

**Prosperity Dielectrics Co., Ltd. and
Subsidiaries**

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Prosperity Dielectrics Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Prosperity Dielectrics Co., Ltd. and its subsidiaries (collectively, the "Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of certain investments accounted for using the equity method were not reviewed by independent auditors. As of March 31, 2025 and 2024, the total investments accounted for using the equity method amounted to NT\$376,079 thousand and NT\$386,310 thousand, respectively, and for the three months ended March 31, 2025 and 2024, the total share of loss of the associates accounted for using the equity method amounted to NT\$2,571 thousand and NT\$4,392 thousand, respectively. In addition, the related information on certain investments disclosed in Note 29 to the consolidated financial statements was also not reviewed by independent auditors.

Qualified Conclusion

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

The engagement partners on the reviews resulting in this independent auditors’ review report are Yi-Min Huang and Chin-Chuan Shih.

Yi - min Huang CHIN - CHUAN , SHIH

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 5, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 653,432	8	\$ 398,844	5	\$ 975,192	11
Financial assets at fair value through profit or loss - current (Note 7)	83,250	1	87,025	1	182,991	2
Financial assets at amortized cost - current (Note 8)	140,319	2	282,526	4	344,092	4
Notes receivable from unrelated parties (Note 9)	21,620	-	25,306	-	28,227	-
Trade receivables from unrelated parties (Note 9)	653,180	8	682,770	9	573,063	7
Trade receivables from related parties (Note 26)	235,577	3	230,515	3	249,151	3
Other receivables from unrelated parties	35,986	1	34,201	-	28,476	-
Other receivables from related parties (Note 26)	2,151	-	3,456	-	6,025	-
Inventories (Note 10)	673,156	8	642,247	8	656,853	8
Other current assets	28,170	-	22,494	-	24,106	-
Total current assets	2,526,841	31	2,409,384	30	3,068,176	35
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 12)	1,647,509	20	1,702,054	21	1,797,071	21
Financial assets at amortized cost - non-current (Note 8)	1,216,037	15	1,058,296	13	801,854	9
Investments accounted for using the equity method (Note 13)	1,232,755	15	1,231,313	15	1,144,581	13
Property, plant and equipment (Note 14)	1,384,218	17	1,457,543	18	1,680,618	19
Right-of-use assets (Note 15)	113,683	1	119,727	2	140,726	2
Computer software	4,022	-	4,133	-	5,647	-
Deferred tax assets (Note 4)	40,307	1	38,983	1	40,649	1
Other non-current assets	8,486	-	9,469	-	11,476	-
Total non-current assets	5,647,017	69	5,621,518	70	5,622,622	65
TOTAL	\$ 8,173,858	100	\$ 8,030,902	100	\$ 8,690,798	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ 70,000	1	\$ -	-	\$ 42,278	1
Trade payables to unrelated parties	268,084	3	245,027	3	264,054	3
Trade payables to related parties (Note 26)	125,539	2	112,596	2	109,894	1
Other payables to unrelated parties (Note 17)	364,049	5	403,053	5	329,336	4
Other payables to related parties (Note 26)	13,082	-	12,915	-	12,033	-
Current tax liabilities (Note 4)	89,144	1	58,747	1	92,795	1
Lease liabilities - current (Note 15)	30,297	-	29,751	-	29,083	-
Current portion of long-term borrowings (Note 16)	30,000	-	67,917	1	342,698	4
Other current liabilities	14,827	-	22,181	-	15,003	-
Total current liabilities	1,005,022	12	952,187	12	1,237,174	14
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 16)	-	-	-	-	29,039	1
Deferred tax liabilities (Note 4)	162,706	2	161,009	2	187,065	2
Lease liabilities - non-current (Note 15)	85,857	1	92,628	1	114,965	1
Deferred revenue - non-current (Note 17)	-	-	-	-	961	-
Net defined benefit liabilities - non-current (Note 4)	3,547	-	4,092	-	7,998	-
Guarantee deposits received	20,088	1	20,274	-	28,237	-
Total non-current liabilities	272,198	4	278,003	3	368,265	4
Total liabilities	1,277,220	16	1,230,190	15	1,605,439	18
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Share capital						
Ordinary shares	1,720,000	21	1,720,000	22	1,720,000	20
Capital surplus	497,255	6	497,255	6	498,708	6
Retained earnings						
Legal reserve	732,642	9	732,642	9	687,087	8
Special reserve	55,421	-	55,421	1	67,764	1
Unappropriated earnings	3,572,073	44	3,451,593	43	3,326,979	38
Total retained earnings	4,360,136	53	4,239,656	53	4,081,830	47
Other equity						
Exchange differences on the translation of the financial statements of foreign operations	41,920	1	9,583	-	(18,204)	-
Unrealized gain on financial assets at fair value through other comprehensive income	331,698	4	388,589	5	857,396	10
Total other equity	373,618	5	398,172	5	839,192	10
Treasury shares	(54,371)	(1)	(54,371)	(1)	(54,371)	(1)
Total equity attributable to owners of the Company	6,896,638	84	6,800,712	85	7,085,359	82
Total equity	6,896,638	84	6,800,712	85	7,085,359	82
TOTAL	\$ 8,173,858	100	\$ 8,030,902	100	\$ 8,690,798	100

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

(With Deloitte & Touche review report dated May 5, 2025)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
NET SALES (Note 20)	\$ 944,168	100	\$ 872,570	100
COST OF SALES (Note 10)	<u>733,231</u>	<u>78</u>	<u>678,682</u>	<u>78</u>
GROSS PROFIT	<u>210,937</u>	<u>22</u>	<u>193,888</u>	<u>22</u>
OPERATING EXPENSES				
Selling and marketing expenses	30,025	3	29,208	3
General and administrative expenses	26,690	3	25,736	3
Research and development expenses	<u>14,553</u>	<u>1</u>	<u>15,299</u>	<u>2</u>
Total operating expenses	<u>71,268</u>	<u>7</u>	<u>70,243</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>139,669</u>	<u>15</u>	<u>123,645</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	15,158	2	15,956	2
Dividend income	157	-	123	-
Other income	3,354	-	3,935	-
Gain on disposal of property, plant and equipment	-	-	412	-
Gain on lease modifications	2	-	-	-
Foreign exchange gain	18,208	2	40,763	5
(Loss) gain on valuation of financial assets at FVTPL	(3,775)	(1)	9,565	1
Interest expense	(784)	-	(2,232)	-
Miscellaneous expenses	(1,840)	-	(385)	-
Loss on disposal of investments	-	-	(1,056)	-
Share of loss of associates and joint ventures accounted for using the equity method (Note 13)	<u>(16,946)</u>	<u>(2)</u>	<u>(5,516)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>13,534</u>	<u>1</u>	<u>61,565</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	153,203	16	185,210	21
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(32,723)</u>	<u>(3)</u>	<u>(39,236)</u>	<u>(4)</u>
NET PROFIT FOR THE PERIOD	<u>120,480</u>	<u>13</u>	<u>145,974</u>	<u>17</u>

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PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Note 19)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized valuation (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (54,545)	(6)	\$ 90,830	10
Share of the other comprehensive loss of associates accounted for using the equity method	(2,346)	-	(2,396)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	31,439	3	46,820	5
Share of the other comprehensive income of associates accounted for using the equity method	<u>898</u>	<u>-</u>	<u>1,007</u>	<u>-</u>
Other comprehensive (loss) income for the period	<u>(24,554)</u>	<u>(3)</u>	<u>136,261</u>	<u>15</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 95,926</u>	<u>10</u>	<u>\$ 282,235</u>	<u>32</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 0.70</u>		<u>\$ 0.85</u>	
Diluted	<u>\$ 0.70</u>		<u>\$ 0.85</u>	

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

(With Deloitte & Touche review report dated May 5, 2025)

(Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	Number of Shares (In Thousands)	Share Capital	Capital Surplus	Retained Earnings			Other Equity (Note 19)		Treasury Shares	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2024	172,000	\$ 1,720,000	\$ 498,708	\$ 687,087	\$ 67,764	\$ 3,179,413	\$ (66,031)	\$ 768,962	\$ (54,371)	\$ 6,801,532
Change in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	-	1,592	-	-	-	1,592
Net profit for the three months ended March 31, 2024	-	-	-	-	-	145,974	-	-	-	145,974
Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	-	47,827	88,434	-	136,261
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	145,974	47,827	88,434	-	282,235
BALANCE AT MARCH 31, 2024	172,000	\$ 1,720,000	\$ 498,708	\$ 687,087	\$ 67,764	\$ 3,326,979	\$ (18,204)	\$ 857,396	\$ (54,371)	\$ 7,085,359
BALANCE AT JANUARY 1, 2025	172,000	\$ 1,720,000	\$ 497,255	\$ 732,642	\$ 55,421	\$ 3,451,593	\$ 9,583	\$ 388,589	\$ (54,371)	\$ 6,800,712
Net profit for the three months ended March 31, 2025	-	-	-	-	-	120,480	-	-	-	120,480
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	-	32,337	(56,891)	-	(24,554)
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	120,480	32,337	(56,891)	-	95,926
BALANCE AT MARCH 31, 2025	172,000	\$ 1,720,000	\$ 497,255	\$ 732,642	\$ 55,421	\$ 3,572,073	\$ 41,920	\$ 331,698	\$ (54,371)	\$ 6,896,638

