

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

**Consolidated Financial Statements for the
Nine Months Ended September 30, 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 September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine 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 described 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 accountants. As of September 30, 2025 and 2024, total investments accounted for using the equity method amounted to NT\$350,065 thousand and NT\$380,242 thousand, respectively, and the total share of loss of associates accounted for using the equity method for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 amounted to NT\$3,938 thousand, NT\$5,032 thousand, NT\$21,485 thousand and NT\$15,150 thousand, respectively. In addition, the related information about certain investments disclosed in Note 29 to the consolidated financial statements was also not reviewed by independent accountants.

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 September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 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

October 30, 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	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 667,286	8	\$ 398,844	5	\$ 380,766	5
Financial assets at fair value through profit or loss - current (Note 7)	45,675	1	87,025	1	83,695	1
Financial assets at amortized cost - current (Note 8)	98,533	1	282,526	4	264,784	3
Notes receivable from unrelated parties (Note 9)	23,036	-	25,306	-	18,862	-
Trade receivables from unrelated parties (Note 9)	666,922	8	682,770	9	639,433	8
Trade receivables from related parties (Note 26)	346,851	4	230,515	3	286,541	3
Other receivables from unrelated parties	26,284	-	34,201	-	29,234	-
Other receivables from related parties (Note 26)	5,999	-	3,456	-	11,490	-
Inventories (Note 10)	649,772	8	642,247	8	643,045	8
Other current assets	43,735	1	22,494	-	25,495	-
Total current assets	<u>2,574,093</u>	<u>31</u>	<u>2,409,384</u>	<u>30</u>	<u>2,383,345</u>	<u>28</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 12)	2,135,049	25	1,702,054	21	2,025,951	24
Financial assets at amortized cost - non-current (Note 8)	1,135,020	14	1,058,296	13	1,032,516	12
Investments accounted for using the equity method (Note 13)	1,159,517	14	1,231,313	15	1,283,599	15
Property, plant and equipment (Note 14)	1,222,021	15	1,457,543	18	1,535,701	18
Right-of-use assets (Note 15)	73,104	1	119,727	2	126,942	2
Computer software	2,979	-	4,133	-	4,638	-
Deferred tax assets (Note 4)	36,624	-	38,983	1	28,754	1
Other non-current assets	6,504	-	9,469	-	10,307	-
Total non-current assets	<u>5,770,818</u>	<u>69</u>	<u>5,621,518</u>	<u>70</u>	<u>6,048,408</u>	<u>72</u>
TOTAL	<u><u>\$ 8,344,911</u></u>	<u><u>100</u></u>	<u><u>\$ 8,030,902</u></u>	<u><u>100</u></u>	<u><u>\$ 8,431,753</u></u>	<u><u>100</u></u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ -	-	\$ -	-	\$ 164,445	2
Trade payables to unrelated parties	312,347	4	245,027	3	227,178	3
Trade payables to related parties (Note 26)	69,893	1	112,596	2	122,804	2
Other payables to unrelated parties (Note 17)	378,620	5	403,053	5	358,782	4
Other payables to related parties (Note 26)	20,056	-	12,915	-	17,701	-
Current tax liabilities (Note 4)	17,665	-	58,747	1	17,128	-
Lease liabilities - current (Note 15)	31,242	-	29,751	-	29,501	-
Current portion of long-term borrowings (Note 16)	-	-	67,917	1	163,944	2
Other current liabilities	18,788	-	22,181	-	14,411	-
Total current liabilities	<u>848,611</u>	<u>10</u>	<u>952,187</u>	<u>12</u>	<u>1,115,894</u>	<u>13</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Note 4)	179,076	2	161,009	2	166,928	2
Lease liabilities - non-current (Note 15)	35,835	1	92,628	1	100,169	1
Net defined benefit liabilities - non-current (Note 4)	2,100	-	4,092	-	7,268	-
Guarantee deposits received	15,851	-	20,274	-	19,095	1
Total non-current liabilities	<u>232,862</u>	<u>3</u>	<u>278,003</u>	<u>3</u>	<u>293,460</u>	<u>4</u>
Total liabilities	<u><u>1,081,473</u></u>	<u><u>13</u></u>	<u><u>1,230,190</u></u>	<u><u>15</u></u>	<u><u>1,409,354</u></u>	<u><u>17</u></u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Share capital						
Ordinary shares	<u>1,720,000</u>	<u>21</u>	<u>1,720,000</u>	<u>22</u>	<u>1,720,000</u>	<u>20</u>
Capital surplus	<u>497,255</u>	<u>6</u>	<u>497,255</u>	<u>6</u>	<u>497,252</u>	<u>6</u>
Retained earnings						
Legal reserve	785,055	9	732,642	9	732,642	9
Special reserve	55,421	1	55,421	1	67,764	1
Unappropriated earnings	3,521,266	42	3,451,593	43	3,332,814	39
Total retained earnings	<u>4,361,742</u>	<u>52</u>	<u>4,239,656</u>	<u>53</u>	<u>4,133,220</u>	<u>49</u>
Other equity						
Exchange differences on the translation of the financial statements of foreign operations	(75,448)	(1)	9,583	-	8,894	-
Unrealized gain on financial assets at fair value through other comprehensive income	814,260	10	388,589	5	717,404	9
Total other equity	<u>738,812</u>	<u>9</u>	<u>398,172</u>	<u>5</u>	<u>726,298</u>	<u>9</u>
Treasury shares	<u>(54,371)</u>	<u>(1)</u>	<u>(54,371)</u>	<u>(1)</u>	<u>(54,371)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	<u>7,263,438</u>	<u>87</u>	<u>6,800,712</u>	<u>85</u>	<u>7,022,399</u>	<u>83</u>
Total equity	<u>7,263,438</u>	<u>87</u>	<u>6,800,712</u>	<u>85</u>	<u>7,022,399</u>	<u>83</u>
TOTAL	<u><u>\$ 8,344,911</u></u>	<u><u>100</u></u>	<u><u>\$ 8,030,902</u></u>	<u><u>100</u></u>	<u><u>\$ 8,431,753</u></u>	<u><u>100</u></u>

