabilities		265	-	274	-	285	-
21XX	Total current liabilities		71,524	16	35,833	8	100,346	21
Non-current liabilities								
2580	Lease liabilities – non-current		46	-	92	-	1,840	1
2XXX	Total liabilities		71,570	16	35,925	8	102,186	22
Equity								
	Share capital	6 (14)						
3110	Common share capital		206,878	47	206,878	49	206,878	44
	Retained earnings	6 (15)						
3310	Legal reserves		23,383	6	23,383	6	20,459	4
3350	Undistributed earnings		147,820	34	165,117	39	144,020	30
3400	Other equity		(12,114)	(3)	(7,709)	(2)	-	-
3XXX	Total equity		365,967	84	387,669	92	371,357	78
	Material subsequent events	11						
3X2X	Total liabilities and equity		\$ 437,537	100	\$ 423,594	100	\$ 473,543	100

The attached notes to the financial statements are part of the financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Chen Ssu-Mei

Solomon Data International Corporation
Statement of Comprehensive Income
January 1 to March 31, 2025 and 2024

Unit: NT\$ Thousand
(Earnings per share in NT\$)

	Item	Note	January 1 to March 31, 2025		January 1 to March 31, 2024	
			Amount	%	Amount	%
4000	Operating income	6 (16)	\$ 36,461	100	\$ 46,544	100
5000	Operating costs	6 (4) (20) (21) and 7	(27,675)	(76)	(35,870)	(77)
5950	Net gross operating profit		<u>8,786</u>	<u>24</u>	<u>10,674</u>	<u>23</u>
	Operating expenses	6 (20) (21)				
6100	Marketing expenses		(3,330)	(9)	(4,153)	(9)
6200	Management expenses		(2,189)	(6)	(2,230)	(5)
6300	R&D expenses		-	-	(183)	-
6450	Expected credit impairment gain	12 (2)	-	-	901	2
6000	Total operating expenses		(5,519)	(15)	(5,665)	(12)
6900	Operating profit		<u>3,267</u>	<u>9</u>	<u>5,009</u>	<u>11</u>
	Non-operating income and expenses					
7100	Interest income	6 (17)	697	2	814	2
7010	Other income	6 (18) and 7	35	-	96	-
7020	Other gains and losses	6 (19)	(203)	(1)	3,663	8
7050	Financial costs	6 (9) and 7	(10)	-	(22)	-
7060	Share of profits/losses of associates and joint ventures under the equity method	6 (7)	(388)	(1)	(3,730)	(8)
7000	Total non-operating income and expenses		<u>131</u>	<u>-</u>	<u>821</u>	<u>2</u>
7900	Pre-tax profit		<u>3,398</u>	<u>9</u>	<u>5,830</u>	<u>13</u>
7950	Income tax expense	6 (22)	-	-	-	-
8200	Net profit in the current period		<u>\$ 3,398</u>	<u>9</u>	<u>\$ 5,830</u>	<u>13</u>
	Items not subsequently reclassified as profit or loss					
8316	Unrealized valuation profit or loss of investments in equity instruments measured at fair value through other comprehensive income	6 (6)	(\$ 4,405)	(12)	\$ -	-
8310	Total amount of items not reclassified as profit or loss		(4,405)	(12)	-	-
8300	Other comprehensive income (net)		<u>(\$ 4,405)</u>	<u>(12)</u>	<u>\$ -</u>	<u>-</u>
8500	Total comprehensive income in the current period		<u>(\$ 1,007)</u>	<u>(3)</u>	<u>\$ 5,830</u>	<u>13</u>
	Earnings per share	6 (23)				
9750	Basic earnings per share		<u>\$ 0.16</u>		<u>\$ 0.28</u>	
9850	Diluted earnings per share		<u>\$ 0.16</u>		<u>\$ 0.28</u>	

The attached notes to the financial statements are part of the financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung Chief Accountant: Chen Ssu-Mei

Solomon Data International Corporation
Statement of Changes in Equity
January 1 to March 31, 2025 and 2024

Unit: NT\$ Thousand

		Retained earnings			Unrealized gains and losses of financial assets measured at fair value through other comprehensive income	Total equity
	Note	Common share capital	Legal reserves	Undistributed earnings		
<u>January 1 to March 31, 2024</u>						
Balance on January 1, 2024		\$ 206,878	\$ 20,459	\$ 158,878	\$ -	\$ 386,215
Net profit in the current period		-	-	5,830	-	5,830
Other comprehensive income in the current period		-	-	-	-	-
Total comprehensive income in the current period		-	-	5,830	-	5,830
Allocation and distribution of earnings:	6 (15)					
Cash dividends		-	-	(20,688)	-	(20,688)
Balance on March 31, 2024		<u>\$ 206,878</u>	<u>\$ 20,459</u>	<u>\$ 144,020</u>	<u>\$ -</u>	<u>\$ 371,357</u>
<u>January 1 to March 31, 2025</u>						
Balance on January 1, 2025		\$ 206,878	\$ 23,383	\$ 165,117	(\$ 7,709)	\$ 387,669
Net profit in the current period		-	-	3,398	-	3,398
Other comprehensive income in the current period		-	-	-	(4,405)	(4,405)
Total comprehensive income in the current period		-	-	3,398	(4,405)	(1,007)
Allocation and distribution of earnings:	6 (15)					
Cash dividends		-	-	(20,688)	-	(20,688)
Changes of associates and joint ventures under the equity method	6 (7)	-	-	(7)	-	(7)
Balance on March 31, 2025		<u>\$ 206,878</u>	<u>\$ 23,383</u>	<u>\$ 147,820</u>	<u>(\$ 12,114)</u>	<u>\$ 365,967</u>

The attached notes to the financial statements are part of the financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Chen Ssu-Mei

Solomon Data International Corporation
Statement of Cash Flows
January 1 to March 31, 2025 and 2024

	Note	January 1 to March 31, 2025	Unit: NT\$ Thousand January 1 to March 31, 2024
<u>Cash flows from operating activities</u>			
Pre-tax profit in the current period		\$ 3,398	\$ 5,830
Adjustment items			
Profits and expenses			
Depreciation expense (including right-of-use assets)	6 (8) (9) (20)	642	630
Interest expense	6 (9)	10	22
Interest income	6 (17)	(697)	(814)
Share of associates under the equity method	6 (7)	388	3,730
Net loss (gain) from financial assets measured at fair value through profit or loss	6 (19)	401	(1,661)
Expected credit impairment gain	12 (2)	-	(901)
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Notes receivable		(1,475)	7,671
Accounts receivable		(5,913)	7,543
Accounts receivable – related party		(230)	(1,480)
Other receivables		(2)	(14)
Other receivables – related party		-	13
Inventory		(4,364)	(36,234)
Prepayments		(253)	(2,335)
Net changes in liabilities related to operating activities			
Contractual liabilities		876	4,279
Accounts payable		16,761	31,945
Accounts payable – related party		(1,484)	1,109
Other payables (including those to related parties)		(572)	(480)
Liability provisions		-	2
Other current liabilities		(9)	(33)
Cash inflow from operations		7,477	18,822
Interest received		712	907
Interest paid		(10)	(22)
Income tax paid		(63)	(83)
Net cash inflow from operating activities		<u>8,116</u>	<u>19,624</u>
<u>Cash flows from investing activities</u>			
Increase in financial assets measured at amortized cost		(2,554)	(13,000)
Decrease in financial assets measured at amortized cost		15,519	52,179
Net cash inflow from investing activities		<u>12,965</u>	<u>39,179</u>
<u>Cash flows from financing activities</u>			
Repayment of lease principal	6 (25)	(615)	(603)
Net cash outflow from financing activities		<u>(615)</u>	<u>(603)</u>
Increase in cash and cash equivalents in the current period		20,466	58,200
Opening balance of cash and cash equivalents		59,304	69,253
Closing balance of cash and cash equivalents		<u>\$ 79,770</u>	<u>\$ 127,453</u>

The attached notes to the financial statements are part of the financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung Chief Accountant: Chen Ssu-Mei

Solomon Data International Corporation
Notes to the Financial Statements
First Quarter 2025 and 2024

Unit: NT\$ Thousand
(Unless otherwise specified)

1. Company history

- (1) Solomon Data International Corporation (hereinafter referred to as the “Company”) was established on May 21, 1990 with the former name of “Data International Co., Ltd.” Renamed “Solomon Data International Corporation” upon the resolution of the shareholders’ meeting on July 9, 2021, the Company is mainly engaged in the sale of solar system components and the processing and sale of LCD modules. SOLOMON Technology Corporation (hereinafter referred to as “SOLOMON”) directly and indirectly holds 51.41% of the Company’s equity, and is the ultimate parent company of the Company.
- (2) The Company’s shares have been traded publicly at the Taipei Exchange since March 2000.

2. Approval date and procedures of the financial statements

The financial statements were approved for publication by the Board of Directors on May 7, 2025.

3. Application of new and amended standards and interpretations

- (1) Effect of adopting the newly promulgated or revised IFRSs endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

The newly promulgated, amended and revised standards and interpretations of IFRSs endorsed and issued into effect by the FSC and applicable in 2025 are listed in the following table:

<u>New, revised or amended standards and interpretations</u>	<u>Effective date per IASB</u>
Amendments to IAS 21, “Lack of Exchangeability”	January 1, 2025

As evaluated by the Company, the above standards and interpretations have no significant impact on the financial position and performance of the Company.