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

(With Deloitte & Touche review report dated May 5, 2025)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 153,203	\$ 185,210
Adjustments for:		
Depreciation expense	97,666	103,834
Amortization expense	1,548	1,964
Net loss (gain) on valuation of financial assets at FVTPL	3,775	(9,565)
Interest expense	784	2,232
Interest income	(15,158)	(15,956)
Dividend income	(157)	(123)
Share of loss of associates accounted for using the equity method	16,946	5,516
Gain on disposal of property, plant and equipment	-	(412)
Loss on disposal of investments	-	1,056
Impairment loss of non-financial assets	1,318	3,974
Gain on lease modification	(2)	-
Changes in operating assets and liabilities		
Increase in financial assets mandatorily classified as at fair value through profit or loss	-	(105,727)
Decrease in notes receivable from unrelated parties	3,686	1,424
Decrease (increase) in trade receivables from unrelated parties	29,590	(4,305)
(Increase) decrease in trade receivables from related parties	(5,062)	20,999
Increase in other receivables from unrelated parties	(1,121)	(581)
Decrease (increase) in other receivables from related parties	1,826	(4,003)
Increase in inventories	(32,227)	(59,875)
Increase in other current assets	(5,676)	(3,248)
Increase in trade payables to unrelated parties	23,057	27,837
Increase in trade payables to related parties	12,943	17,431
Decrease in other payables to unrelated parties	(30,361)	(25,264)
Increase (decrease) in other payables to related parties	167	(1,491)
(Decrease) increase in other current liabilities	(7,268)	3,436
Decrease in net defined benefit liabilities	(545)	(619)
Cash generated from operations	248,932	143,744
Interest received	14,651	19,490
Interest paid	(791)	(2,350)
Income tax paid	(1,953)	(2,580)
Net cash generated from operating activities	260,839	158,304
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(15,534)	-
Disposal of financial assets at amortized cost	-	77,643
Purchase of financial assets at fair value through profit or loss	-	(140,337)
Payments for property, plant and equipment	(26,121)	(38,995)
Proceeds from disposal of property, plant and equipment	-	500

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PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
Increase in refundable deposits	\$ (52)	\$ (1)
Acquisition of intangible assets	<u>(400)</u>	<u>-</u>
Net cash used in investing activities	<u>(42,107)</u>	<u>(101,190)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions of short-term borrowings	70,000	-
Repayments of short-term borrowings	-	(21,133)
Repayments of long-term borrowings	(37,917)	(103,829)
Refund of guaranteed deposits received	(186)	(917)
Repayment of the principal portion of lease liabilities	(7,265)	(7,193)
Decrease in other non-current liabilities	<u>-</u>	<u>(548)</u>
Net cash generated from (used in) financing activities	<u>24,632</u>	<u>(133,620)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>11,224</u>	<u>34,280</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	254,588	(42,226)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>398,844</u>	<u>1,017,418</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 653,432</u>	<u>\$ 975,192</u>

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

(With Deloitte & Touche review report dated May 5, 2025)

(Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Prosperity Dielectrics Co., Ltd. (PDC or the “Company”) was incorporated on May 21, 1990. The Company mainly manufactures, processes and sells multilayer ceramic capacitors (MLCC), chip resistors, ceramic dielectric powders and magnetic elements.

The Company’s shares have been listed on the mainboard of the Taipei Exchange (TPEX) since April 19, 2002. The parent company, Walsin Technology Corporation, held 43.13% of the ordinary shares of the Company as of March 31, 2025 and 2024.

The consolidated financial statements of the Company and its subsidiaries (collectively known as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 5, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

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

- b. The IFRSs endorsed by the FSC for application starting from 2026

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

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impact of the amendment on the Group’s financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of PDC and the entities controlled by PDC (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by PDC. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of PDC and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of PDC.

See Note 11, Tables 5 and 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The accounting judgments, estimates, and assumptions adopted by the Group are the same as those used in consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 345	\$ 342	\$ 322
Checking accounts and demand deposits	301,737	285,624	235,618
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	73,213	71,856	389,175
Repurchase agreements collateralized by bonds	<u>278,137</u>	<u>41,022</u>	<u>350,077</u>
	<u>\$ 653,432</u>	<u>\$ 398,844</u>	<u>\$ 975,192</u>

The market rate intervals of cash equivalents were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits with original maturities of 3 months or less	0.9%-1.45%	0.9%-1.45%	1.25%-5.4%
Repurchase agreements collateralized by bonds	1.4%	1.4%	1.05%-1.15%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets mandatorily classified as at <u>FVTPL - current</u>			
Non-derivative financial assets			
Domestic listed shares	\$ 83,250	\$ 87,025	\$ 77,665
Mutual funds	<u>-</u>	<u>-</u>	<u>105,326</u>
	<u>\$ 83,250</u>	<u>\$ 87,025</u>	<u>\$ 182,991</u>

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 140,319	\$ 138,281	\$ 280,319
Current portion of bonds (b)	<u>-</u>	<u>144,245</u>	<u>63,773</u>
	<u>\$ 140,319</u>	<u>\$ 282,526</u>	<u>\$ 344,092</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year (a)	\$ 91,516	\$ 89,821	\$ 88,217
Bonds (b)	<u>1,124,521</u>	<u>968,475</u>	<u>713,637</u>
	<u>\$ 1,216,037</u>	<u>\$ 1,058,296</u>	<u>\$ 801,854</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months and 1 year were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits with original maturities of more than 3 months	1.25%-1.7%	1.25%-1.75%	1.6%-5.01%
Time deposits with original maturities of more than 1 year	3.1%	3.1%	3.1%

b. The corporate bonds held by the Group at the balance sheet date were as follows:

March 31, 2025

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
January to March 2025	US\$ 4,800,000	2.375%-3.7%	4.638%-4.792%
January to May 2024	US\$ 9,100,000	5.033%-6.45%	5.17%-5.8%
	TW\$ 200,000,000	3.7%	3.7%
February to November 2023	US\$ 9,156,000	4.902%-6.75%	5.0868%-5.5403%
June 2022	US\$ 5,000,000	3.3%-3.875%	3.7563%-3.8992%

December 31, 2024

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
January to May 2024	US\$ 9,100,000	5.033%-6.45%	5.17%-5.8%
	TW\$ 200,000,000	3.7%	3.7%
February to November 2023	US\$ 13,556,000	4.902%-6.75%	4.4235%-5.5403%
June 2022	US\$ 5,000,000	3.3%-3.875%	3.7563%-3.8992%

March 31, 2024

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
January to March 2024	US\$ 3,600,000	5.033%-5.588%	5.17%-5.25%
February to December 2023	US\$ 13,556,000	4.902%-6.75%	4.4235%-5.5403%
June to December 2022	US\$ 7,000,000	3%-3.875%	3.7563%-4.3224%

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 21,620	\$ 25,306	\$ 28,227
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 21,620</u>	<u>\$ 25,306</u>	<u>\$ 28,227</u>

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Trade receivables from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 677,090	\$ 706,652	\$ 596,908
Less: Allowance for impairment loss	<u>(23,910)</u>	<u>(23,882)</u>	<u>(23,845)</u>
	<u>\$ 653,180</u>	<u>\$ 682,770</u>	<u>\$ 573,063</u>
			(Concluded)

The average credit period of sales of goods is 0 to 120 days. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes receivable and trade receivables at an amount equal to lifetime ECLs. The expected credit losses on notes receivable and trade receivables are estimated by reference to the customers' past default records and current financial positions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the Group determines the expected credit loss rate only by reference to the past due days of notes receivable and accounts receivable.

The Group writes off a note receivable or trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable and trade receivables based on past default experience with the customers and the customers' current financial positions:

March 31, 2025

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	1%-4%	5%	10%	20%	50%	100%	
Gross carrying amount	\$ 690,762	\$ 2,272	\$ 5,676	\$ -	\$ -	\$ -	\$ 698,710
Loss allowance (Lifetime ECLs)	<u>(23,228)</u>	<u>(114)</u>	<u>(568)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,910)</u>
Amortized cost	<u>\$ 667,534</u>	<u>\$ 2,158</u>	<u>\$ 5,108</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 674,800</u>

December 31, 2024

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	1%-4%	5%	10%	20%	50%	100%	
Gross carrying amount	\$ 721,087	\$ -	\$ 9,459	\$ 1,412	\$ -	\$ -	\$ 731,958
Loss allowance (Lifetime ECLs)	<u>(22,654)</u>	<u>-</u>	<u>(946)</u>	<u>(282)</u>	<u>-</u>	<u>-</u>	<u>(23,882)</u>
Amortized cost	<u>\$ 698,433</u>	<u>\$ -</u>	<u>\$ 8,513</u>	<u>\$ 1,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 708,076</u>

March 31, 2024

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	1%-4%	5%	10%	20%	50%	100%	
Gross carrying amount	\$ 622,522	\$ -	\$ 2,613	\$ -	\$ -	\$ -	\$ 625,135
Loss allowance (Lifetime ECLs)	<u>(23,584)</u>	<u>-</u>	<u>(261)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,845)</u>
Amortized cost	<u>\$ 598,938</u>	<u>\$ -</u>	<u>\$ 2,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601,290</u>