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

(With Deloitte & Touche review report dated October 30, 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 September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Note 20)	\$ 1,057,835	100	\$ 975,442	100	\$ 3,112,263	100	\$ 2,819,312	100
COST OF SALES (Note 10)	<u>799,351</u>	<u>76</u>	<u>766,579</u>	<u>78</u>	<u>2,380,796</u>	<u>77</u>	<u>2,206,643</u>	<u>78</u>
GROSS PROFIT	<u>258,484</u>	<u>24</u>	<u>208,863</u>	<u>22</u>	<u>731,467</u>	<u>23</u>	<u>612,669</u>	<u>22</u>
OPERATING EXPENSES								
Selling and marketing expenses	30,418	3	31,477	3	92,902	3	91,206	3
General and administrative expenses	31,132	3	28,536	3	89,386	3	85,903	3
Research and development expenses	<u>15,201</u>	<u>1</u>	<u>17,086</u>	<u>2</u>	<u>43,824</u>	<u>1</u>	<u>51,905</u>	<u>2</u>
Total operating expenses	<u>76,751</u>	<u>7</u>	<u>77,099</u>	<u>8</u>	<u>226,112</u>	<u>7</u>	<u>229,014</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>181,733</u>	<u>17</u>	<u>131,764</u>	<u>14</u>	<u>505,355</u>	<u>16</u>	<u>383,655</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	14,752	1	15,251	1	46,246	2	51,731	2
Dividend income	21,347	2	20,112	2	45,187	1	32,446	1
Other income	4,179	1	3,724	-	11,175	-	11,856	-
Gain on disposal of property, plant and equipment	113	-	-	-	125	-	509	-
Gain on disposal of investments	-	-	4	-	5,557	-	1,308	-
Gain on lease modification	-	-	-	-	9,488	-	-	-
Foreign exchange gain	33,901	3	-	-	-	-	39,829	1
Gain on valuation of financial assets at FVTPL	8,575	1	-	-	2,110	-	14,940	1
Interest expense	(175)	-	(1,933)	-	(1,271)	-	(6,206)	-
Miscellaneous expenses	(7,861)	(1)	(502)	-	(9,889)	-	(2,791)	-
Loss on lease modification	-	-	-	-	-	-	(509)	-
Foreign exchange loss	-	-	(30,726)	(3)	(99,232)	(3)	-	-
Loss on valuation of financial assets at FVTPL	-	-	(315)	-	-	-	-	-
Impairment loss	-	-	-	-	(9,486)	-	-	-
Share of loss of associates accounted for using the equity method (Note 13)	<u>(1,163)</u>	<u>-</u>	<u>(23,472)</u>	<u>(2)</u>	<u>(41,712)</u>	<u>(1)</u>	<u>(27,254)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>73,668</u>	<u>7</u>	<u>(17,857)</u>	<u>(2)</u>	<u>(41,702)</u>	<u>(1)</u>	<u>115,859</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	255,401	24	113,907	12	463,653	15	499,514	18
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(52,741)</u>	<u>(5)</u>	<u>(24,482)</u>	<u>(3)</u>	<u>(100,767)</u>	<u>(3)</u>	<u>(105,944)</u>	<u>(4)</u>
NET PROFIT FOR THE PERIOD	<u>202,660</u>	<u>19</u>	<u>89,425</u>	<u>9</u>	<u>362,886</u>	<u>12</u>	<u>393,570</u>	<u>14</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 September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 19)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized valuation gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 438,221	42	\$ (157,714)	(16)	\$ 416,420	14	\$ (35,236)	(1)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	11,535	1	(10,720)	(1)	9,251	-	(16,322)	(1)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on the translation of the financial statements of foreign operations	33,523	3	17,531	2	(77,572)	(3)	68,999	3