- (2) Effect of not adopting the newly promulgated or revised IFRSs endorsed by the FSC

<u>New, revised or amended standards and interpretations</u>	<u>Effective date per IASB</u>
Partial amendments to IFRS 9 and IFRS 7, “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026

The FSC endorses the Amendments, under which an entity may apply only the amendments to the Application Guidance to Section 4.1 of IFRS 9 (Classification of financial assets) for an earlier period, with paragraphs 20B, 20C and 20D of IFRS 7 also applied at the same time. The Amendments are described as follows:

- A. The Amendments clarify and additionally provide further guidance for assessing whether financial assets meet the criteria of solely payments of principal and interest (SPPI). The scope covers contractual terms that could change the amount of cash flows based on a contingent event (e.g. ESG-linked interest rate), financial assets with non-recourse features, and contractually linked instruments.

- B. For some instruments with contractual terms that could change the amount of cash flows, such as those with environmental, social and governance (ESG)-linked features, the Amendments additionally require the disclosures of a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms, and the gross carrying amount of financial assets and the amortized cost of financial liabilities subject to those contractual terms.

As evaluated by the Company, the above standards and interpretations have no significant impact on the financial position and performance of the Company.

(3) Effect of the IFRSs issued by the IASB but not yet endorsed by the FSC

The newly promulgated or revised standards and interpretations of the IFRSs issued by the IASB but not yet endorsed by the FSC are listed in the following table:

<u>New, revised or amended standards and interpretations</u>	<u>Effective date per IASB</u>
Partial 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 IASB
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

As evaluated by the Company, except for the effect of IFRS 18 “Presentation and Disclosure in Financial Statements” to be assessed and further disclosed, the above standards and interpretations have no significant impact on the financial position and performance of the Company.

IFRS 18 “Presentation and Disclosure in Financial Statements” replaces IAS 1. IFRS 18 updates the structure of the statement of profit or loss, required disclosures for management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

4. Summary of material accounting policies

The main accounting policies used for preparing the financial statements are described as follows. Unless otherwise specified, such policies are consistently applicable to all reporting periods.

(1) Statement of compliance

The financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC.

(2) Basis of preparation

- A. The financial statements were prepared on the basis of historical cost, except for the key items listed below:
 - (A) Financial assets measured at fair value through profit or loss at fair value.
 - (B) Financial assets measured at fair value through other comprehensive income at fair value.
 - (C) Defined benefit assets recognized at the net amount calculated as pension fund assets less the present value of defined benefit obligations.
- B. Preparing financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, interpretations and pronouncements of interpretation endorsed and issued into effect by the FSC (hereinafter collectively referred to as “IFRSs”) requires the use of some important accounting estimates. During the adoption of the Company’s accounting policies, the management needs to rely on their judgment when it comes to items that require demanding judgments, or which are highly complex or involve material assumptions and estimates in financial statements. For details, please refer to the description in Note 5.

(3) Foreign currency translation

The financial statements use the Company’s functional currency, “NT dollars,” as the presentation currency.

- A. Foreign currencies in foreign currency transactions are translated into the functional currency based on the spot exchange rate on the transaction or measurement date. The translation difference generated by the translation is recognized as profit or loss in the current period.
- B. Valuation adjustments are made to the balance of monetary foreign currency assets and liabilities based on the spot exchange rate on the balance sheet date. The translation difference generated by the adjustments is recognized as profit or loss in the current period.
- C. If the balance of non-monetary foreign currency assets and liabilities is measured at fair value through profit or loss, valuation adjustments are made based on the spot exchange rate on the balance sheet date. The exchange difference generated by the adjustments is recognized as profit or loss in the current period. If the balance is measured at fair value through other comprehensive income, valuation adjustments are made based on the spot exchange rate on the balance sheet date. The exchange difference generated by the adjustments is recognized as other comprehensive income in the current period. If the balance is not measured at fair value, it is measured at the historical exchange rate on the initial transaction date.
- D. All exchange differences are recognized as “other gains and losses” in the statement of comprehensive income based on the nature of the transactions.

(4) Criteria for classification of current and non-current assets and liabilities

- A. Assets that match any of the following conditions shall be classified as current assets:
 - (A) The asset is expected to be realized or is intended to be sold or depleted over normal business cycles.
 - (B) The liability is held primarily for the purpose of trading.
 - (C) The asset is expected to be realized within 12 months after the reporting period.

- (D) The asset is cash or cash equivalents, excluding those that are restricted from being used for exchange or settlement of liabilities at least within 12 months after the reporting period.

The Company classifies all assets that do not match the above conditions as non-current.

- B. Liabilities that match any of the following conditions shall be classified as current liabilities:

- (A) The liability is expected to be settled over normal business cycles.
- (B) The liability is held primarily for the purpose of trading.
- (C) The liability is expected to be due to be settled within 12 months after the reporting period.
- (D) Having no right to defer settlement of the liability for at least 12 months after the reporting period.

The Company classifies all liabilities that do not match the above conditions as non-current.

(5) Cash equivalents

Cash equivalents refer to short-term investments with high liquidity that can be converted into specified amounts of cash at any time with little risk of value changes. Time deposits that fit the aforesaid definition and are held for the purpose of meeting short-term operating cash commitments are classified as cash equivalents.

(6) Financial assets measured at fair value through profit or loss

- A. Financial assets measured at fair value through profit or loss refer to financial assets not measured at amortized cost or at fair value through other comprehensive income.
- B. The Company uses trade date accounting for financial assets measured at fair value through profit or loss on a regular way purchase or sale basis.
- C. The Company measures the financial assets at fair value at initial recognition and relevant transaction costs are recognized as profit or loss. The financial assets are subsequently measured at fair value and any gains or losses arising therefrom are recognized as profit or loss.
- D. When the right to receive dividends is established, the Company recognizes the dividend income as profit or loss, provided that the economic benefits related to the dividends are likely to flow in and the amount of the dividends can be measured reliably.

(7) Financial assets measured at fair value through other comprehensive income

- A. Equity investments not held for trading, for which an irrevocable decision has been made at initial recognition to present changes in fair value in other comprehensive income.
- B. The Company uses trade date accounting for financial assets measured at fair value through other comprehensive income on a regular way purchase or sale basis.
- C. The Company measures the financial assets at fair value plus transaction costs at initial recognition and subsequently measures them at fair value, and the changes in fair value are recognized in other comprehensive income. At the time of derecognition, the accumulated gains or losses previously recognized in other comprehensive income shall not be reclassified as profit or loss and shall be transferred to retained earnings. When the right to receive dividends is established, the Company recognizes the dividend income as profit or loss, provided that the economic benefits related to the dividends are likely to flow in and the amount of the dividends can be measured reliably.

(8) Financial assets measured at amortized cost

- A. Financial assets measured at amortized cost refer to financial assets that meet all the following conditions:
 - (A) The financial asset is held under an operating model with the purpose of receiving contractual cash flows.
 - (B) The contractual terms of the financial asset generate cash flows on a specific date that are solely payments of principal and interest.
- B. The Company uses trade date accounting for financial assets measured at amortized cost on a regular way purchase or sale basis.
- C. The Company holds time deposits that do not qualify as cash equivalents. As the discount of the time deposits does not have significant effect due to a short holding period, the Company measures them based on the investment amount.

(9) Accounts and notes receivable

- A. Accounts and notes receivable refer to accounts and notes with the right to unconditionally receive the consideration for which goods or services are exchanged pursuant to contractual agreements.
- B. They are short-term accounts and notes receivable without payment of interest. As the discount of the accounts and notes receivable does not have significant effect, the Company measures them at the initial invoice amount.

(10) Impairment of financial assets

On each balance sheet date, the Company measures the loss allowance for financial assets measured at amortized cost, whose credit risk is not significantly increased after initial recognition, at the amount of the 12-month expected credit losses in consideration of all reasonable and supportable information (including forward-looking information). If their credit risk is significantly increased after initial recognition, the loss allowance is measured at the amount of the expected credit losses throughout the lifetime. For accounts receivable that do not contain significant financing components, the loss allowance is measured at the amount of the expected credit losses throughout the lifetime.

(11) Derecognition of financial assets

When the Company's contractual rights to receive the cash flows from financial assets become invalid, the financial assets will be derecognized.

(12) Lessor's lease transactions – operating leases

The lease income from operating leases less any incentive given to the lessee is amortized under the straight-line method over the lease term and recognized as profit or loss in the current period.

(13) Inventory

Inventory is measured at the lower of cost or net realizable value, and its cost carried forward is calculated using the moving average approach. The cost of finished goods and work in process includes the cost of raw materials and direct labor, other direct costs and production-related expenses (amortized based on normal production capacity). The item-by-item method is adopted to determine the lower of cost or net realizable value. Net realizable value means the estimated selling price in the ordinary course of business less the estimated cost required for completion and the estimated cost necessary to make the sale.

(14) Investments accounted for using the equity method – associates

- A. Associates refer to entities that the Company has significant influence and no control over, in which case, generally speaking, the Company directly or indirectly holds 20% or more of voting shares in the entities. The Company adopts the equity method for its investments in its associates and recognizes the cost for the acquisition of the associates.
- B. The Company recognizes its share of profits or losses after the acquisition of associates as profit or loss in the current period and recognizes its share of other comprehensive income after the acquisition as other comprehensive income. If the Company's shares of losses in any associate are equal to or exceed its interest in the associate (including any other unsecured accounts receivable), the Company does not recognize further losses, unless the Company has incurred legal or constructive obligations to or made payments on behalf of the associate.
- C. When there are changes in the equity of an associate that are not associated with profits or losses and other comprehensive income and the changes do not affect the Company's shareholding percentage in the associate, the Company recognizes all changes in the equity as "capital reserves" in proportion to its shareholding.
- D. Unrealized gains and losses generated from transactions between the Company and its associates have been derecognized based on the percentage of its interest in the associates. Unless there is any evidence indicating that the assets transferred in the transactions have impaired, the unrealized losses are derecognized, too.
- E. Where the Company does not subscribe for or acquire the new shares issued by an associate in proportion to its shareholding, thus facing a change in the investment proportion yet still having significant influence over the associate, the changes in the net equity value shall be adjusted to the "capital reserves" and "investments accounted for using the equity method." If the investment proportion becomes lower accordingly, in addition to the above adjustment, the profits or losses related to such decrease in the ownership interests that were previously recognized as other comprehensive income and shall be reclassified as profit or loss when the relevant assets or liabilities are disposed of, they shall be reclassified as profit or loss in proportion to the decrease.
- F. When the Company loses significant influence over an associate, the remaining investment in the former associate is remeasured at the fair value. The difference between the fair value and the carrying amount is recognized as profit or loss in the current period.