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 23,882	\$ 22,806
Add: Transfers from delinquent receivables	-	1,001
Add: Foreign exchange differences	<u>28</u>	<u>38</u>
Balance at March 31	<u>\$ 23,910</u>	<u>\$ 23,845</u>

10. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 200,124	\$ 190,755	\$ 170,972
Semi-finished goods	122,026	114,927	96,355
Work in progress	164,766	147,014	155,617
Raw materials	176,242	173,097	215,010
Inventory in transit	<u>9,998</u>	<u>16,454</u>	<u>18,899</u>
	<u>\$ 673,156</u>	<u>\$ 642,247</u>	<u>\$ 656,853</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended March 31	
	2025	2024
Cost of inventories sold	\$ 731,913	\$ 674,708
Inventory write-downs	<u>1,318</u>	<u>3,974</u>
	<u>\$ 733,231</u>	<u>\$ 678,682</u>

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			March 31, 2025	December 31, 2024	March 31, 2024
Prosperity Dielectrics Co., Ltd.	PDC Prime Holdings Limited	Investment holding	100	100	100
Prosperity Dielectrics Co., Ltd.	Frontec International Corporation	Investment holding	-	-	100
			(Note 1)	(Note 1)	
PDC Prime Holdings Limited	PDC Success Investments Ltd.	Investment holding	100	100	100
PDC Prime Holdings Limited	Frontier Components Co., Limited	International trade	100	100	100
PDC Prime Holdings Limited	Prosperity International Development (HK) Co., Limited	Investment holding	100	100	100
PDC Success Investments Ltd.	PDC Electronics (Suzhou) Co., Ltd.	Manufacturing of ceramic materials	100	100	100
Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	Selling of electronic components	100	100	100

Note 1: The company's liquidation was finalized in May 2024.

The above-mentioned subsidiaries included in the consolidated financial statements have been reviewed for the three months ended March 31, 2025 and 2024 and have been audited for the year ended December 31, 2024.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investments - listed shares	\$ 1,368,868	\$ 1,427,107	\$ 1,450,683
Domestic investments - unlisted shares	<u>278,641</u>	<u>274,947</u>	<u>346,388</u>
	<u>\$ 1,647,509</u>	<u>\$ 1,702,054</u>	<u>\$ 1,797,071</u>

Investments in Equity Instruments at FVTOCI

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investments - listed shares			
Walton Advanced Engineering Inc.	\$ 421,285	\$ 445,222	\$ 571,288
Walsin Lihwa Corporation	252,761	260,453	412,660
HannStar Board Corporation	272,738	277,431	344,635
Fubon Financial Holding Co., Ltd.			
Preferred Shares C	26,100	26,600	27,400
Hotai Finance Co., Ltd.			
Preferred Shares B	97,100	96,400	94,700
O-Bank Co., Ltd.			
Preferred Shares B	59,500	59,500	-
TXC Corporation	239,384	261,501	-
Domestic investments - unlisted shares			
Chin-Xin Investment Co., Ltd.	102,184	100,317	158,279
Hwa Bao Botanic Conservation Corp.	<u>176,457</u>	<u>174,630</u>	<u>188,109</u>
	<u>\$ 1,647,509</u>	<u>\$ 1,702,054</u>	<u>\$ 1,797,071</u>

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

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment in Associates

	March 31, 2025	December 31, 2024	March 31, 2024
Chongqing Shuohong Investment Co., Ltd.	\$ 516,588	\$ 513,077	\$ 553,198
Chongqing Xincheng Electronics Co., Ltd.	40,120	39,355	39,173
GHPW Enterprise Corporation (HK) Limited	63,722	62,838	62,592
Tsai Yi Corporation	89,446	94,052	100,906
Joyin Co., Ltd.	376,079	377,977	386,310
Hannstar Board New Energy Co., Ltd.	2,201	2,255	2,402
PSA Japan investment G.K.	<u>144,599</u>	<u>141,759</u>	<u>-</u>
	<u>\$ 1,232,755</u>	<u>\$ 1,231,313</u>	<u>\$ 1,144,581</u>

Share of profit (loss) of associates for the three months ended March 31, 2025 and 2024 after restated was summarized as follows:

	For the Three Months Ended March 31	
	2025	2024
Chongqing Shuohong Investment Co., Ltd.	\$ (6,201)	\$ (55)
Chongqing Xincheng Electronics Co., Ltd.	22	(107)
GHPW Enterprise Corporation (HK) Limited	(285)	(188)
Tsai Yi Corporation	(2,485)	(729)
Joyin Co., Ltd.	(2,571)	(4,392)
Hannstar Board New Energy Co., Ltd.	(54)	(45)
PSA Japan investment G.K.	<u>(5,372)</u>	<u>-</u>
	<u>\$ (16,946)</u>	<u>\$ (5,516)</u>

At the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Chongqing Shuohong Investment Co., Ltd.	20.43%	20.43%	20.43%
Chongqing Xincheng Electronics Co., Ltd.	13.04%	13.04%	13.04%
GHPW Enterprise Corporation (HK) Limited	10%	10%	10%
Tsai Yi Corporation	3.36%	3.36%	3.36%
Joyin Co., Ltd.	30.4%	30.4%	30.4%
Hannstar Board New Energy Co., Ltd.	5%	5%	5%
PSA Japan investment G.K.	9%	9%	-

Even though PDC holds less than 20% of the voting rights each in Chongqing Xincheng Electronics Co., Ltd., GHPW Enterprise Corporation (HK) Limited, Tsai Yi Corporation, Hannstar Board New Energy Co., Ltd. and PSA Japan Investment G.K. its parent company, Walsin Technology Corporation, exercises significant influence over those companies; therefore, they are accounted for using the equity method.

Refer to Table 5 “Information on Investments” and Table 6 “Information on Investments in Mainland China” for the nature of activities, principal places of business and countries of incorporation of the associates.

Except for Joyin Co., Ltd., the share of profit or loss and other comprehensive income of the investments in subsidiaries and associates accounted for using the equity method for the three months ended March 31, 2025 and 2024 was recognized based on the associates’ financial statements reviewed by independent accountants for the same periods.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Office Equipment	Other Equipment	Property under Construction and Prepayments for Equipment	Total
<u>Cost</u>							
Balance at January 1, 2024	\$ 451,115	\$ 1,109,697	\$ 2,844,163	\$ 52,043	\$ 227,324	\$ 70,779	\$ 4,755,121
Additions	-	-	737	-	118	7,396	8,251
Disposals	-	(245)	(2,306)	-	(1,131)	-	(3,682)
Effect of foreign currency exchange differences	-	3,501	2,661	13	543	-	6,718
Reclassifications	-	6,011	2,423	-	1,234	(3,657)	6,011
Balance at March 31, 2024	<u>\$ 451,115</u>	<u>\$ 1,118,964</u>	<u>\$ 2,847,678</u>	<u>\$ 52,056</u>	<u>\$ 228,088</u>	<u>\$ 74,518</u>	<u>\$ 4,772,419</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2024	\$ -	\$ 828,735	\$ 1,923,755	\$ 37,574	\$ 195,620	\$ -	\$ 2,985,684
Depreciation expenses	-	19,064	73,148	1,279	3,369	-	96,860
Disposals	-	(157)	(2,306)	-	(1,131)	-	(3,594)
Effects of foreign currency exchange differences	-	3,171	2,654	13	540	-	6,378
Reclassifications	-	6,011	-	-	462	-	6,473
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 856,824</u>	<u>\$ 1,997,251</u>	<u>\$ 38,866</u>	<u>\$ 198,860</u>	<u>\$ -</u>	<u>\$ 3,091,801</u>
Carrying amount at March 31, 2024	<u>\$ 451,115</u>	<u>\$ 262,140</u>	<u>\$ 850,427</u>	<u>\$ 13,190</u>	<u>\$ 29,228</u>	<u>\$ 74,518</u>	<u>\$ 1,680,618</u>
<u>Cost</u>							
Balance at January 1, 2025	\$ 451,115	\$ 1,119,463	\$ 2,850,848	\$ 52,700	\$ 229,584	\$ 114,536	\$ 4,818,246
Additions	-	-	-	-	-	17,485	17,485
Disposals	-	-	-	(41)	(31)	-	(72)
Effect of foreign currency exchange differences	-	3,796	2,885	14	564	-	7,259
Reclassifications	-	6,011	239	-	660	(899)	6,011
Balance at March 31, 2025	<u>\$ 451,115</u>	<u>\$ 1,129,270</u>	<u>\$ 2,853,972</u>	<u>\$ 52,673</u>	<u>\$ 230,777</u>	<u>\$ 131,122</u>	<u>\$ 4,848,929</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2025	\$ -	\$ 910,327	\$ 2,201,298	\$ 40,341	\$ 208,737	\$ -	\$ 3,360,703
Depreciation expenses	-	17,849	68,904	1,264	2,589	-	90,606
Disposals	-	-	-	(41)	(31)	-	(72)
Effects of foreign currency exchange differences	-	3,574	2,881	13	561	-	7,029
Reclassifications	-	6,011	-	-	434	-	6,445
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 937,761</u>	<u>\$ 2,273,083</u>	<u>\$ 41,577</u>	<u>\$ 212,290</u>	<u>\$ -</u>	<u>\$ 3,464,711</u>
Carrying amount at March 31, 2025	<u>\$ 451,115</u>	<u>\$ 191,509</u>	<u>\$ 580,889</u>	<u>\$ 11,096</u>	<u>\$ 18,487</u>	<u>\$ 131,122</u>	<u>\$ 1,384,218</u>

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	15-41 years
Electrical mechanical and power equipment	2-21 years
Engineering system	2-25 years
Others	2-35 years
Machinery and equipment	2-12 years
Office equipment	3-5 years
Other equipment	2-10 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Land	\$ 97,865	\$ 101,819	\$ 117,440
Buildings	15,368	17,189	22,653
Transportation equipment	<u>450</u>	<u>719</u>	<u>633</u>
	<u>\$ 113,683</u>	<u>\$ 119,727</u>	<u>\$ 140,726</u>
		For the Three Months Ended March 31	
		2025	2024
Additions to right-of-use assets		<u>\$ 1,172</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets			
Land		\$ 5,274	\$ 5,183
Buildings		1,735	1,735
Transportation equipment		<u>51</u>	<u>56</u>
		<u>\$ 7,060</u>	<u>\$ 6,974</u>

Except for the recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the three months ended March 31, 2025 and 2024.