Share of the other comprehensive income (loss) of associates accounted for using the equity method	3,121	—	(326)	—	(7,459)	—	5,926	—
Other comprehensive income (loss) for the period	486,400	46	(151,229)	(15)	340,640	11	23,367	1
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ 689,060	65	\$ (61,804)	(6)	\$ 703,526	23	\$ 416,937	15
EARNINGS PER SHARE (Note 23)								
Basic	<u>\$ 1.18</u>		<u>\$ 0.52</u>		<u>\$ 2.12</u>		<u>\$ 2.30</u>	
Diluted	<u>\$ 1.18</u>		<u>\$ 0.52</u>		<u>\$ 2.12</u>		<u>\$ 2.29</u>	

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

(With Deloitte & Touche review report dated October 30, 2025)

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PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

							Other Equity (Note 19)			
	Share Capital			Retained 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	Treasury Shares	Total Equity
	Number of Shares (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings				
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
Appropriation of 2023 earnings (Note 19)										
Legal reserve	-	-	-	45,555	-	(45,555)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(206,400)	-	-	-	(206,400)
Changes in equity of associates accounted for using the equity method	-	-	-	-	-	5,829	-	-	-	5,829
Net profit for the nine months ended September 30, 2024	-	-	-	-	-	393,570	-	-	-	393,570
Other comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	74,925	(51,558)	-	23,367
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	393,570	74,925	(51,558)	-	416,937
Differences between consideration and carrying amount of subsidiaries disposed	-	-	(1,456)	-	-	-	-	-	-	(1,456)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	5,957	-	-	-	5,957
BALANCE AT SEPTEMBER 30, 2024	<u>172,000</u>	<u>\$ 1,720,000</u>	<u>\$ 497,252</u>	<u>\$ 732,642</u>	<u>\$ 67,764</u>	<u>\$ 3,332,814</u>	<u>\$ 8,894</u>	<u>\$ 717,404</u>	<u>\$ (54,371)</u>	<u>\$ 7,022,399</u>
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
Appropriation of 2024 earnings (Note 19)										
Legal reserve	-	-	-	52,413	-	(52,413)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(240,800)	-	-	-	(240,800)
Net profit for the nine months ended September 30, 2025	-	-	-	-	-	362,886	-	-	-	362,886
Other comprehensive (loss) income for the nine months ended September 30, 2025	-	-	-	-	-	-	(85,031)	425,671	-	340,640
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	362,886	(85,031)	425,671	-	703,526
BALANCE AT SEPTEMBER 30, 2025	<u>172,000</u>	<u>\$ 1,720,000</u>	<u>\$ 497,255</u>	<u>\$ 785,055</u>	<u>\$ 55,421</u>	<u>\$ 3,521,266</u>	<u>\$ (75,448)</u>	<u>\$ 814,260</u>	<u>\$ (54,371)</u>	<u>\$ 7,263,438</u>