- G. If the Company loses significant influence over an associate when disposing of it, the accounting treatment of all amounts related to the associate and previously recognized as other comprehensive income is on the same basis as that for the Company's direct disposal of the relevant assets or liabilities. In other words, profits or losses previously recognized as other comprehensive income are reclassified as profit or loss when the relevant assets or liabilities are disposed of. Thus, the profits or losses are reclassified from equity to profit or loss when the Company loses significant influence over the associate. If the Company still has significant influence over the associate, the amount previously recognized as other comprehensive income is transferred out proportionally based on the above method.

(15) Property, plant and equipment

- A. Property, plant and equipment are accounted for at the acquisition cost.
- B. Subsequent costs are included in the carrying amount of the asset or recognized as an individual asset only when future economic benefits associated with the item are likely to flow into the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part shall be derecognized. All other maintenance expenses are recognized as profit or loss in the current period at the time of their occurrence.
- C. The property, plant and equipment are subsequently measured under the cost model, and depreciated using the straight-line method over the estimated useful life. If the property, plant and equipment comprise any significant components, they are depreciated individually.
- D. The Company reviews the residual value, useful life and depreciation method of all assets at the end of each fiscal year. If the expected residual value and useful life are different from the previous estimates or there has been a significant change in the pattern in which the future economic benefits of the asset are expected to be consumed, such change shall be treated in accordance with the requirements on changes in accounting estimates in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" on the date of its occurrence. The useful life of different types of assets is as follows:

Leasehold improvements	3
Office and other equipment	3

(16) Lessee's lease transactions – right-of-use assets and lease liabilities

- A. Lease assets are recognized as right-of-use assets and lease liabilities on the date on which they become available for use by the Company. For short-term leases or leases of low-value underlying assets, the lease payments are recognized as expense using the straight-line method over the lease term.
- B. As for lease liabilities, the unpaid lease payments are recognized at present value discounted at the incremental loan interest rate of the Company on the lease commencement date. Lease payments include fixed payments, less any receivable lease incentives.

The lease liabilities are subsequently measured at amortized cost using the interest method and interest expenses are amortized over the lease term. If changes in the lease term or lease payments do not result from contract revisions, the lease liabilities are reassessed and a remeasurement is made to adjust right-of-use assets.

- C. The right-of-use assets are recognized at cost (including the initially measured amount of the lease liabilities and any initial direct cost incurred) on the lease commencement date.

The right-of-use assets are subsequently measured under the cost model and are depreciated when the useful life of the right-of-use assets or the lease term expires, whichever is earlier. When reassessing the lease liabilities, any remeasurement of the lease liabilities is adjusted for the right-of-use assets.

- D. For lease modifications that are changes in the lease scope, the lessee reduces the carrying amount of the right-of-use assets to reflect the partial or whole termination of the lease and recognizes the difference between the carrying amount and the remeasured amount of the lease liabilities as profit or loss. As for all the other lease modifications, the amount of the lease liabilities are remeasured and the right-of-use assets are adjusted correspondingly.

(17) Investment property

Investment property is recognized at acquisition cost and subsequently measured under the cost model.

(18) Impairment of non-financial assets

The Company estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount falls below the carrying amount, an impairment loss is recognized. The recoverable amount is the higher of the fair value of an asset less the disposal cost and the value in use. When an asset impairment recognized in prior years may no longer exist or has decreased, the impairment loss is reversed, provided that the carrying amount of the asset increased after the reversal of the impairment loss does not exceed the carrying amount of the asset less amortization or depreciation expense without recognition of the impairment loss.

(19) Accounts payable

- A. Accounts payable refer to debts incurred due to the purchase of raw materials, goods, or services on credit terms and accounts payable arising from operating and non-operating activities.
- B. They are short-term accounts payable without payment of interest. As the discount of the accounts payable does not have significant effect, the Company measures them at the initial invoice amount.

(20) Derecognition of financial liabilities

The Company derecognizes financial liabilities when the obligations specified in contracts are fulfilled, canceled, or expired.

(21) Liability provisions

Liability provisions (including warranties) mean that a present or constructive obligation is incurred due to past events, which is likely to result in the need for the outflow of resources with economic benefits to settle the obligation, and the obligation shall be recognized when its amount can be estimated reliably. The liability provisions are measured at the best estimated present value of expenses required for settling the obligation on the balance sheet date. The discount rate before tax that reflects the market's current assessment of the time value of money and liability-specific risk is used. The discounted amortization amount is recognized as interest expenses. Future operating losses shall not be recognized as liability provisions.

(22) Employee benefits

- A. Short-term employee benefits

Short-term employee benefits are measured at an undiscounted amount expected to be paid and recognized as expense when the related services are provided.

B. Pension

(A) Defined contribution plan

Under the defined contribution plan, pension contributions that shall be made are recognized as pension cost in the current period on an accrual basis. Pre-paid contributions are recognized as assets to the extent that a cash refund or reduction in future payments is available.

(B) Defined benefit plan

- a. Under the defined benefit plan, net obligations are calculated based on the discounted future benefits earned by employees for services rendered during the current period or in the past and stated at the present value of the defined benefit obligations on the balance sheet date less the fair value of plan assets. The defined benefit obligations are calculated by an actuary using the projected unit credit method every year. The discount rate is the yield rate of government bonds on the balance sheet date.
- b. Remeasurements arising from the defined benefit plan are recognized as other comprehensive income and recorded in retained earnings in the period of their incurrence.
- c. Expenses related to the service cost in the previous period are immediately recognized as profit or loss.
- d. Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the previous fiscal year. Adjustments shall be made for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events, and relevant information shall be disclosed pursuant to the aforesaid policies.

C. Remuneration to employees and to directors and supervisors

Remuneration to employees and to directors and supervisors is recognized as expense and liabilities when it is subject to legal or constructive obligations and its amount can be estimated reasonably. Any difference between the amount actually distributed as resolved and the estimated amount is treated as an accounting estimate change. If employees' remuneration is distributed in shares, the closing price on the day before the date of the Board's resolution is used as a basis for calculating the number of shares to be distributed.

(23) Income tax

- A. Income tax expense includes current and deferred income taxes. Income taxes related to the items recognized as other comprehensive income or directly recognized as equity are recognized as comprehensive income or directly recognized as equity, respectively. The other income taxes are recognized as profit or loss.

- B. The Company calculates the current income tax based on the tax rates and laws of countries where the Company operates or generates taxable income that have been enacted or substantively enacted by the balance sheet date. The management regularly assesses the reporting of income taxes in accordance with applicable income tax laws and regulations and estimates income tax liabilities based on tax payments expected to be made to the taxation authority, if applicable. The income tax imposed on undistributed earnings according to the Income Tax Act is recognized as income tax on undistributed earnings based on the actual distribution of earnings only after the earnings distribution proposal is passed at the shareholders' meeting in the year following the year in which the earnings are generated.
- C. Deferred income taxes are recognized at the temporary difference between the carrying amounts of assets and liabilities in the balance sheet and their tax bases using the balance sheet approach. The deferred income tax liabilities generated from the goodwill initially recognized are not recognized. If the deferred income tax results from the initially recognized assets or liabilities in transactions (excluding corporate mergers), does not affect the accounting profit or the taxable income (taxable loss) at the time of the transaction, and does not incur corresponding taxable and deductible temporary differences, the deferred income tax is not recognized. The tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to be applicable when the relevant deferred income tax assets are realized or deferred income tax liabilities are settled are adopted for the deferred income taxes.
- D. Deferred income tax assets are recognized when it is probable that temporary differences will be available for offsetting future taxable income. Unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.
- E. Interim period income taxes are calculated based on the interim period profit or loss before tax for which the estimated annual average effective tax rate is adopted, and relevant information shall be disclosed pursuant to the aforesaid policies.

(24) Common share capital

Common shares are classified as equity. The incremental cost directly attributable to the issue of new shares is recognized as a debit item of the proceeds in equity, net of income taxes.

(25) Recognition of income

- A. The Company is mainly engaged in the agency business and sale of optimizers and inverters of solar modules, and the processing and sale of optoelectronic products related to LCD modules. Sales income is recognized when control over products is transferred to a customer. That is, at the time the products are delivered to the customer, when the customer accepts the products pursuant to the sales contract or there is objective evidence demonstrating that all acceptance criteria have been met, the products are deemed delivered.
- B. The sales income of products is recognized at the contract price less the estimated net amount of sales discounts.
- C. The payment terms of sales transactions are O/A 30 to 90 days after the shipment dates, which is consistent with the market practice. It was thus determined that the contracts do not contain significant financing components.
- D. Accounts receivable are recognized when products are delivered to a customer as the Company has had unconditional rights to contract proceeds since that time and may collect consideration from the customer after that time.

- E. The Company offers a standard warranty for the optoelectronic products sold and is obligated to provide maintenance service for product defects. The warranty is recognized as a liability provision at the time the products are sold.

(26) Operating segments

Information on the Company's operating segments is reported using the same method as that for internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to the operating segments and evaluating their performance. The Board of Directors is identified as the chief operating decision maker of the Company.