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Current	<u>\$ 30,297</u>	<u>\$ 29,751</u>	<u>\$ 29,083</u>
Non-current	<u>\$ 85,857</u>	<u>\$ 92,628</u>	<u>\$ 114,965</u>

The discount rates of lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	1%	1%	1%
Buildings	1%	1%	1%
Transportation equipment	1%	1%	1%

16. BORROWINGS

a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured borrowings			
Line of credit borrowings	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 42,278</u>
Interest rate	1.89%	-	-

b. Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
E.Sun Commercial Bank			
Line of credit borrowings: The loan limit is NT\$600,000 thousand. Repayment of the principal will be made in 24 equal monthly payments starting 2 years before the maturity date.			
Loan period			
2019.12.26-2024.12.15	\$ -	\$ -	\$ 74,845
2020.04.09-2024.12.15	-	-	37,422
2020.07.09-2025.06.15	9,992	19,971	49,835
2020.08.07-2025.06.15	12,489	24,964	62,293
2021.11.09-2025.06.15	7,494	14,978	37,376
Taishin International Bank			
Line of credit borrowings: The loan limit is NT\$600,000 thousand. Repayment of the principal will be made in 24 equal monthly payments starting 2 years before the maturity date.			
Loan period			
2019.12.10-2024.12.10	-	-	33,266
2020.04.29-2024.12.10	-	-	33,266
First Commercial Bank			
Line of credit borrowings: The loan limit is NT\$900,000 thousand. Repayment of the principal will be made in 24 equal monthly payments starting 2 years before the maturity date.			
Loan period			
2020.03.02-2025.03.02	-	7,912	43,434
Add: Current portion of deferred revenue	25	92	-
Less: Current portion	<u>(30,000)</u>	<u>(67,917)</u>	<u>(342,698)</u>
Long-term borrowings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,039</u>
Interest rate	1.325%	1.325%-1.375%	1.325%-1.475%

17. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Payables for accrued expense	\$ 301,678	\$ 338,536	\$ 275,791
Payables for purchases of equipment	29,556	38,192	21,462
Payables for annual leave (Note 18)	3,575	2,651	4,467
Payables for compensation of employees and remuneration of directors	28,740	23,174	27,116
Payables for dividends	<u>500</u>	<u>500</u>	<u>500</u>
	<u>\$ 364,049</u>	<u>\$ 403,053</u>	<u>\$ 329,336</u>
<u>Non-current</u>			
Deferred revenue			
Arising from government grants	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 961</u>

18. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Employee benefits (presented in other payables)	<u>\$ 3,575</u>	<u>\$ 2,651</u>	<u>\$ 4,467</u>

The provision for employee benefits represents the accrual of employees' vested service leave entitlement.

19. EQUITY

a. Share capital

Common shares

	March 31, 2025	December 31, 2024	March 31, 2024
Authorized shares (in thousands of shares)	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>
Authorized capital	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>
Issued and paid shares (in thousands of shares)	<u>172,000</u>	<u>172,000</u>	<u>172,000</u>
Issued capital	<u>\$ 1,720,000</u>	<u>\$ 1,720,000</u>	<u>\$ 1,720,000</u>

Shares issued with par value of \$10 carry one vote per share and the right to dividends.

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)			
Issuance of common shares	\$ 402,192	\$ 402,192	\$ 402,192
Conversion of bonds	55,484	55,484	55,484
Treasury share transactions	28,889	28,889	28,889
Difference between consideration and carrying amount of subsidiaries acquired	-	-	1,456
<u>May only be used to offset a deficit</u>			
Share of changes in capital surplus of associates accounted for using the equity method	<u>10,690</u>	<u>10,690</u>	<u>10,687</u>
	<u>\$ 497,255</u>	<u>\$ 497,255</u>	<u>\$ 498,708</u>

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in PDC's articles of incorporation (the "Articles"), where PDC made a profit in a fiscal year, the profit shall be first used to offset losses of previous years, setting aside as legal reserve 10% of the remaining profit until the legal reserve equals PDC's paid-in capital. After setting aside or reversing a special reserve in accordance with the law and regulations, additional appropriations may be made to the special reserve depending on business needs. Any remaining profit together with any undistributed retained earnings shall be used by PDC's board of directors as the basis of proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of the compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 21-b.

In addition to the distribution of dividends in accordance with the Articles, cash dividends are limited to 50% of the total dividends distributed. The remaining retained earnings shall be distributed in the form of share dividends. However, should the Company obtain sufficient funds to meet its capital requirements during the current year, the cash distribution ratio can be raised to 100%. The Group should decide on the most appropriate dividend distribution policy and the form of payment based on the current year's actual operating condition, taking into consideration the following year's capital budget plans.

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

The appropriations of earnings for 2024 and 2023 which were proposed by the board of directors on March 28, 2025 and approved in the shareholders' meetings on June 14, 2024, respectively, were as follows:

	For the Year Ended December 31	
	2024	2023
Legal reserve	\$ 52,413	\$ 45,555
Cash dividends	240,800	206,400
Cash dividends per share (NT\$)	1.4	1.2

The appropriation of earnings for 2024 will be resolved by the shareholders in their meeting to be held on June 17, 2025.

d. Other equity items

The movements of other equity items were as follows:

	For the Three Months Ended March 31, 2025		
	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at FVTOCI	Total
Balance at January 1	\$ 9,583	\$ 388,589	\$ 398,172
Exchange differences on the translation of the net assets of foreign operations	31,439	-	31,439
Unrealized valuation gain on investments in equity instruments at FVTOCI	-	(54,545)	(54,545)
Share from associates accounted for using the equity method	<u>898</u>	<u>(2,346)</u>	<u>(1,448)</u>
Balance at March 31	<u>\$ 41,920</u>	<u>\$ 331,698</u>	<u>\$ 373,618</u>

	For the Three Months Ended March 31, 2024		
	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at FVTOCI	Total
Balance at January 1	\$ (66,031)	\$ 768,962	\$ 702,931
Exchange differences on the translation of the net assets of foreign operations	46,820	-	46,820
Unrealized valuation gain on investments in equity instruments at FVTOCI	-	90,830	90,830
Share from associates accounted for using the equity method	<u>1,007</u>	<u>(2,396)</u>	<u>(1,389)</u>
Balance at March 31	<u>\$ (18,204)</u>	<u>\$ 857,396</u>	<u>\$ 839,192</u>

e. Treasury shares

- 1) Movements of the treasury shares for the three months ended March 31, 2025 and 2024 were as follows:

Unit: In Thousands of Shares

Purpose of Buy-back	For the Three Months Ended March 31, 2025			
	Number of Shares at January 1, 2025	Increase During the Period	Decrease During the Period	Number of Shares at March 31, 2025
Shares transferred to employees	<u>800</u>	<u>-</u>	<u>-</u>	<u>800</u>

Purpose of Buy-back	For the Three Months Ended March 31, 2024			
	Number of Shares at January 1, 2024	Increase During the Period	Decrease During the Period	Number of Shares at March 31, 2024
Shares transferred to employees	<u>800</u>	<u>-</u>	<u>-</u>	<u>800</u>

- 2) As of March 31, 2025 and 2024, the amount of the Company's treasury shares were both \$54,371 thousand.
- 3) The buy-back shares shall be transferred to employees at one time or in installments within 5 years from the date of purchase. All employees of PDC and employees of the Company's subsidiaries in which PDC directly or indirectly holds more than 50% of the voting shares on the subscription date are eligible to subscribe.
- 4) The Securities and Exchange Act stipulates that the proportion of the number of shares that a company can buy back must not exceed 10% of the company's total issued shares. The total amount of shares purchased must not exceed retained earnings plus the amount of issued share premium and realized capital surplus. For the three months ended March 31, 2025 and 2024, PDC held a maximum of 800 thousand shares as treasury shares, and the total amount of shares purchased was \$54,371 thousand, which complies with the provisions of the Securities and Exchange Act.
- 5) Treasury shares held by PDC shall not be pledged in accordance with the provisions of the Securities and Exchange Act, and shall not enjoy shareholder rights.