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

(With Deloitte & Touche review report dated October 30, 2025)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 463,653	\$ 499,514
Adjustments for:		
Depreciation expense	282,425	307,927
Amortization expense	4,107	6,093
Net gain on valuation of financial assets at FVTPL	(2,110)	(14,940)
Interest expense	1,271	6,206
Interest income	(46,246)	(51,731)
Dividend income	(45,187)	(32,446)
Share of loss of associates accounted for using the equity method	41,712	27,254
Gain on disposal of property, plant and equipment	(125)	(509)
Gain on disposal of investments	(5,557)	(1,308)
Impairment loss of non-financial assets	17,978	2,060
(Gain) loss on lease modification	(9,488)	509
Changes in operating assets and liabilities		
Decrease in financial assets mandatorily classified as at fair value through profit or loss	49,017	908
Decrease in notes receivable from unrelated parties	2,270	10,789
Decrease (increase) in trade receivables from unrelated parties	15,848	(70,675)
Increase in trade receivables from related parties	(116,336)	(16,391)
Decrease in other receivables from unrelated parties	1,833	576
Increase in other receivables from related parties	(263)	(3,884)
Increase in inventories	(16,017)	(44,153)
Increase in other current assets	(21,241)	(4,637)
Increase in other non-current assets	-	(2,350)
Decrease (increase) in trade payables to unrelated parties	67,320	(9,039)
(Decrease) increase in trade payables to related parties	(42,703)	30,341
Decrease in other payables to unrelated parties	(1,144)	(8,670)
Increase in other payables to related parties	7,141	5,110
(Decrease) increase in other current liabilities	(3,135)	3,102
Decrease in net defined benefit liabilities	(1,992)	(1,349)
Cash generated from operations	643,031	638,307
Interest received	52,365	53,262
Dividends received	45,152	32,411
Interest paid	(1,362)	(6,450)
Income tax paid	(121,423)	(153,197)
Net cash generated from operating activities	<u>617,763</u>	<u>564,333</u>

(Continued)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (16,574)	\$ (359,481)
Purchase of financial assets at amortized cost	-	(214,048)
Disposal of financial assets at amortized cost	107,269	-
Purchase of investments accounted for using the equity method	-	(137,025)
Payments for property, plant and equipment	(59,239)	(73,455)
Proceeds from disposal of property, plant and equipment	163	616
Decrease in refundable deposits	407	407
Acquisition of intangible assets	(400)	-
Disposal of interests in subsidiaries	<u>-</u>	<u>(1,456)</u>
Net cash generated from (used in) investing activities	<u>31,626</u>	<u>(784,442)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	100,000
Repayments of long-term borrowings	(67,917)	(313,131)
Refund of guarantee deposits received	(4,423)	(10,059)
Repayment of the principal portion of lease liabilities	(22,213)	(21,686)
Cash dividends paid to owners of the Company	<u>(240,800)</u>	<u>(206,400)</u>
Net cash used in financing activities	<u>(335,353)</u>	<u>(451,276)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(45,594)</u>	<u>34,733</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	268,442	(636,652)
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>\$ 667,286</u>	<u>\$ 380,766</u>

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

(With Deloitte & Touche review report dated October 30, 2025)

(Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 September 30, 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 October 30, 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)

1) Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

2) 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.