5. Main sources of uncertainty of material accounting judgments, estimates and assumptions

When the Company prepared the financial statements, the management used their judgment to determine which accounting policies were to be adopted and made accounting estimates and assumptions based on reasonable expectations of future events and according to the situation on the balance sheet date. There might be differences between the material accounting estimates and assumptions and the actual results. Hence, historical experience and other factors are taken into account to make continuous assessments and adjustments. Such estimates and assumptions led to a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the following fiscal year. The following is a description of the uncertainty of material accounting judgments, estimates and assumptions.

(1) Important judgments for accounting policies adopted

None.

(2) Important accounting estimates and assumptions

Valuation of inventory

Inventory shall be evaluated on the basis of the lower of cost or net realizable value. Hence, the Company must use judgments and estimates to determine the net realizable value of the inventory on the balance sheet date. As technology advances rapidly, the Company assesses the amount of inventory with normal wear and tear and obsolescence and without market sales value on the balance sheet date and writes down the cost of the inventory to the net realizable value. The valuation of inventory is mainly estimated according to the product demand within a certain period in the future; therefore, significant changes may occur. Please refer to Note 6 (4) for the description of inventory valuation.

6. Description of major accounts

(1) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash			
Demand deposits	\$ 30,098	\$ 42,842	\$ 74,984
Check deposits	39	39	39
Cash on hand and petty cash	30	30	30
Cash equivalents			
Time deposits	49,603	16,393	52,400
	<u>\$ 79,770</u>	<u>\$ 59,304</u>	<u>\$ 127,453</u>

- A. The Company deals with financial institutions with good credit ratings and has dealings with multiple financial institutions to spread credit risk. Thus, the possibility of defaults is expected to be extremely low.
- B. The time deposits provided by the Company as customs import guarantees have been transferred to “financial assets measured at amortized cost – non-current.” Please refer to Note 8 for details.

(2) Financial assets measured at amortized cost

Item	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items:			
Time deposits with maturities over three months	<u>\$ 94,554</u>	<u>\$ 107,519</u>	<u>\$ 57,519</u>
Non-current items:			
Time deposits with maturities over one year	<u>\$ 561</u>	<u>\$ 561</u>	<u>\$ 551</u>

- A. Details on financial assets measured at amortized cost recognized as profit or loss are as follows:

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Interest income	<u>\$ 397</u>	<u>\$ 257</u>

- B. Please refer to Note 8 for the Company’s pledging of financial assets measured at amortized cost as collateral.
- C. Without considering other credit enhancements, the amount that can best represent the maximum amount of the Company’s financial assets measured at amortized cost exposed to credit risk as of March 31, 2025, December 31, 2024 and March 31, 2024 was \$95,115, \$108,080 and \$58,070, respectively.

(3) Notes and accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable	<u>\$ 3,498</u>	<u>\$ 2,023</u>	<u>\$ 1,235</u>
Accounts receivable	<u>\$ 18,376</u>	<u>\$ 12,464</u>	<u>\$ 19,408</u>
Accounts receivable – related party	<u>411</u>	<u>180</u>	<u>1,495</u>
Less: Loss allowance	<u>(491)</u>	<u>(491)</u>	<u>(148)</u>
	<u>\$ 18,296</u>	<u>\$ 12,153</u>	<u>\$ 20,755</u>

- A. The Company’s notes receivable were not overdue. Please refer to the description in Note 12 (2) for the aging analysis of the accounts receivable.
- B. The receivables (including notes receivable) on March 31, 2025, December 31, 2024, and March 31, 2024 were derived from customer contracts. The amount of total receivables from customer contracts on January 1, 2024 was \$35,872, and the loss allowance was \$1,049.

- C. Without considering other credit enhancements, the amount that can best represent the maximum amount of the Company's notes receivable exposed to credit risk as of March 31, 2025, December 31, 2024 and March 31, 2024 was \$3,498, \$2,023 and \$1,235, respectively; the amount that can best represent the maximum amount of the Company's accounts receivable exposed to credit risk as of March 31, 2025, December 31, 2024 and March 31, 2024 was \$18,296, \$12,153 and \$20,755, respectively.

(4) Inventory

March 31, 2025			
	Cost	Allowance for devaluation loss	Carrying value
Goods	\$ 57,479	(\$ 148)	\$ 57,331
Raw materials	25,636	(25,636)	-
Finished goods	2	(2)	-
	<u>\$ 83,117</u>	<u>(\$ 25,786)</u>	<u>\$ 57,331</u>

December 31, 2024			
	Cost	Allowance for devaluation loss	Carrying value
Goods	\$ 53,122	(\$ 159)	\$ 52,963
Raw materials	25,803	(25,799)	4
Finished goods	2	(2)	-
	<u>\$ 78,927</u>	<u>(\$ 25,960)</u>	<u>\$ 52,967</u>

March 31, 2024			
	Cost	Allowance for devaluation loss	Carrying value
Goods	\$ 80,164	(\$ 30)	\$ 80,134
Raw materials	26,393	(23,875)	2,518
Finished goods	2	(2)	-
	<u>\$ 106,559</u>	<u>(\$ 23,907)</u>	<u>\$ 82,652</u>

The inventory costs recognized by the Company as expenses and losses in the current period:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Cost of sold inventory	\$ 27,849	\$ 35,867
Loss from devaluation (Gain from price recovery)	(174)	3
	<u>\$ 27,675</u>	<u>\$ 35,870</u>

In the three months ended March 31, 2025, the Company sold the inventories for which an allowance for devaluation losses was recognized, resulting in a recovery of the net realizable value of the inventories, which was recognized as a decrease in the cost of sales.

(5) Financial assets measured at fair value through profit or loss

<u>Item</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items:			
Financial assets measured at fair value through profit or loss on a mandatory basis			
Beneficiary certificates	\$ 55,000	\$ 55,000	\$ 45,000
Valuation adjustments	<u>876</u>	<u>666</u>	<u>624</u>
	<u>\$ 55,876</u>	<u>\$ 55,666</u>	<u>\$ 45,624</u>
Non-current items:			
Financial assets measured at fair value through profit or loss on a mandatory basis			
Non-listed, non-OTC, non-emerging stocks	\$ 8,500	\$ 8,500	\$ 8,500
Limited partnership	9,750	9,750	9,750
Valuation adjustments	<u>(1,961)</u>	<u>(1,350)</u>	<u>(2,681)</u>
	<u>\$ 16,289</u>	<u>\$ 16,900</u>	<u>\$ 15,569</u>

A. Details on financial assets measured at fair value through profit or loss recognized as (loss) profit are as follows:

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Financial assets measured at fair value through profit or loss on a mandatory basis		
Equity instruments	(\$ 154)	\$ 1,321
Limited partnership	(457)	195
Beneficiary certificates	<u>210</u>	<u>145</u>
	<u>(\$ 401)</u>	<u>\$ 1,661</u>

B. The Company did not pledge the financial assets measured at fair value through profit or loss as collateral.

C. Please refer to Note 12 (2) for information on the credit risk of the financial assets measured at fair value through profit or loss.

(6) Financial assets measured at fair value through other comprehensive income (as of March 31, 2024: None)

<u>Item</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Equity instruments		
Non-listed, non-OTC, non-emerging stocks	\$ 39,647	\$ 39,647
Valuation adjustments	(12,114)	(7,709)
	<u>\$ 27,533</u>	<u>\$ 31,938</u>

A. The Company chooses to classify equity investments that are strategic investments as financial assets measured at fair value through other comprehensive income. The fair value of the investments on March 31, 2025 and December 31, 2024 was \$27,533 and \$31,938, respectively.

B. Details on financial assets measured at fair value through other comprehensive income recognized as profit or loss and comprehensive income are as follows:

	<u>January 1 to March 31, 2025</u>
<u>Equity instrument measured at fair value through other comprehensive income</u>	
Changes in fair value recognized as other comprehensive income	<u>(\$ 4,405)</u>

C. Without considering the collateral held or other credit enhancements, the amount that can best represent the maximum amount of the Company's financial assets measured at fair value through other comprehensive income exposed to credit risk as of March 31, 2025 and December 31, 2024 was \$27,533 and \$31,938, respectively.

D. The Company did not pledge the financial assets measured at fair value through other comprehensive income as collateral.

E. Please refer to Note 12 (2) for information on the credit risk of the financial assets measured at fair value through other comprehensive income.

(7) Investments accounted for using the equity method

	<u>2025</u>	<u>2024</u>
January 1	\$ 56,397	\$ 95,915
Share of gains or losses from investments accounted for using the equity method	(388)	(3,730)
Changes in other equity	(7)	-
March 31	<u>\$ 56,002</u>	<u>\$ 92,185</u>

A. Associate

(A) The basic information of the Company's associates is shown below:

Company name	Principal place of business	Shareholding percentage			Nature of relationship	Measurement method
		March 31, 2025	December 31, 2024	March 31, 2024		
Cornucopia Innovation Corporation	Taiwan	13.22%	13.22%	13.22%	Sibling company	Equity method
AggrEnergy Inc.	Taiwan	-	-	18.21%	-	Equity method
Ju Xin Energy Inc.	Taiwan	4.80%	5.00%	5.00%	-	Equity method

(B) A summary of the financial information of the Company's associates is shown below:

Balance Sheet

	March 31, 2025	
	Cornucopia Innovation	Ju Xin Energy
Current assets	\$ 130,719	\$ 28
Non-current assets	4,321	748,106
Current liabilities	(18,403)	(1,021)
Non-current liabilities	(421)	-
Total net assets	\$ 116,216	\$ 747,113
Share in the net assets of the associate	\$ 15,364	\$ 35,861
Goodwill	4,775	2
Carrying value of the associate	\$ 20,139	\$ 35,863