20. OPERATING REVENUE

Disaggregation of revenue based on customer segments by geographical region

Region	For the Three Months Ended March 31	
	2025	2024
Asia	\$ 851,669	\$ 784,718
America	60,949	40,728
Europe	<u>31,550</u>	<u>47,124</u>
	<u>\$ 944,168</u>	<u>\$ 872,570</u>

The customer's location of operations is the basis for calculating the disaggregation of revenue based on customer segments by geographical region.

21. EMPLOYEE BENEFITS EXPENSE, DEPRECIATION AND AMORTIZATION

- a. The employee benefits expense, depreciation and amortization incurred in the current period are summarized according to their functions as follows:

	For the Three Months Ended March 31					
	2025			2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits						
Salaries and wages	\$ 92,285	\$ 35,209	\$ 127,494	\$ 82,349	\$ 27,068	\$ 109,417
Labor/health insurance	11,150	3,114	14,264	10,724	2,888	13,612
Pension	3,612	1,152	4,764	3,751	1,120	4,871
Other employee benefits	7,853	1,873	9,726	8,133	1,878	10,011
Depreciation	93,728	3,938	97,666	99,321	4,513	103,834
Amortization	961	587	1,548	1,212	752	1,964

The number of employees of the Group as of March 31, 2025 and 2024 was 748 and 740, respectively.

- b. Compensation of employees and remuneration of directors

According to the Company's Articles, PDC accrues compensation of employees and remuneration of directors at rates of 2%-10% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The estimated compensation of employees and remuneration of directors for the three months ended March 31, 2025 and 2024 are as follows:

	For the Three Months Ended March 31	
	2025	2024
<u>Accrual rate</u>		
Compensation of employees	2.5%	2.5%
Remuneration of directors	1%	1%
<u>Amount</u>		
Compensation of employees	\$ 4,082	\$ 4,783
Remuneration of directors	\$ 1,627	\$ 1,911

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors and paid on February 19, 2025 and February 22, 2024, respectively, are as follows. The differences were adjusted to profit and loss for the years ended December 31, 2025 and 2024, respectively.

	For the Year Ended December 31			
	2024		2023	
	Cash	Shares	Cash	Shares
Compensation of employees				
Amounts approved in the board of directors' meeting	\$ 16,553	\$ -	\$ 14,586	\$ -
Actual amounts paid	Note 1	-	14,546	-
Remuneration of directors				
Amounts approved in the board of directors' meeting	6,621	-	5,835	-
Actual amounts paid	Note 1	-	5,835	-

Note 1: The compensation of employees and remuneration of directors for 2024 have not been distributed.

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

22. INCOME TAXES

- a. Major components of income tax expense recognized in profit or loss are as follows:

	For the Three Months Ended March 31	
	2025	2024
Current tax		
In respect of the current year	\$ 33,028	\$ 38,642
Adjustments of previous year's income tax	(305)	-
Repatriation of earnings	<u>-</u>	<u>594</u>
Income tax expense recognized in profit or loss	<u>\$ 32,723</u>	<u>\$ 39,236</u>

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

- b. PDC's income tax returns through 2023 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Earnings per share for the three months ended March 31, 2025 and 2024 are as follows:

For the Three Months Ended March 31, 2025			
	Amount (In Thousands) After Income Tax	Number of Shares	Earnings Per Share (In Dollars) After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 120,480	171,200,000	<u>\$ 0.70</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>353,663</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 120,480</u>	<u>171,553,663</u>	<u>\$ 0.70</u>
For the Three Months Ended March 31, 2024			
	Amount (In Thousands) After Income Tax	Number of Shares	Earnings Per Share (In Dollars) After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 145,974	171,200,000	<u>\$ 0.85</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>315,393</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 145,974</u>	<u>171,515,393</u>	<u>\$ 0.85</u>

The Group may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group have the essential financial resources and operating plans to meet the needs of working capital, capital expenditures, research and development expenses, debt repayment and dividend expenditures in the next 12 months.

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments that are not measured at fair value

The management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements as approximate fair values. There were no major differences between the carrying amounts and fair values as of March 31, 2025, December 31, 2024 and March 31, 2024.

2) Fair value of financial instruments that are measured at fair value on a recurring basis

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 83,250	\$ -	\$ -	\$ 83,250
Financial assets at FVTOCI				
Domestic listed shares	\$ 1,368,868	\$ -	\$ -	\$ 1,368,868
Domestic unlisted shares	-	-	278,641	278,641
	\$ 1,368,868	\$ -	\$ 278,641	\$ 1,647,509

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 87,025	\$ -	\$ -	\$ 87,025
Financial assets at FVTOCI				
Domestic listed shares	\$ 1,427,107	\$ -	\$ -	\$ 1,427,107
Domestic unlisted shares	-	-	274,947	274,947
	\$ 1,427,107	\$ -	\$ 274,947	\$ 1,702,054

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 77,665	\$ -	\$ -	\$ 77,665
Mutual funds	105,326	-	-	105,326
	\$ 182,991	\$ -	\$ -	\$ 182,991
Financial assets at FVTOCI				
Domestic listed shares	\$ 1,450,683	\$ -	\$ -	\$ 1,450,683
Domestic unlisted shares	-	-	346,388	346,388
	\$ 1,450,683	\$ -	\$ 346,388	\$ 1,797,071

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2025 and 2024.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities were determined using the market approach or asset-based approach. The significant unobservable inputs are the liquidity discount of multiplier of price-book ratio and value of net assets. An increase in price-book ratio would result in an increase in the fair value. An increase in liquidity discount would result in a decrease in the fair value.

b. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 83,250	\$ 87,025	\$ 182,991
Financial assets at amortized cost (Note 1)	2,962,943	2,720,502	3,010,506
Financial assets at FVTOCI			
Equity instruments	1,647,509	1,702,054	1,797,071
<u>Financial liabilities</u>			
Amortized cost (Note 2)	890,842	861,782	1,157,569

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, investments in debt instruments, notes receivable, trade receivables (include related parties), other receivables (include related parties) and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables (include related parties), other payables (include related parties), current portion of long-term borrowings, long-term borrowings and guarantee deposits received.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, borrowings, trade receivables and trade payables. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Group utilizes derivatives based on the procedures for the handling of derivative financial instrument transactions, which had been approved by the board of directors, to hedge against foreign currency risk. The internal auditor reviews compliance with policies and risk limits on an ongoing basis.

1) Market risk

The Group is exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

The Group's exposure to market risk in financial instruments and its management and measurement of such exposure has not changed since the last period.

a) Foreign currency risk

The Group manages the risk of exchange rate fluctuations arising from foreign currency transactions by using forward exchange contracts to the extent permitted by the regulations governing the procedures for the handling of derivative financial instrument transactions.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 28.

	USD Impact		RMB Impact		JPY Impact	
	For the Three Months Ended March 31		For the Three Months Ended March 31		For the Three Months Ended March 31	
	2025	2024	2025	2024	2025	2024
Profit or loss	\$ 43,018	\$ 51,914	\$ 15,389	\$ 13,704	\$ -	\$ -
Equity	1,912	1,878	16,701	17,771	4,338	-

The sensitivity analysis included only outstanding foreign currency denominated monetary items, and their adjusted translation at the end of the period for a 3% change in foreign currency rates. A positive number indicates a decrease in post-tax profit and equity associated with the New Taiwan dollar strengthening 3% against the relevant currency. For a 3% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and positive impact on post-tax profit and equity.

b) Interest rate risk

The Group was exposed to interest rate risk arising from both fixed and floating interest rate deposits, and repurchase agreements collateralized by bonds and borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the period were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Financial liabilities	\$ 116,154	\$ 122,379	\$ 144,048
Cash flow interest rate risk			
Financial assets	583,185	340,980	1,107,788
Financial liabilities	100,000	67,917	414,015

The Group's sensitivity analysis of interest rate risk mainly focuses on changes in the fair value of the financial assets and liabilities at fixed interest rate at the end of the reporting period. If interest rates were lower by 1% and all other variables were held constant, the Group's variable-rate financial assets for the three months ended March 31, 2025 and 2024 would have resulted in cash outflows by \$1,208 thousand and \$1,734 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group.