3) Identification of related parties

In accordance with the Q&A “Identification of Related Parties” issued by the Accounting Research and Development Foundation (ARDF) in June 2025, the Group has reassessed its relationship with its managed funds to determine whether it exercises control or significant influence, or if it solely provides key management services to them. As a result, the Group may revise the previous identification of related parties based on the Q&A issued by the ARDF in July 2013. The assessment is currently in progress. Furthermore, in accordance with the Q&A issued by the FSC, comparative information for the year 2024 needs not to be restated, which means the identified and disclosed related party relationships and transactions in prior financial statements are not required to be adjusted retrospectively.

b. The IFRS Accounting Standards 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”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

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)
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	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.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

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.

When developing material accounting estimates, the Group considers the possible impact of volatility in foreign currency markets and US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 261	\$ 342	\$ 332
Checking accounts and demand deposits	274,190	285,624	201,122
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	161,270	71,856	151,286
Repurchase agreements collateralized by bonds	<u>231,565</u>	<u>41,022</u>	<u>28,026</u>
	<u>\$ 667,286</u>	<u>\$ 398,844</u>	<u>\$ 380,766</u>

The market rate intervals of cash equivalents were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits with original maturities of 3 months or less	0.65%-1.54%	0.9%-1.45%	1.15%-4.38%
Repurchase agreements collateralized by bonds	1.4%	1.4%	1.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets mandatorily classified as at FVTPL - current</u>			
Non-derivative financial assets			
Domestic listed shares	<u>\$ 45,675</u>	<u>\$ 87,025</u>	<u>\$ 83,695</u>

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 92,553	\$ 138,281	\$ 125,283
Current portion of bonds (b)	<u>5,980</u>	<u>144,245</u>	<u>139,501</u>
	<u>\$ 98,533</u>	<u>\$ 282,526</u>	<u>\$ 264,784</u>

Non-current

Time deposits with original maturities of more than 1 year (a)	\$ 85,594	\$ 89,821	\$ 90,268
Bonds (b)	<u>1,049,426</u>	<u>968,475</u>	<u>942,248</u>
	<u>\$ 1,135,020</u>	<u>\$ 1,058,296</u>	<u>\$ 1,032,516</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits with original maturities of more than 3 months	1.25%-1.675%	1.25%-1.75%	1.6%-1.75%
Time deposits with original maturities of more than 1 year	3.1%	3.1%	3.1%

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

September 30, 2025

Current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
August 2025	US\$ 200,000	1.375%	4.0018%

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
January 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%
	NT\$ 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%
	NT\$ 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%

September 30, 2024

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
January to September 2024	US\$ 9,100,000	5.033%-6.45%	5.17%-5.8%
	NT\$ 200,000,000	3.7%	3.7%
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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Notes receivable from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 23,036	\$ 25,306	\$ 18,862
Less: Allowance for impairment loss	_____ -	_____ -	_____ -
	<u>\$ 23,036</u>	<u>\$ 25,306</u>	<u>\$ 18,862</u>
<u>Trade receivables from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 690,542	\$ 706,652	\$ 663,305
Less: Allowance for impairment loss	<u>(23,620)</u>	<u>(23,882)</u>	<u>(23,872)</u>
	<u>\$ 666,922</u>	<u>\$ 682,770</u>	<u>\$ 639,433</u>

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:

September 30, 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	\$ 703,246	\$ 7,435	\$ -	\$ 2,897	\$ -	\$ -	\$ 713,578
Loss allowance (Lifetime ECLs)	<u>(22,669)</u>	<u>(372)</u>	<u>-</u>	<u>(579)</u>	<u>-</u>	<u>-</u>	<u>(23,620)</u>
Amortized cost	<u>\$ 680,577</u>	<u>\$ 7,063</u>	<u>\$ -</u>	<u>\$ 2,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 689,958</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>