	December 31, 2024	
	Cornucopia Innovation	Ju Xin Energy
Current assets	\$ 129,067	\$ 31
Non-current assets	5,138	724,487
Current liabilities	(16,924)	(977)
Non-current liabilities	(471)	-
Total net assets	\$ 116,810	\$ 723,541
Share in the net assets of the associate	\$ 15,443	\$ 36,177
Goodwill	4,775	2
Carrying value of the associate	\$ 20,218	\$ 36,179

	March 31, 2024		
	Cornucopia Innovation	AggrEnergy	Ju Xin Energy
Current assets	\$ 132,246	\$ 164,493	\$ 221
Non-current assets	5,889	154,978	747,995
Current liabilities	(14,089)	(155,772)	(965)
Non-current liabilities	(1,593)	(29,032)	-
Total net assets	<u>\$ 122,453</u>	<u>\$ 134,667</u>	<u>\$ 747,251</u>
Share in the net assets of the associate	\$ 16,188	\$ 24,523	\$ 37,363
Goodwill	<u>4,775</u>	<u>9,334</u>	<u>2</u>
Carrying value of the associate	<u>\$ 20,963</u>	<u>\$ 33,857</u>	<u>\$ 37,365</u>

Statement of Comprehensive Income

	January 1 to March 31, 2025	
	Cornucopia Innovation	Ju Xin Energy
Income	\$ 16,633	\$ -
Net loss from continuing operations in the current period	(\$ 593)	(\$ 6,428)
Total comprehensive income in the current period	<u>(\$ 593)</u>	<u>(\$ 6,428)</u>

	January 1 to March 31, 2024		
	Cornucopia Innovation	AggrEnergy	Ju Xin Energy
Income	\$ 10,488	\$ 5,283	\$ -
Net loss from continuing operations in the current period	(\$ 3,288)	(\$ 14,093)	(\$ 5,218)
Total comprehensive income in the current period	<u>(\$ 3,288)</u>	<u>(\$ 14,093)</u>	<u>(\$ 5,218)</u>

- B. The Company recognized \$388 and \$3,730, respectively, as its share of losses on investments accounted for using the equity method on March 31, 2025 and 2024, which were derived from valuation based on the investee companies' financial statements for the same period not reviewed by the CPA.
- C. In March 2025, Ju Xin Energy Inc. arranged a cash capital increase. As the Company did not participate in such cash capital increase, the Company's shareholding dropped from 5% to 4.8%. According to accounting standards, the Company adjusted the retained earnings by \$7. The Company had significant influence over the company for serving as one of its directors.

D. In May 2024, AggrEnergy Inc. offered employee stock options, resulting in a decrease in the Company's shareholding rate from 18.21% to 16.46%. According to accounting standards, the Company adjusted the retained earnings by \$146. In the third quarter of the same year, the Company did not participate in AggrEnergy Inc.'s subsequent cash capital increase plan due to investment strategy considerations, and it was assessed that the Company lost significant influence over AggrEnergy Inc. Hence, the Company transferred its investment in AggrEnergy Inc., amounting to \$39,647, to "financial assets measured at fair value through other comprehensive income" at fair value, and recognized a gain from disposal of investments of \$1,257 for 2024.

(8) Property, plant and equipment

2025			
	Leasehold improvements	Office and other equipment	Total
January 1			
Cost	\$ 5,167	\$ 1,131	\$ 6,298
Accumulated depreciation	(5,005)	(1,016)	(6,021)
	<u>\$ 162</u>	<u>\$ 115</u>	<u>\$ 277</u>
January 1	\$ 162	\$ 115	\$ 277
Depreciation expense	(22)	(12)	(34)
March 31	<u>\$ 140</u>	<u>\$ 103</u>	<u>\$ 243</u>
March 31			
Cost	\$ 5,167	\$ 1,131	\$ 6,298
Accumulated depreciation	(5,027)	(1,028)	(6,055)
	<u>\$ 140</u>	<u>\$ 103</u>	<u>\$ 243</u>
2024			
	Leasehold improvements	Office and other equipment	Total
January 1			
Cost	\$ 5,167	\$ 993	\$ 6,160
Accumulated depreciation	(4,917)	(993)	(5,910)
	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 250</u>
January 1	\$ 250	\$ -	\$ 250
Depreciation expense	(22)	-	(22)
March 31	<u>\$ 228</u>	<u>\$ -</u>	<u>\$ 228</u>
March 31			
Cost	\$ 5,167	\$ 993	\$ 6,160
Accumulated depreciation	(4,939)	(993)	(5,932)
	<u>\$ 228</u>	<u>\$ -</u>	<u>\$ 228</u>

The Company did not provide the property, plant and equipment as collateral.

(9) Lease transactions – lessee

- A. The Company's leased assets include buildings and company vehicles and the leases often have a term of 2 to 3 years. The leases are individually negotiated and contain a variety of terms and conditions. Except for the prohibition on subleasing, leasing or selling the leased assets or providing them for use by others using any other methods without the lessors' agreement, the leased assets are subject to no other limitations.
- B. The low-value assets leased by the Company are photocopiers.
- C. Changes in the Company's right-of-use assets during January 1 to March 31, 2025 and 2024 are as follows:

	2025		
	Premises and buildings	Transportation equipment	Total
January 1	\$ 2,291	\$ 271	\$ 2,562
Depreciation expense	(563)	(45)	(608)
March 31	<u>\$ 1,728</u>	<u>\$ 226</u>	<u>\$ 1,954</u>
	2024		
	Premises and buildings	Transportation equipment	Total
January 1	\$ 4,545	\$ 451	\$ 4,996
Depreciation expense	(563)	(45)	(608)
March 31	<u>\$ 3,982</u>	<u>\$ 406</u>	<u>\$ 4,388</u>

- D. Information on the profit or loss items related to leases is as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
<u>Items that affect profit or loss in the current period</u>		
Interest expense on lease liabilities	\$ 10	\$ 22
Low-value asset lease expense	3	3

- E. The total cash outflow for leases of the Company for the three months ended March 31, 2025 and 2024 was \$628.

(10) Lease transactions – lessor

- A. The Company's assets leased out are lands, and the leases often have a term of 3 years. The leases are individually negotiated and contain a variety of terms and conditions. To secure the use of the assets leased out, the lessee is often prohibited from subleasing, leasing or selling the leased assets or from providing them for use by others using any other methods.
- B. The Company recognized \$14 as rental income pursuant to operating leases for the three months ended March 31, 2025 and 2024. There were no variable lease payments included.

C. A maturity analysis of lease payments under the Company's operating leases is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
2024	\$ -	\$ -	\$ 44
2025	44	59	59
2026	59	59	59
	<u>\$ 103</u>	<u>\$ 118</u>	<u>\$ 162</u>

(11) Investment property

	2025	2024
	Land	Land
January 1 (i.e. March 31)		
Cost	\$ 38,183	\$ 38,183
Accumulated impairment	(17,590)	(17,590)
	<u>\$ 20,593</u>	<u>\$ 20,593</u>

A. Rental income and direct operating expenses on investment property:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Rental income on investment property	<u>\$ 14</u>	<u>\$ 14</u>

B. The investment property held by the Company is recognized at acquisition cost, and the fair value thereof on March 31, 2025, December 31, 2024 and March 31, 2024 was \$21,481, \$21,481 and \$20,948, respectively. Due to the lack of information on transactions in the neighborhood, the calculation is based on the present value of lands announced by the government on a yearly basis.

C. The Company did not provide investment property as collateral.

(12) Other non-current assets

	March 31, 2025	December 31, 2024	March 31, 2024
Receivables on demand	\$ 155,048	\$ 155,048	\$ 155,048
Less: Loss allowance	(155,048)	(155,048)	(155,048)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(13) Pension

A. Defined benefit plan

- (A) The Company has established a defined benefit pension plan in accordance with the “Labor Standards Act.” The plan is applicable to the length of service of all full-time employees calculated before the “Labor Pension Act” was implemented on July 1, 2005, and the length of service of employees who choose to stay in the pension scheme under the Labor Standards Act calculated after the implementation of the “Labor Pension Act.” The pension paid to employees who meet the criteria for retirement is calculated based on their length of service and their average salary for the 6 months prior to their retirement. Employees whose length of service is no more than 15 years (inclusive) will receive two base points for each year of service and employees whose length of service is more than 15 years will receive one base point for each additional year of service. The maximum number of accumulated base points is 45. The Company makes a pension contribution of 2% of the total salary on a monthly basis and deposits it into a special account with the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. In addition, before the end of each fiscal year, if the balance of the labor pension fund account referred to in the preceding paragraph is insufficient to pay the pension calculated above to employees expected to meet the criteria for retirement in the following fiscal year, the Company will make a full, one-off contribution by the end of March of the next fiscal year.
- (B) The pension cost recognized by the Company in accordance with the aforesaid pension plan for the three months ended March 31, 2025 and 2024 was \$6 and \$10, respectively.
- (C) The Company expects to pay a pension plan contribution of \$38 in 2025 and has paid \$9 as of March 31, 2025.

B. Defined contribution plan

- (A) Since July 1, 2005, the Company has had its defined contribution plan in place in accordance with the “Labor Pension Act.” The plan is applicable to employees who are of Taiwanese nationality. The Company makes and deposits a labor pension distribution of 6% of the salary of the employees who choose to opt in to the labor pension scheme under the “Labor Pension Act” into their personal accounts with the Bureau of Labor Insurance every month. The pension is paid monthly or at once to the employees based on the amount of money in their personal pension accounts and the accumulated gains.
- (B) The pension cost recognized by the Company in accordance with the aforesaid pension plan for the three months ended March 31, 2025 and 2024 was \$117 and \$175, respectively.

(14) Common share capital

As of March 31, 2025 and 2024, the Company’s authorized capital was \$1,800,000 and the paid-in capital was \$206,878, with 20,688 thousand outstanding shares at a par value of NT\$10 per share. Payment for the issued shares of the Company has been received.