The management of the Group has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowance is made for irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group's working capital is sufficient to meet its obligations; therefore, there is no liquidity risk arising from the inability to raise funds to meet its contractual obligations.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods:

March 31, 2025

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financing liabilities</u>				
Non-interest bearing	\$ 790,842	\$ -	\$ -	\$ 790,842
Variable interest rate liabilities	100,000	-	-	100,000
Lease liabilities	<u>30,297</u>	<u>54,619</u>	<u>31,238</u>	<u>116,154</u>
	<u>\$ 921,139</u>	<u>\$ 54,619</u>	<u>\$ 31,238</u>	<u>\$ 1,006,996</u>

December 31, 2024

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financing liabilities</u>				
Non-interest bearing	\$ 793,865	\$ -	\$ -	\$ 793,865
Variable interest rate liabilities	67,917	-	-	67,917
Lease liabilities	<u>29,751</u>	<u>55,761</u>	<u>36,867</u>	<u>122,379</u>
	<u>\$ 891,533</u>	<u>\$ 55,761</u>	<u>\$ 36,867</u>	<u>\$ 984,161</u>

March 31, 2024

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financing liabilities</u>				
Non-interest bearing	\$ 743,554	\$ -	\$ -	\$ 743,554
Variable interest rate liabilities	384,976	29,039	-	414,015
Lease liabilities	<u>29,083</u>	<u>59,844</u>	<u>55,121</u>	<u>144,048</u>
	<u>\$ 1,157,613</u>	<u>\$ 88,883</u>	<u>\$ 55,121</u>	<u>\$ 1,301,617</u>

26. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation, refer to Table 4 for the details. Details of transactions between the Group and other related parties are disclosed as follows:

Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Walsin Technology Corporation	Parent company
Dongguan Walsin Technology Electronics Co., Ltd.	Sister company
Pan Overseas (Guangzhou) Electronic Co., Ltd.	Sister company
Walsin Technology Corporation (HK) Limited	Sister company
Kamaya Electric Co., Ltd.	Sister company
Kamaya Electric (M) Sdn. Bhd.	Sister company
Eleceram Technology Co., Ltd.	Sister company
INPAQ Technology Co., Ltd.	Sister company
INPAQ Technology (Suzhou) Co., Ltd.	Sister company
Taiwan INPAQ Electronics Co., Ltd.	Sister company
INPAQ Technology (China) Co., Ltd.	Sister company
Hunan Frontier Electronics Co., Ltd.	Sister company
PSA Japan investment G.K.	Sister company
Tsai Yi Corporation	Associate
Joyin Co., Ltd.	Associate
Dongguan Joyin Electronics Co., Ltd.	Associate
Hannstar Board New Energy Co., Ltd.	Associate
Walsin Lihwa Corporation	Other related party
Hannstar Board Corporation	Other related party
Falcon Automation Equipment Corporation	Other related party
Info-Tek Corp.	Other related party
VVG Inc.	Other related party
Global Brands Manufacture Ltd.	Other related party
Hwa Bao Botanic Conservation Corp.	Other related party
PSA Charitable Foundation	Other related party
PSA WG Culture and Arts Foundation	Other related party
New Taipei City Private Career Social Welfare Charitable Foundation	Other related party

Transactions

Transactions between the Group and other related parties for the three months ended March 31, 2025 and 2024 are disclosed as follows:

Related Party Category/Name	Sales of Goods	
	For the Three Months Ended	
	March 31	
	2025	2024
Parent company	\$ 194,699	\$ 201,186
Sister companies		
Dongguan Walsin Technology Electronics Co., Ltd.	51,576	32,608
Others	<u>19,435</u>	<u>15,981</u>
	<u>71,011</u>	<u>48,589</u>
Other related parties	<u>5</u>	<u>12</u>
	<u>\$ 265,715</u>	<u>\$ 249,787</u>
Related Party Category/Name	Purchases of Goods	
	For the Three Months Ended	
	March 31	
	2025	2024
Parent company	\$ 70,055	\$ 67,929
Sister companies		
Dongguan Walsin Technology Electronics Co., Ltd.	89,985	90,510
Others	<u>9,884</u>	<u>4,696</u>
	<u>99,869</u>	<u>95,206</u>
Associates	<u>8,675</u>	<u>2,994</u>
	<u>\$ 178,599</u>	<u>\$ 166,129</u>

The selling prices between the Group and related parties were not significantly different from that of general transactions. The collection terms of general transactions are within 0 to 120 days. The collection terms of related parties were not significantly different from that of general customers. Among them, trade receivables (payables) of Walsin Technology Corporation are directly offset by its respective counterparty's trade receivables (payables), and the remaining receivables are collected (paid) under the usual collection (payment) terms.

The prices of the purchase transactions between the Group and related parties were not significantly different from that of general transactions, and the payment terms of general transactions are within 0 to 120 days. The payment terms of related parties were not significantly different from that of general suppliers.

Lease arrangements as lessee

Item	Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Lease liabilities	Parent company	\$ 14,724	\$ 16,379	\$ 21,287
	Other related parties	<u>7,299</u>	<u>7,701</u>	<u>8,886</u>
		<u>\$ 22,023</u>	<u>\$ 24,080</u>	<u>\$ 30,173</u>

Item	Related Party Category	For the Three Months Ended March 31	
		2025	2024
Interest expense	Parent company	\$ 38	\$ 54
	Other related parties	<u>19</u>	<u>23</u>
		<u>\$ 57</u>	<u>\$ 77</u>
Rental expense	Sister companies	<u>\$ 63</u>	<u>\$ 61</u>

Lease arrangements as lessor

Lease income was summarized as follows:

Related Party Category	For the Three Months Ended March 31	
	2025	2024
Parent company	\$ 742	\$ 786
Sister companies	22	25
Associates	13	13
Other related parties	<u>650</u>	<u>650</u>
	<u>\$ 1,427</u>	<u>\$ 1,474</u>

For the three months ended March 31, 2025 and 2024, the remaining balances were as follows:

Related Party Category/Name	Trade Receivables			Trade Payables		
	March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	December 31, 2024	March 31, 2024
Parent company	\$ 158,179	\$ 164,621	\$ 188,656	\$ -	\$ -	\$ -
Sister companies						
Dongguan Walsin Technology Electronics Co., Ltd.	52,067	46,654	33,176	99,291	86,833	100,001
INPAQ Technology (Suzhou) Co., Ltd.	21,833	17,859	18,439	-	-	-
Others	<u>3,493</u>	<u>1,381</u>	<u>8,868</u>	<u>14,840</u>	<u>12,819</u>	<u>6,149</u>
	<u>77,393</u>	<u>65,894</u>	<u>60,483</u>	<u>114,131</u>	<u>99,652</u>	<u>106,150</u>
Associates	-	-	-	11,408	12,944	3,744
Other related parties	<u>5</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 235,577</u>	<u>\$ 230,515</u>	<u>\$ 249,151</u>	<u>\$ 125,539</u>	<u>\$ 112,596</u>	<u>\$ 109,894</u>

Related Party Category	Other Receivables			Other Payables		
	March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	December 31, 2024	March 31, 2024
Parent company	\$ 4	\$ 2,247	\$ 3,596	\$ -	\$ -	\$ -
Sister companies	923	543	693	644	613	455
Associates	1,118	504	1,100	56	104	88
Other related parties	<u>106</u>	<u>162</u>	<u>636</u>	<u>12,382</u>	<u>12,198</u>	<u>11,490</u>
	<u>\$ 2,151</u>	<u>\$ 3,456</u>	<u>\$ 6,025</u>	<u>\$ 13,082</u>	<u>\$ 12,915</u>	<u>\$ 12,033</u>

Other receivables are the uncollected amounts from the Group's lease income, selling of raw materials and spare parts, and the collections and payments on behalf of others.

Other payables are the payments that have not been made for the acquisition of equipment and the collections and payments on behalf of others.

The remaining trade payables - related parties were not guaranteed and would be paid off by cash; trade receivables - related parties were also not guaranteed. There was no bad debt expense for trade receivables - related parties as of March 31, 2025, December 31, 2024 and March 31, 2024.

Equity transactions

Refer to Note 13.

Remuneration of key management personnel

Remuneration of the board of directors and other key management personnel for the three months ended March 31, 2025 and 2024 was as follows:

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	\$ 18,629	\$ 17,018
Post-employment benefits	<u>54</u>	<u>54</u>
	<u>\$ 18,683</u>	<u>\$ 17,072</u>

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at the end of the reporting period were as follows:

a. Significant unrecognized commitments

Unrecognized commitments were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Acquisition of property, plant and equipment	<u>\$ 67,927</u>	<u>\$ 83,562</u>	<u>\$ 121,622</u>

b. Contingencies

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had no open and unused letters of credit.

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>									
Monetary items									
USD	\$ 46,072	33.182	\$ 1,528,761	\$ 47,919	32.781	\$ 1,570,833	\$ 56,842	31.99	\$ 1,818,376
RMB	134,563	4.5758	615,733	128,216	4.4909	575,805	124,179	4.411	547,754
Non-monetary items									
Investments accounted for using the equity method									
USD	1,920	33.182	63,722	1,917	32.781	62,838	1,957	31.99	62,592
RMB	121,664	4.5758	556,708	123,011	4.4909	552,432	134,294	4.411	592,371
JPY	650,175	0.2224	144,599	675,364	0.2099	141,759	-	-	-
<u>Financial liabilities</u>									
Monetary items									
USD	2,858	33.182	94,834	2,931	32.781	96,081	2,748	31.99	87,909
RMB	22,459	4.5758	102,768	18,995	4.4909	85,305	20,622	4.411	90,964

For the three months ended March 31, 2025 and 2024, foreign exchange gains were \$18,208 thousand and \$40,763 thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions.

29. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)
- 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 2)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
- 6) Intercompany relationships and significant intercompany transactions (Table 4)

b. Investees and information about reinvestment

Information on investees (Table 5)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 6)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 6):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

30. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the geographical segments as its operating segments. The Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

Taiwan segment - Prosperity Dielectrics Co., Ltd.
- PDC Prime Holdings Limited
- PDC Success Investments Ltd.