September 30, 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	\$ 681,100	\$ 1,064	\$ -	\$ 1	\$ 2	\$ -	\$ 682,167
Loss allowance (Lifetime ECLs)	<u>(23,818)</u>	<u>(53)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(23,872)</u>
Amortized cost	<u>\$ 657,282</u>	<u>\$ 1,011</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 658,295</u>

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

	For the Nine Months Ended September 30	
	2025	2024
Balance on January 1	\$ 23,882	\$ 22,806
Add: Transfers from delinquent receivables	-	1,001
Add: Foreign exchange differences	<u>(262)</u>	<u>65</u>
Balance on September 30	<u>\$ 23,620</u>	<u>\$ 23,872</u>

10. INVENTORIES

	September 30, 2025	December 31, 2024	September 30, 2024
Finished goods	\$ 222,913	\$ 190,755	\$ 204,787
Semi-finished goods	109,001	114,927	95,453
Work in progress	146,559	147,014	125,922
Raw materials	171,188	173,097	202,994
Inventory in transit	<u>111</u>	<u>16,454</u>	<u>13,889</u>
	<u><u>\$ 649,772</u></u>	<u><u>\$ 642,247</u></u>	<u><u>\$ 643,045</u></u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Cost of inventories sold	\$ 803,372	\$ 771,196	\$ 2,372,304	\$ 2,204,583
Inventory write-downs (reversed)	<u>(4,021)</u>	<u>(4,617)</u>	<u>8,492</u>	<u>2,060</u>
	<u><u>\$ 799,351</u></u>	<u><u>\$ 766,579</u></u>	<u><u>\$ 2,380,796</u></u>	<u><u>\$ 2,206,643</u></u>

The reversal of inventory write-downs is due to the removal of the inventory that was previously recognized as inventory write-downs.

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			September 30, 2025	December 31, 2024	September 30, 2024
Prosperity Dielectrics Co., Ltd.	PDC Prime Holdings Limited	Investment holding	100	100	100
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

The above-mentioned subsidiaries included in the consolidated financial statements have been reviewed for the nine months ended September 30, 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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Non-current</u>			
Domestic investments - listed shares	\$ 1,781,080	\$ 1,427,107	\$ 1,699,483
Domestic investments - unlisted shares	<u>353,969</u>	<u>274,947</u>	<u>326,468</u>
	<u>\$ 2,135,049</u>	<u>\$ 1,702,054</u>	<u>\$ 2,025,951</u>

Investments in Equity Instruments at FVTOCI

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Non-current</u>			
Domestic investments - listed shares			
Walton Advanced Engineering Inc.	\$ 574,480	\$ 445,222	\$ 556,926
Walsin Lihwa Corporation	307,818	260,453	384,636
HannStar Board Corporation	477,160	277,431	294,753
Fubon Financial Holding Co., Ltd.			
Preferred Shares C	27,000	26,600	26,150
Hotai Finance Co., Ltd.			
Preferred Shares B	98,600	96,400	95,400
O-Bank Co., Ltd.			
Preferred Shares B	59,500	59,500	58,000
TXC Corporation	236,522	261,501	283,618
Domestic investments - unlisted shares			
Chin-Xin Investment Co., Ltd.	150,919	100,317	137,779
Hwa Bao Botanic Conservation Corp.	<u>203,050</u>	<u>174,630</u>	<u>188,689</u>
	<u>\$ 2,135,049</u>	<u>\$ 1,702,054</u>	<u>\$ 2,025,951</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