(15) Retained earnings

- A. According to the Articles of Incorporation, the Company may distribute earnings or offset losses after the end of each half of the fiscal year. Where the Company has earnings at the year-end closing for the first half of a fiscal year or a fiscal year, 10% thereof shall be set aside as legal reserves as required by laws after they are used to pay taxes and offset accumulated losses. Provision for special reserves is then required pursuant to the Securities and Exchange Act and related administrative rules. The remaining earnings, if any, shall be added to the undistributed earnings carried over from prior years as distributable earnings. The Board of Directors shall subsequently draw up a distribution proposal and submit it to a shareholders' meeting for a resolution on the distribution of the earnings. The Board of Directors is authorized to adopt a resolution to distribute the abovementioned earnings, legal reserve, and capital reserve in cash at a meeting attended by more than two-thirds of directors with the consent of a majority of all attending directors and the distribution shall be reported at a shareholders' meeting. The distribution of the earnings, legal reserve, and capital reserve by issuing new shares is subject to a resolution adopted at a shareholders' meeting according to the preceding paragraph.
- B. The legal reserve shall not be used unless it is used to offset the Company's losses and distributed to shareholders in new shares or cash in proportion to the shares initially held thereby. The legal reserve shall not be distributed in new shares or cash unless the portion distributed exceeds 25% of the paid-in capital.
- C. The Company may distribute earnings only after recognizing special reserves based on the debit balance of other equity items on the balance sheet date in the current year as required by law. When the debit balance of other equity items is reversed subsequently, the reversed amount may be included as distributable earnings.
- D. The Company's 2024 and 2023 earning distribution proposals presented at the board meeting on March 6, 2025 and approved at the shareholders' meeting on June 13, 2024, respectively, are stated as follows:

	2024		2023	
	Amount	Dividend per share (NT\$)	Amount	Dividend per share (NT\$)
Legal reserves	\$ 2,985		\$ 2,924	
Set aside as special reserve	7,709		-	
Cash dividends	20,688	\$ 1.0	20,688	\$ 1.0

For the Company's 2024 and 2023 earning distribution proposals, the cash dividend was approved at the above-mentioned board meeting and stated as "other payables." The other parts of the proposals have not been approved at a shareholders' meeting as of the review report date. For the earning distribution approved by the Board of Directors and resolved at the shareholders' meeting, please visit the Market Observation Post System.

(16) Operating income

- A. Sub-items of income from contracts with customers

The Company's income is totally from goods transferred at a specific timing, and can be disaggregated into the following main product types with relevant income generated by each reporting segment:

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Income from contracts with external customers		
Energy products	\$ 29,094	\$ 38,457
Electronic products	7,367	8,087
	<u>\$ 36,461</u>	<u>\$ 46,544</u>

B. Contractual liabilities

The Company's recognized contractual liabilities related to the income from contracts with customers are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>January 1, 2024</u>
Product sales contracts	\$ 10,131	\$ 9,255	\$ 9,075	\$ 4,796

(A) Material changes in contractual liabilities

The changes in the Company's contractual liabilities in the three months ended March 31, 2024 were due to the difference in timing of advance sale receipts and the Company's fulfillment of obligations as a result of the changes in the demand for solar module installation and electronic product customer demand for early material preparation.

(B) The opening contractual liabilities recognized as income for the three months ended March 31, 2025 and 2024 were \$4,970 and \$326, respectively.

(17) Interest income

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Bank deposit interest	\$ 300	\$ 557
Interest income from financial assets measured at amortized cost	397	257
	<u>\$ 697</u>	<u>\$ 814</u>

(18) Other income

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Rental income	\$ 14	\$ 14
Others	21	82
	<u>\$ 35</u>	<u>\$ 96</u>

(19) Other gains and losses

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Gain from foreign currency exchange	\$ 670	\$ 2,002
Gain (loss) from financial assets and liabilities measured at fair value through profit or loss	(401)	1,661
Others	(472)	-
	<u>(\$ 203)</u>	<u>\$ 3,663</u>

(20) Additional information on the nature of expense

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Employee benefit expenses	\$ 3,626	\$ 5,523
Depreciation expense of right-of-use assets	608	608
Depreciation expense of property, plant and equipment	34	22
Service expense	632	624
	<u>\$ 4,900</u>	<u>\$ 6,777</u>

(21) Employee benefit expenses

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Salary expense	\$ 2,951	\$ 4,017
Labor and health insurance expenses	263	408
Pension expense	123	185
Remuneration to directors	155	194
Other employment expenses	134	719
	<u>\$ 3,626</u>	<u>\$ 5,523</u>

- A. According to the Articles of Incorporation, the Company shall subtract any accumulated losses from earnings in the year. A minimum amount of 1% of the remaining (if any) shall be appropriated as remuneration to employees and a maximum amount of 2% shall be appropriated as remuneration to directors and supervisors.
- B. For the three months ended March 31, 2025 and 2024, the Company's estimated amount of remuneration to employees was \$35 and \$60, respectively, and the estimated amount of remuneration to directors was \$70 and \$120, respectively. The above amounts were stated as salary expense.

The remuneration for the three months ended March 31, 2025 was estimated based on the earnings in the period in accordance with the Articles of Incorporation.

There is consistency between the amounts of remuneration to employees and to directors for 2024 resolved by the Board of Directors, which were \$294 and \$587, and the amounts recognized in the financial statements for 2024. The aforesaid remuneration to employees and to directors are to be paid in cash. As of May 7, 2025, the remuneration has not been paid.

Please visit the Market Observation Post System for information on the remuneration to employees and to directors approved by the Board of Directors.

(22) Income tax

- A. The income tax expense of the Company for the three months ended March 31, 2025 and 2024 was \$0.
- B. The Company's profit-seeking business income taxes filed have been certified by the tax authority up until 2023.

(23) Earnings per share

	January 1 to March 31, 2025		
	Amount after tax	Weighted average outstanding shares (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Net profit attributable to the common shareholders in the current period	\$ 3,398	20,688	\$ 0.16
<u>Diluted earnings per share</u>			
Net profit attributable to the common shareholders in the current period	\$ 3,398	20,688	
Effect of dilutive potential common shares			
— Remuneration to employees	-	2	
Net profit attributable to the common shareholders in the current period	\$ 3,398	20,690	\$ 0.16

	January 1 to March 31, 2024		
	Amount after tax	Weighted average outstanding shares (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Net profit attributable to the common shareholders in the current period	\$ 5,830	20,688	\$ 0.28
<u>Diluted earnings per share</u>			
Net profit attributable to the common shareholders in the current period	\$ 5,830	20,688	
Effect of dilutive potential common shares			
— Remuneration to employees	-	2	
Net profit attributable to the common shareholders in the current period	\$ 5,830	20,690	\$ 0.28

(24) Supplementary information on cash flows

Financing activities not affecting cash flows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Cash dividends declared but not yet distributed	\$ 20,688	\$ 20,688

(25) Changes in liabilities from financing activities

	2025		
	Lease liabilities	Dividends payable	Total liabilities from financing activities
January 1	\$ 2,455	\$ -	\$ 2,455
Changes in cash flows from financing activities	(615)	-	(615)
Interest expenses paid (Note)	(10)	-	(10)
Other non-cash changes	10	20,688	20,698
March 31	\$ 1,840	\$ 20,688	\$ 22,528

	2024		
	Lease liabilities	Dividends payable	Total liabilities from financing activities
January 1	\$ 4,885	\$ -	\$ 4,885
Changes in cash flows from financing activities	(603)	-	(603)
Interest expenses paid (Note)	(22)	-	(22)
Other non-cash changes	22	20,688	20,710
March 31	<u>\$ 4,282</u>	<u>\$ 20,688</u>	<u>\$ 24,970</u>

Note: Stated as cash flows from operating activities

7. Related party transactions

(1) Parent company and ultimate controller

The Company is controlled by SOLOMON Technology Corporation (registered in the Republic of China), which directly and indirectly holds 51.41% of the Company's shares. The remaining 48.59% is held by the public. The Company's ultimate parent company and ultimate controller are both SOLOMON Technology Corporation.

(2) Names of related parties and their relationship with the Company

Names of related parties	Relationship with the Company
SOLOMON Technology Corporation	Parent company and ultimate parent company of the Company
Solomon Goldentek Display Corp.	Sibling company
Cornucopia Innovation Corporation	Sibling company

(3) Significant transactions with the related parties

A. Purchase of goods and services

	January 1 to March 31, 2025	January 1 to March 31, 2024
Purchase of goods:		
Solomon Goldentek Display Corp.	\$ 3,873	\$ 1,162
Management fee (stated as "operating expenses"):		
SOLOMON Technology Corporation	300	525
	<u>\$ 4,173</u>	<u>\$ 1,687</u>

- (A) In the three months ended March 31, 2025 and 2024, the Company sold raw materials to Solomon Goldentek Display Corp. for goods production, and further bought the goods from the said company to sell them to the Company's customers. The sales income and the operating costs of relevant raw materials for the aforementioned transactions have been written off, so the amount from selling raw materials and the operating costs are not included in the Company's purchase and sales. The purchase of the above goods is based on the price agreed between both parties. The payment terms are O/A 30 days.
- (B) The Company pays the management fee shared for the joint office in the parent company's office building based on the pricing agreed in the contract and on a monthly basis.

B. Payables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts payable:			
Solomon Goldentek Display Corp.	<u>\$ 3,428</u>	<u>\$ 4,912</u>	<u>\$ 2,768</u>
Other payables:			
SOLOMON Technology Corporation	<u>\$ 354</u>	<u>\$ 599</u>	<u>\$ 574</u>

C. Other income

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
SOLOMON Technology Corporation	<u>\$ -</u>	<u>\$ 81</u>

D. Payments receivable from related party

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable:			
Solomon Goldentek Display Corp.	<u>\$ 411</u>	<u>\$ 180</u>	<u>\$ 1,495</u>

There is neither pledge of or interest on receivables from related parties nor overdue accounts receivable. Please refer to Note 12 (2) for the details of credit risk.