China segment - PDC Electronics (Suzhou) Co., Ltd.
- Dongguan Frontier Electronics Co., Ltd.
- Frontier Components Co., Limited
- Prosperity International Development (HK) Co., Limited

a. Segment revenue and results

The following tables detail the Group's segment revenue and results by reportable segments for the three months ended March 31, 2025 and 2024 as restated:

For the Three Months Ended March 31, 2025				
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Net sales	\$ 820,993	\$ 487,916	\$ (364,741)	\$ 944,168
Cost of sales	(628,257)	(474,042)	369,068	(733,231)
Unrealized gain on inter-affiliate accounts	<u>(634)</u>	<u>-</u>	<u>634</u>	<u>-</u>
Gross profit	192,102	13,874	4,961	210,937
Operating expenses	<u>(58,582)</u>	<u>(7,725)</u>	<u>(4,961)</u>	<u>(71,268)</u>
Profit from operations	133,520	6,149	-	139,669
Non-operating income and expenses	<u>17,407</u>	<u>(5,466)</u>	<u>1,593</u>	<u>13,534</u>
Profit before income tax	<u>\$ 150,927</u>	<u>\$ 683</u>	<u>\$ 1,593</u>	<u>\$ 153,203</u>
For the Three Months Ended March 31, 2024				
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Net sales	\$ 783,098	\$ 438,646	\$ (349,174)	\$ 872,570
Cost of sales	(608,248)	(422,460)	352,026	(678,682)
Unrealized gain on inter-affiliate accounts	<u>(2,148)</u>	<u>-</u>	<u>2,148</u>	<u>-</u>
Gross profit	172,702	16,186	5,000	193,888
Operating expenses	<u>(58,198)</u>	<u>(7,045)</u>	<u>(5,000)</u>	<u>(70,243)</u>
Profit from operations	114,504	9,141	-	123,645
Non-operating income and expenses	<u>64,852</u>	<u>4,872</u>	<u>(8,159)</u>	<u>61,565</u>
Profit before income tax	<u>\$ 179,356</u>	<u>\$ 14,013</u>	<u>\$ (8,159)</u>	<u>\$ 185,210</u>

b. Segment assets and liabilities

	March 31, 2025			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 500,265	\$ 153,167	\$ -	\$ 653,432
Notes and trade receivables	768,574	539,324	(397,521)	910,377
Inventories	628,286	70,627	(25,757)	673,156
Other current assets	<u>168,058</u>	<u>127,053</u>	<u>(5,235)</u>	<u>289,876</u>
Total current assets	<u>2,065,183</u>	<u>890,171</u>	<u>(428,513)</u>	<u>2,526,841</u>
Financial assets at FVTOCI - non-current	1,647,509	-	-	1,647,509
Investments accounted for using the equity method	2,010,641	765,029	(1,542,915)	1,232,755
Financial assets at amortized cost	807,202	408,835	-	1,216,037
Property, plant and equipment	1,373,815	10,403	-	1,384,218
Other non-current assets	<u>157,506</u>	<u>8,992</u>	<u>-</u>	<u>166,498</u>
Total assets	<u>\$ 8,061,856</u>	<u>\$ 2,083,430</u>	<u>\$ (1,971,428)</u>	<u>\$ 8,173,858</u>
	December 31, 2024			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 268,524	\$ 130,320	\$ -	\$ 398,844
Notes and trade receivables	809,964	489,182	(360,555)	938,591
Inventories	592,843	74,527	(25,123)	642,247
Other current assets	<u>159,930</u>	<u>269,776</u>	<u>(4)</u>	<u>429,702</u>
Total current assets	<u>1,831,261</u>	<u>963,805</u>	<u>(385,682)</u>	<u>2,409,384</u>
Financial assets at FVTOCI - non-current	1,702,054	-	-	1,702,054
Investments accounted for using the equity method	1,987,987	757,029	(1,513,703)	1,231,313
Financial assets at amortized cost	800,218	258,078	-	1,058,296
Property, plant and equipment	1,445,520	12,023	-	1,457,543
Other non-current assets	<u>163,357</u>	<u>8,955</u>	<u>-</u>	<u>172,312</u>
Total assets	<u>\$ 7,930,397</u>	<u>\$ 1,999,890</u>	<u>\$ (1,899,385)</u>	<u>\$ 8,030,902</u>

March 31, 2024				
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 621,415	\$ 353,777	\$ -	\$ 975,192
Notes and trade receivables	845,909	426,831	(422,299)	850,441
Inventories	602,177	85,452	(30,776)	656,853
Other current assets	<u>297,636</u>	<u>293,164</u>	<u>(5,110)</u>	<u>585,690</u>
Total current assets	<u>2,367,137</u>	<u>1,159,224</u>	<u>(458,185)</u>	<u>3,068,176</u>
Financial assets at FVTOCI - non-current	1,797,071	-	-	1,797,071
Investments accounted for using the equity method	2,257,242	654,963	(1,767,624)	1,144,581
Financial assets at amortized cost	408,226	393,628	-	801,854
Property, plant and equipment	1,663,448	17,170	-	1,680,618
Other non-current assets	<u>187,550</u>	<u>10,948</u>	<u>-</u>	<u>198,498</u>
Total assets	<u>\$ 8,680,674</u>	<u>\$ 2,235,933</u>	<u>\$ (2,225,809)</u>	<u>\$ 8,690,798</u>
March 31, 2025				
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 898,132	\$ 509,646	\$ (402,756)	\$ 1,005,022
Guarantee deposits received	7,486	12,602	-	20,088
Deferred income tax liabilities	162,706	-	-	162,706
Other non-current liabilities	<u>89,404</u>	<u>-</u>	<u>-</u>	<u>89,404</u>
Total liabilities	<u>\$ 1,157,728</u>	<u>\$ 522,248</u>	<u>\$ (402,756)</u>	<u>\$ 1,277,220</u>
December 31, 2024				
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 857,072	\$ 455,674	\$ (360,559)	\$ 952,187
Guarantee deposits received	7,486	12,788	-	20,274
Deferred income tax liabilities	161,009	-	-	161,009
Other non-current liabilities	<u>96,720</u>	<u>-</u>	<u>-</u>	<u>96,720</u>
Total liabilities	<u>\$ 1,122,287</u>	<u>\$ 468,462</u>	<u>\$ (360,559)</u>	<u>\$ 1,230,190</u>

	March 31, 2024			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 1,102,025	\$ 562,558	\$ (427,409)	\$ 1,237,174
Guarantee deposits received	8,486	19,751	-	28,237
Deferred income tax liabilities	187,065	-	-	187,065
Other non-current liabilities	<u>152,963</u>	<u>-</u>	<u>-</u>	<u>152,963</u>
Total liabilities	<u>\$ 1,450,539</u>	<u>\$ 582,309</u>	<u>\$ (427,409)</u>	<u>\$ 1,605,439</u>

All intercompany transactions had been eliminated upon consolidation.

TABLE 1

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Prosperity Dielectrics Co., Ltd.	<u>Listed shares</u> Walton Advanced Engineering Inc.	The chairman of the securities issuer is the same as the Company's	Financial assets at FVOCI - non-current	31,915,536	\$ 421,285	6.16	\$ 421,285	
	Walsin Lihwa Corporation	The chairman of the securities issuer is the second degree of kinship of the Company	"	10,989,605	252,761	0.27	252,761	
	HannStar Board Corporation	The chairman of the securities issuer is the same as the Company's	"	5,214,865	272,738	1.07	272,738	
	Fubon Financial Holding Co., Ltd. Preferred Shares C	None	"	500,000	26,100	-	26,100	
	Hotai Finance Co., Ltd. Preferred Shares B	"	"	1,000,000	97,100	0.14	97,100	
	TXC Corporation	"	"	2,602,000	239,384	0.76	239,384	
	O-Bank Co., Ltd. Preferred Shares B	"	"	5,000,000	59,500	0.16	59,500	
	Chunghwa Telecom Co., Ltd.	"	Financial assets at FVTPL - current	400,000	51,400	0.01	51,400	
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	35,000	31,850	-	31,850	
	<u>Shares</u> Chin-Xin Investment Co., Ltd.	The chairman of the securities issuer is the second degree of kinship of the Company	Financial assets at FVOCI - non-current	3,500,000	102,184	0.72	102,184	
	Hwa Bao Botanic Conservation Corp.	"	"	18,000,000	176,457	10	176,457	
	<u>Bonds</u> ANZ New Zealand International Ltd.	None	Financial assets at amortized cost - non-current	-	66,117	-	68,189	
	Sumitomo Mitsui Trust Bank, Limited	"	"	-	33,241	-	34,231	
	Norinchukin Bank	"	"	-	33,377	-	33,826	
	Credit Agricole S.A.	"	"	-	33,146	-	33,905	
	NBN Co Limited	"	"	-	67,423	-	69,052	
	Burlington Northern Santa Fe, LLC	"	"	-	35,128	-	35,949	
	Bristol-Myers Squibb Company	"	"	-	34,189	-	35,166	
	Macquarie Group Limited.	"	"	-	52,609	-	52,927	
	Banco Santander, S.A.	"	"	-	67,204	-	68,295	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Prosperity Dielectrics Co., Ltd.	<u>Bonds</u>							
	The First Issue of 2024 for unsecured Cumulative Subordinated Corporate Bonds of Cathay Life Insurance Co., Ltd. Series A	None	Financial assets at amortized cost - non-current	-	\$ 200,000	-	\$ 200,144	
	The Second Issue of 2024 for US-dollar-denominated unsecured cumulative subordinated corporate Bonds of Cathay Life Insurance Co., Ltd.	"	"	-	82,955	-	84,046	
	Hyundai Capital America	"	"	-	66,843	-	67,884	
	Volkswagen Group America Finance, LLC	"	"	-	34,970	-	35,020	
Frontier Components Co., Ltd.	<u>Bonds</u>							
	TSMC Arizona Corp.	None	Financial assets at amortized cost - non-current	-	99,497	-	98,591	
	Amazon.com, Inc.	"	"	-	65,790	-	65,228	
	Westpac New Zealand Ltd.	"	"	-	5,111	-	5,220	
	Berkshire Hathaway Energy Company	"	"	-	72,464	-	73,142	
	Equinor ASA	"	"	-	74,457	-	74,799	

(Concluded)

TABLE 2

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Prosperity Dielectrics Co., Ltd.	Frontier Components Co., Limited	Indirectly owned second-tier subsidiary	Sales	\$ (202,944)	(25)	No significant difference with third parties	-	-	Trade receivables \$ 205,778	27	
	Walsin Technology Corporation	Parent company	Sales	(194,699)	(24)	"	-	-	Trade receivables 158,179	21	
Frontier Components Co., Limited	Prosperity Dielectrics Co., Ltd.	Parent company	Purchases	202,944	95	"	-	-	Trade payables (205,778)	(91)	
	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Sales	(161,422)	(72)	"	-	-	Trade receivables 169,399	67	
Dongguan Frontier Electronics Co., Ltd.	Frontier Components Co., Limited	Parent company	Purchases	161,422	67	"	-	-	Trade payables (169,399)	(64)	

TABLE 3

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Prosperity Dielectrics Co., Ltd.	Frontier Components Co., Limited Walsin Technology Corporation	Indirectly owned second-tier subsidiary Parent company	Trade receivables \$ 205,778	4.13	\$ -	-	\$ -	\$ -
			Trade receivables 158,179	4.83	-	-	-	-
Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Trade receivables 169,399	4.04	-	-	77,345	-

TABLE 4

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	Prosperity Dielectrics Co., Ltd.	Frontier Components Co., Limited	Parent company to subsidiary	Sales Trade receivables	\$ 202,944 205,778	No significant difference with third parties "	21 3
1	Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	Subsidiary to subsidiary	Sales Trade receivables	161,422 169,399	" "	17 2

Note 1: The investee company is represented in the number column as follows:

- a. The parent company is numbered “0”.
- b. The subsidiaries are numbered consecutively from “1” in the order presented in the table above.

Note 2: There are three natures of relationships regarding the flow of transactions (in the case of the same transaction between the parent company and its subsidiary or between subsidiaries, there is no need to repeat disclosure. For example: If the parent company has disclosed the transaction between the parent company and the subsidiary, the subsidiary does not need to be disclosed. If a subsidiary has disclosed the transaction between the other subsidiary and itself, the other subsidiary does not need to be disclosed).

- a. From the parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: The transaction amount as a percentage of the consolidated total revenue or total assets is calculated as follows: For balance sheet items, each item’s period-end balance is shown as a percentage of consolidated total assets as of March 31, 2025. For profit or loss items, cumulative amounts are shown as a percentage of consolidated total operating revenue for the three months ended March 31, 2025.

Note 4: The decision whether or not to disclose the significant intercompany transactions was made based on the principle of materiality.

TABLE 5

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
Prosperity Dielectrics Co., Ltd.	PDC Prime Holdings Limited	Samoa	Investment holding	\$ 728,456	\$ 728,456	23,464,538	100	\$ 1,568,671	\$ (1,593)	\$ (1,593)	
	Tsai Yi Corporation	Taiwan	Investment holding	51,928	51,928	4,934,995	3.36	89,446	(73,876)	(2,485)	
	Hannstar Board New Energy Co., Ltd.	Taiwan	Solar power generation	2,500	2,500	250,000	5	2,201	(1,079)	(54)	
	Joyin Co., Ltd.	Taiwan	Manufacturing of electronic components	426,701	426,701	23,715,360	30.4	376,079	(4,202)	(2,571)	
PDC Prime Holdings Limited	PDC Success Investments Ltd.	Republic of Mauritius	Investment holding	387,932	387,932	12,009,000	100	682,473	(13,201)	(13,201)	
	Frontier Components Co., Limited	Hong Kong	International trade	298,671 (Note 2)	298,671 (Note 2)	70,036,752	100	815,273	11,807	11,807	
	Prosperity International Development (HK) Co., Ltd.	Hong Kong	Investment holding	79,670 (Note 2)	79,670 (Note 2)	2,401,000	100	63,749	(285)	(285)	
Prosperity International Development (HK) Co., Ltd.	GHPW Enterprise Corporation (HK) Limited	Hong Kong	Investment holding	79,637 (Note 2)	79,637 (Note 2)	2,400,000	10	63,722	(2,855)	(285)	
Frontier Components Co., Limited	PSA Japan Investment G.K.	Japan	Investment company	145,116 (Note 2)	145,116 (Note 2)	-	9	144,599	59,693	(5,372)	

Note 1: For the information on investees in mainland China, refer to Table 6.

Note 2: The closing exchange rate as of March 31, 2025 was used to convert the foreign currencies into New Taiwan dollars. The closing exchange rate as of March 31, 2025 was US\$ to NT\$ = 1:33.182 and JPY to NT\$ = 1:0.2224.

TABLE 6

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA OF PROSPERITY DIELECTRICS CO., LTD.
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. The names of investee companies in mainland China, their main businesses and products, total amount of paid-in capital, method of investment, remittance of funds, percentage of ownership in investment, investment gain or loss, carrying amount, and accumulated repatriation of investment income were as follows:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2025 (Note 3)	Accumulated Repatriation of Investment Income as of March 31, 2025
					Outward	Inward						
PDC Electronics (Suzhou) Co., Ltd.	Manufacturing of ceramic components	\$ 398,184 (US\$ 12,000,000)	Note 1	\$ 398,184 (US\$ 12,000,000)	\$ -	\$ -	\$ 398,184 (US\$ 12,000,000)	\$ (13,205)	100	\$ (13,205)	\$ 682,159	\$ 171,893 (US\$ 5,180,313)
Dongguan Frontier Electronics Co., Ltd.	Selling of electronic components	202,410 (US\$ 6,100,000)	Note 1	202,410 (US\$ 6,100,000)	-	-	202,410 (US\$ 6,100,000)	7,099	100	7,099	297,294	275,449 (US\$ 8,301,154)
Chongqing Shuohong Investment Co., Ltd.	Investment management, investment consultation services	2,425,174 (RMB 530,000,000) (Note 4)	Note 1	-	-	-	-	(30,347)	20.43	(6,201)	516,588	-
Chongqing Xincheng Electronic Co., Ltd.	Selling of electronic components, real estate investment and leasing	247,651 (RMB 54,122,000) (Note 5)	Note 1	-	-	-	-	170	13.04	22	40,120	-
GHPW Enterprise Corporation (Chongqing) Limited	Business consultations, business management, consultation services and property management	796,368 (US\$ 24,000,000)	Note 1	79,637 (US\$ 2,400,000)	-	-	79,637 (US\$ 2,400,000)	(2,729)	10	(273)	63,687	-

- Note 1: Investment in mainland China companies through an existing company established in a third region.
- Note 2: Based on the financial statements of the investee companies reviewed by the attesting CPA of the parent company in Taiwan.
- Note 3: The average exchange rate as of March 31, 2025 is used to convert the foreign currencies into New Taiwan dollars except for the investment gains and losses of the current period (converted at the average exchange rate of the three months ended March 31, 2025) if the relevant figures in this table involve foreign currencies.
- Note 4: Investment amount of RMB 108,290,000 was made using PDC Electronics (Suzhou) Co., Ltd.’s own capital.
- Note 5: Investment amount of RMB 7,055,500 was made using Frontier Electronic (Chong Qing) Co., Ltd.’s own capital, which has been transferred to Dongguan Frontier Electronics Co., Ltd. in December 2017.

2. Investment quota for mainland China:

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 665,615 (US\$ 20,059,533.72)	\$ 665,615 (US\$ 20,059,533.72)	(Note 2)

- Note 1: The average exchange rates as of March 31, 2025 are as follows:
- US\$ to NT\$= 1:33.182
RMB to NT\$= 1:4.5758
- The average exchange rates for the three months ended March 31, 2025 are as follows:
- US\$ to NT\$= 1:32.895
RMB to NT\$= 1:4.584
- Note 2: The Company has obtained the operational headquarters certification document approved by the Industrial Development Bureau of the Ministry of Economic Affairs and is exempt from the “Regulations Governing the Examination of Investment or Technical Cooperation in mainland China”.
3. Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Tables 2 and 4.

(Continued)

- 4. Circumstances in which investee mainland China companies in provide endorsements, guarantees or collaterals directly or indirectly through third-region enterprises: None.
- 5. Circumstances of financing provided with investee mainland China companies directly or indirectly through a third region: None.
- 6. Other transactions that have a material effect on the current profit and loss or financial status: None.

(Concluded)