E. Lease transactions – lessee

- (A) The Company leased the office in Neihu District, Taipei City from the parent company for a period from October 1, 2023 to September 30, 2025. On November 30, 2022, the Company signed a lease contract for the plant and office in Nangang District, Taipei City with the parent company for a period from January 1, 2023 to December 31, 2025. The above rents are paid on a monthly basis.

(B) Lease liabilities

a. Closing balance:

	March 31, 2025	December 31, 2024	March 31, 2024
SOLOMON Technology Corporation	\$ 1,611	\$ 2,181	\$ 3,874

b. Interest expense:

	January 1 to March 31, 2025	January 1 to March 31, 2024
SOLOMON Technology Corporation	\$ 9	\$ 20

(4) Information on remuneration to key management

	January 1 to March 31, 2025	January 1 to March 31, 2024
Short-term employee benefits	\$ 1,016	\$ 742
Post-employment benefits	18	-
	\$ 1,034	\$ 742

8. Pledged assets

Details on the Company's assets provided as collateral are shown below:

Details on assets	Carrying value			Purpose of collateral
	March 31, 2025	December 31, 2024	March 31, 2024	
Financial assets measured at amortized cost	\$ 561	\$ 561	\$ 551	Customs import security
Deposits paid	2	2	-	Performance bond
	\$ 563	\$ 563	\$ 551	

9. Material contingent liabilities and unrecognized contractual commitments

None.

10. Material losses from disasters

None.

11. Material subsequent events

In order to encourage employees and improve loyalty, the Company's Board of Directors approved the issuance of restricted stock awards for employees on April 22, 2025, with 930 thousand new restricted employee shares issued at NT\$10 per share. The aforementioned matter is yet to be reported to the FSC for effective registration.

12. Others

(1) Capital management

- A. The Company's capital management aims to ensure that the Company can operate as a going concern, maintain the best capital structure to reduce the cost of funds, and offer returns to shareholders. In order to maintain or adjust the capital structure, the Company may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.
- B. The Company's strategies for 2025 were the same as those for 2024, and the Company did not have loans from banks or non-financial institutions. The debt ratios as of March 31, 2025, December 31, 2024 and March 31, 2024 were 16%, 8% and 22%, respectively, which were considered fair.

(2) Financial instruments

A. Types of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets measured at fair value through profit or loss			
Financial assets measured at fair value through profit or loss on a mandatory basis	\$ 72,165	\$ 72,566	\$ 61,193
Financial assets measured at fair value through other comprehensive income			
Investments in designated equity instruments	\$ 27,533	\$ 31,938	\$ -
Financial assets measured at amortized cost			
Cash and cash equivalents	\$ 79,770	\$ 59,304	\$ 127,453
Financial assets measured at amortized cost	95,115	108,080	58,070
Notes receivable	3,498	2,023	1,235
Accounts receivable (including those from related parties)	18,296	12,153	20,755
Other receivables	252	266	347
Deposits paid	2	2	2
	<u>\$ 196,933</u>	<u>\$ 181,828</u>	<u>\$ 207,862</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost			
Accounts payable (including those to related parties)	\$ 34,153	\$ 18,876	\$ 61,860
Other payables	25,158	5,042	26,249
	<u>\$ 59,311</u>	<u>\$ 23,918</u>	<u>\$ 88,109</u>
Lease liabilities	<u>\$ 1,840</u>	<u>\$ 2,455</u>	<u>\$ 4,282</u>

B. Risk management policy

- (A) The Company's day-to-day operations are affected by multiple financial risks, including market risk (exchange rate risk and price risk), credit risk, and liquidity risk.
- (B) The Company's risk management is implemented by the Finance Department in accordance with the policy approved by the Board of Directors. The Finance Department is responsible for identifying, assessing, and avoiding financial risks by closely cooperating with the operating units.

C. Nature and level of material financial risks

(A) Market risk

Exchange rate risk

- a. As the business activities that the Company is engaged in involve several non-functional currencies, there is effect from exchange rate volatility on the Company. Information on foreign currency assets and liabilities with significant exchange rate volatility effect is shown below:

March 31, 2025			
	Foreign currency (thousand dollars)	Exchange rate	Carrying amount
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 976	33.21	\$ 32,413
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	210	33.21	6,974
December 31, 2024			
	Foreign currency (thousand dollars)	Exchange rate	Carrying amount
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 899	32.79	\$ 29,478
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	286	32.79	9,378
March 31, 2024			
	Foreign currency (thousand dollars)	Exchange rate	Carrying amount
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 2,192	32.00	\$ 70,144
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1,353	32.00	43,296

- b. Due to the effect of exchange rate volatility, all net gains from currency exchange (both realized and unrealized) recognized with respect to the monetary items of the Company for the three months ended March 31, 2025 and 2024 were \$670 and \$2,002, respectively.

- c. The Company's exchange rate risk was mainly affected by the fluctuations in the US dollar exchange rate. When there was a 1% appreciation or depreciation of the NT dollar against the US dollar, the pre-tax profit for the three months ended March 31, 2025 and 2024 decreased or increased by \$254 and \$268, respectively.

Price risk

- a. The Company's equity instruments exposed to price risk are financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. To manage the price risk from investments in equity instruments, the Company diversifies its portfolio based on the limit set by it.
- b. The Company mainly invests in equity instruments issued by domestic companies and open-end funds. The price of such equity instruments is affected due to the uncertainty of their future value. When the price of the equity instruments rose or dropped by 1% and all other factors remained the same, the net profit after tax increased or decreased by \$722 and \$612 for the three months ended March 31, 2025 and 2024, respectively, due to the gain or loss from equity instruments measured at fair value through profit or loss; and other comprehensive income increased or decreased by \$275 and \$0 as it was classified as gains or losses from equity instruments measured at fair value through other comprehensive income.

(B) Credit risk

- a. The Company's credit risk is the risk of failure of a customer or a counterparty trading financial instruments with the Company to fulfill the contractual obligations, leading to the Company's financial loss. The risk is mainly generated from accounts receivable and other receivables that cannot be collected from the counterparty according to the payment terms and from contractual cash flows classified as investments in debt instruments measured at amortized cost.
According to the Company's explicitly defined internal loan policy, the Company must conduct management and credit risk analysis for every new customer before setting payment terms and proposing delivery terms and conditions. The customers' credit quality is assessed by taking into consideration their financial position, past experiences and other factors for internal risk control.
- b. Based on the historical collection experience, when a contract payment is more than 30 days overdue according to the agreed payment terms, the credit risk of financial assets is considered to have significantly increased after initial recognition; when a contract payment is more than 90 days overdue according to the agreed payment terms, a default is considered to have occurred.
- c. The Company adopts the simplified approach to estimate expected credit losses for accounts receivable from customers based on the provision matrix.
- d. The Company took into consideration the Prosperity Observation Report of the National Development Council for future prospects when adjusting the loss rate derived from information during specific historical and current periods to estimate the loss allowance for accounts receivable. The provision matrix on March 31, 2025, December 31, 2024 and March 31, 2024, respectively, is as follows:

	Not overdue	1-90 days overdue	More than 90 days overdue	Total
<u>March 31, 2025</u>				
Expected loss rate	0.03%	55.49%	100%	
Total carrying value	\$ 18,255	\$ 532	\$ -	\$ 18,787
Loss allowance	\$ 196	\$ 295	\$ -	\$ 491
	Not overdue	1-90 days overdue	More than 90 days overdue	Total
<u>December 31, 2024</u>				
Expected loss rate	0.03%	-	100%	
Total carrying value	\$ 12,644	\$ -	\$ -	\$ 12,644
Loss allowance	\$ 491	\$ -	\$ -	\$ 491
	Not overdue	1-90 days overdue	More than 90 days overdue	Total
<u>March 31, 2024</u>				
Expected loss rate	0.03%	15.25%	100%	
Total carrying value	\$ 20,304	\$ 599	\$ -	\$ 20,903
Loss allowance	\$ 6	\$ 142	\$ -	\$ 148

- e. The table about changes in the loss allowance for accounts receivable, for which the Company adopted the simplified approach, is as follows:

	2025	2024
January 1	\$ 491	\$ 1,049
Gain from recovery of impairment	-	(901)
March 31	\$ 491	\$ 148

(C) Liquidity risk

- a. The Company's working capital is sufficient to meet the Company's capital needs, and except for lease liabilities – non-current, all other liabilities are due within one year. The Company's cash and cash equivalents stated are sufficient to meet relevant needs, so it is expected that no significant liquidity risk will arise.
- b. The following table presents the Company's non-derivative financial liabilities that are grouped by relevant maturity dates. The non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date.

March 31, 2025	Within 1 year	1 to 2 years	Over 2 years
<u>Non-derivative financial liabilities:</u>			
Lease liabilities	\$ 1,807	\$ 46	\$ -

December 31, 2024	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>Over 2 years</u>
<u>Non-derivative financial liabilities:</u>			
Lease liabilities	<u>\$ 2,385</u>	<u>\$ 93</u>	<u>\$ -</u>
March 31, 2024	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>Over 2 years</u>
<u>Non-derivative financial liabilities:</u>			
Lease liabilities	<u>\$ 2,498</u>	<u>\$ 1,853</u>	<u>\$ -</u>

(3) Fair value information

A. The levels of the valuation technique adopted to measure the fair value of financial instruments and non-financial instruments are defined as follows:

- Level 1: Publicly quoted prices in active markets for identical assets or liabilities accessible to an entity on the measurement date (unadjusted). Active markets are ones where asset or liability transactions take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis.
- Level 2: Level 2 inputs are inputs other than the quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability.
- Level 3: Level 3 inputs are inputs that are unobservable to the asset or liability. The Company's investments in equity instruments without active market fall under this level.

B. Please refer to the description in Note 6 (10) for information on the fair value of investment property measured at cost.

C. Financial instruments not measured at fair value

The carrying amounts of the Company's cash and cash equivalents, financial assets measured at amortized cost, accounts and notes receivable (including those from related parties), other receivables (including those from related parties), deposits paid, accounts payable (including those to related parties), and other payables (including those to related parties) are reasonable approximations of their fair values.

D. The Company classifies the financial and non-financial instruments measured at fair value based on the nature, characteristics and risks of the assets and liabilities as well as the levels of the fair values. The relevant information is shown below:

- (A) The following is information on the Company's classification based on the nature of the assets and liabilities:

<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</u>				
Financial assets measured at fair value through profit or loss				
Beneficiary certificates	\$ 55,876	\$ -	\$ -	\$ 55,876
Equity securities	-	-	7,680	7,680
Limited partnership	-	-	8,609	8,609
Financial assets measured at fair value through other comprehensive income				
Equity securities	-	-	27,533	27,533
	<u>\$ 55,876</u>	<u>\$ -</u>	<u>\$ 43,822</u>	<u>\$ 99,698</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</u>				
Financial assets measured at fair value through profit or loss				
Beneficiary certificates	\$ 55,666	\$ -	\$ -	\$ 55,666
Equity securities	-	-	7,834	7,834
Limited partnership	-	-	9,066	9,066
Financial assets measured at fair value through other comprehensive income				
Equity securities	-	-	31,938	31,938
	<u>\$ 55,666</u>	<u>\$ -</u>	<u>\$ 48,838</u>	<u>\$ 104,504</u>

<u>March 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through profit or loss				
Beneficiary certificates	\$ 45,624	\$ -	\$ -	\$ 45,624
Equity securities	-	-	6,109	6,109
Limited partnership	-	-	9,460	9,460
	<u>\$ 45,624</u>	<u>\$ -</u>	<u>\$ 15,569</u>	<u>\$ 61,193</u>

- (B) The Company's Finance Department is responsible for verifying the independent fair value of financial instruments in the process of valuation of Level 3 fair values to make valuation results close to the market situation based on information from independent sources and make sure that the information sources are independent, reliable and consistent with other resources and reflect executable prices. The Company also regularly updates inputs and data required, and makes any other necessary fair value adjustment to ensure reasonable valuation results.

- E. The methods and assumptions used by the Company to measure the fair value are as follows:

The beneficiary certificates of the Company's investments are based on the net value on the balance sheet date as the fair value input (i.e. Level 1).

- F. There were no transfers between Level 1 and Level 2 in the three months ended March 31, 2025 and 2024.
- G. Movements in Level 3 equity instruments in the three months ended March 31, 2025 and 2024 are listed in the following table:

	2025	2024
January 1	\$ 48,838	\$ 12,178
Reclassified from other non-current assets	-	1,875
Profits or losses recognized as profit or loss	(611)	1,516
Unrealized valuation profit or loss of investments in equity instruments measured at fair value through other comprehensive income, recognized as profits or losses of other comprehensive income	(4,405)	-
March 31	<u>\$ 43,822</u>	<u>\$ 15,569</u>

- H. There was no transfer-in/transfer-out to/from Level 3 in the three months ended March 31, 2025 and 2024.
- I. The summary of the valuation model used for Level 3 fair value measurements are described as follows:

	Fair value on March 31, 2025	Valuation technique	Significant unobservable inputs	Discount rate	Relationship between the input and the fair value
Non-listed/non-OTC stocks	<u>\$ 35,213</u>	Comparable company method	PB multiplier, discount for lack of marketability	22.5%-25%	The higher the multipliers, the higher the fair value. The higher the discount for lack of marketability, the lower the fair value.
Limited partnership	<u>\$ 8,609</u>	Net asset value method	N/A	N/A	N/A

	Fair value on December 31, 2024	Valuation technique	Significant unobservable inputs	Discount rate	Relationship between the input and the fair value
Non-listed/non-OTC stocks	<u>\$ 39,772</u>	Comparable company method	PB multiplier, discount for lack of marketability	22.5%-25%	The higher the multipliers, the higher the fair value. The higher the discount for lack of marketability, the lower the fair value.
Limited partnership	<u>\$ 9,066</u>	Net asset value method	N/A	N/A	N/A
	Fair value on March 31, 2024	Valuation technique	Significant unobservable inputs	Discount rate	Relationship between the input and the fair value
Non-listed/non-OTC stocks	<u>\$ 6,109</u>	Comparable company method	PB multiplier, discount for lack of marketability	25%	The higher the multipliers, the higher the fair value. The higher the discount for lack of marketability, the lower the fair value.
Limited partnership	<u>\$ 9,460</u>	Net asset value method	N/A	N/A	N/A

- J. The Company selects the valuation model and parameters based on careful assessment. However, the adoption of different valuation models or parameters may lead to different valuation results. The effect of changes in the valuation parameters of Level 3 financial assets on the profit or loss in the current period or other comprehensive income is as follows:

March 31, 2025						
	Input	Change	Recognized as profit or loss		Recognized as other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Liquidity	±5%	<u>\$ 512</u>	<u>\$ 512</u>	<u>\$ 1,795</u>	<u>\$ 1,795</u>
December 31, 2024						
	Input	Change	Recognized as profit or loss		Recognized as other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Liquidity	±5%	<u>\$ 522</u>	<u>\$ 522</u>	<u>\$ 2,203</u>	<u>\$ 2,203</u>
March 31, 2024						
	Input	Change	Recognized as profit or loss		Recognized as other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Liquidity	±5%	<u>\$ 407</u>	<u>\$ 407</u>	<u>\$ -</u>	<u>\$ -</u>

13. Note disclosures

(1) Information of material transactions

- A. Loaning of funds to others: None.
- B. Endorsements/guarantees for others: None.
- C. Securities held at end of period: Please refer to Table 1.
- D. Purchases and sales with related parties amounting to NT\$100 million or more than 20% of the paid-in capital: None.
- E. Accounts receivable from related parties amounting to NT\$100 million or more than 20% of the paid-in capital: None.
- F. Business relationship and important transactions between the parent company and subsidiaries: N/A.

(2) Information of investee companies

Information related to investee companies (excluding those in Mainland China), their place of registration, etc.: Please refer to Table 2.

(3) Information of investments in Mainland China

None.

14. Segment information

(1) General information

- A. The management of the Company has identified the reportable segments according to the reported information that the operating decision maker uses to formulate policies.
- B. The operating decision maker of the Company operates and manages the business by product type.

(2) Information on segment profits or losses, assets and liabilities

Information on the reportable segments provided by the Company to the chief operating decision maker is as follows:

January 1 to March 31, 2025	Energy products	Electronic products	Total
External income	\$ 29,094	\$ 7,367	\$ 36,461
Internal income	-	-	-
Segment income	\$ 29,094	\$ 7,367	\$ 36,461
After-tax segment profit or loss	\$ 3,253	\$ 145	\$ 3,398
January 1 to March 31, 2024	Energy products	Electronic products	Total
External income	\$ 38,457	\$ 8,087	\$ 46,544
Internal income	-	-	-
Segment income	\$ 38,457	\$ 8,087	\$ 46,544
After-tax segment profit or loss	\$ 5,706	\$ 124	\$ 5,830

Solomon Data International Corporation
Securities Held at End of Period (Excluding Equity of Investments in Subsidiaries, Associates and Joint Ventures)
March 31, 2025

Table 1

Unit: NT\$ Thousand
(Unless otherwise specified)

Holding company	Type and name of securities	Relationship with the securities issuer	Account	End of period			
				Number of shares (thousand)	Carrying amount	Shareholding percentage	Fair value
Solomon Data International Corporation	Hua Nan Phoenix Money Market Fund (beneficiary certificates)	None	Financial assets measured at fair value through profit or loss – current	3,282	\$ 55,876	-	\$ 55,876
Solomon Data International Corporation	Truewin Technology Co., Ltd. (shares)	None	Financial assets measured at fair value through profit or loss – non-current	148	7,680	0.23	7,680
Solomon Data International Corporation	Cerulean Asset Management Venture Capital Limited Partnership	None	Financial assets measured at fair value through profit or loss – non-current	-	5,769	-	5,769
Solomon Data International Corporation	Meng-Lue Venture Capital Limited Partnership	None	Financial assets measured at fair value through profit or loss – non-current	-	2,840	-	2,840
Solomon Data International Corporation	AggrEnergy Inc. (shares)	None	Financial assets measured at fair value through other comprehensive income – non-current	110,132	27,533	16.46	27,533

Note: The securities with a carrying value of NT\$1,000 are listed by the Company in accordance with the principle of materiality.

Solomon Data International Corporation
Information Related to Investee Companies (Excluding Those in Mainland China), Their Place of Registration, etc.
January 1 to March 31, 2025

Table 2

Table 2										Unit: NT\$ Thousand (Unless otherwise specified)	
Name of investor company	Name of investee company	Place of registration	Principal business	Initial investment amount		Holding percentage at end of period			Profit or loss of investee company in the current period	Investment gain or loss recognized in the current period	Remarks
				End of current period	End of previous year	Number of shares (thousand)	Percentage	Carrying amount			
Solomon Data International Corporation	Cornucopia Innovation Corporation	Taiwan	Manufacturing of machines/equipment and electronic parts and components	\$ 25,300	\$ 25,300	2,300	13.22%	\$ 20,139	(\$ 593)	(\$ 79)	
Solomon Data International Corporation	Ju Xin Energy Inc.	Taiwan	Energy technology service	36,000	36,000	3,600	4.80%	35,863	(6,428)	(309)	