Investments in Associates

	September 30, 2025	December 31, 2024	September 30, 2024
Chongqing Shuohong Investment Co., Ltd.	\$ 469,233	\$ 513,077	\$ 561,816
Chongqing Xincheng Electronics Co., Ltd.	37,396	39,355	39,872
GHPW Enterprise Corporation (HK) Limited	58,902	62,838	63,374
Tsai Yi Corporation	104,365	94,052	97,817
Joyin Co., Ltd.	350,065	377,977	380,242
Hannstar Board New Energy Co., Ltd.	2,070	2,255	2,298
PSA Japan Investment G.K.	<u>137,486</u>	<u>141,759</u>	<u>138,180</u>
	<u><u>\$ 1,159,517</u></u>	<u><u>\$ 1,231,313</u></u>	<u><u>\$ 1,283,599</u></u>

Share of profit (loss) of associates for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 was summarized as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Chongqing Shuohong Investment Co., Ltd.	\$ (7,604)	\$ (4,462)	\$ (20,052)	\$ (4,287)
Chongqing Xincheng Electronics Co., Ltd.	(53)	(229)	(108)	(321)
GHPW Enterprise Corporation (HK) Limited	(421)	(185)	(987)	(598)
Tsai Yi Corporation	4,818	(996)	2,834	(314)
Joyin Co., Ltd.	(3,938)	(5,032)	(21,485)	(15,150)
Hannstar Board New Energy Co., Ltd.	(30)	(42)	(185)	(149)
PSA Japan Investment G.K.	<u>6,065</u>	<u>(12,526)</u>	<u>(1,729)</u>	<u>(6,435)</u>
	<u><u>\$ (1,163)</u></u>	<u><u>\$ (23,472)</u></u>	<u><u>\$ (41,712)</u></u>	<u><u>\$ (27,254)</u></u>

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

	September 30, 2025	December 31, 2024	September 30, 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%	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 associates accounted for using the equity method for the nine months ended September 30, 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 on January 1, 2024	\$ 451,115	\$ 1,109,697	\$ 2,844,163	\$ 52,043	\$ 227,324	\$ 70,779	\$ 4,755,121
Additions	-	-	4,038	-	120	50,598	54,756
Disposals	-	(2,059)	(9,793)	(1,785)	(1,907)	-	(15,544)
Effects of foreign currency exchange differences	-	8,084	6,144	29	1,244	-	15,501
Reclassifications	-	7,633	10,286	2,676	3,597	(18,181)	6,011
Balance on September 30, 2024	<u>\$ 451,115</u>	<u>\$ 1,123,355</u>	<u>\$ 2,854,838</u>	<u>\$ 52,963</u>	<u>\$ 230,378</u>	<u>\$ 103,196</u>	<u>\$ 4,815,845</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2024	\$ -	\$ 828,735	\$ 1,923,755	\$ 37,574	\$ 195,620	\$ -	\$ 2,985,684
Depreciation expenses	-	56,018	218,178	3,817	9,804	-	287,817
Disposals	-	(1,970)	(9,774)	(1,785)	(1,907)	-	(15,436)
Effects of foreign currency exchange differences	-	7,344	6,128	29	1,236	-	14,737
Reclassifications	-	6,011	-	-	1,331	-	7,342
Balance on September 30, 2024	<u>\$ -</u>	<u>\$ 896,138</u>	<u>\$ 2,138,287</u>	<u>\$ 39,635</u>	<u>\$ 206,084</u>	<u>\$ -</u>	<u>\$ 3,280,144</u>
Carrying amount on September 30, 2024	<u>\$ 451,115</u>	<u>\$ 227,217</u>	<u>\$ 716,551</u>	<u>\$ 13,328</u>	<u>\$ 24,294</u>	<u>\$ 103,196</u>	<u>\$ 1,535,701</u>
<u>Cost</u>							
Balance on January 1, 2025	\$ 451,115	\$ 1,119,463	\$ 2,850,848	\$ 52,700	\$ 229,584	\$ 114,536	\$ 4,818,246
Additions	-	-	1,671	-	24	34,346	36,041
Disposals	-	(349)	(9,768)	(39)	(1,705)	-	(11,861)
Effects of foreign currency exchange differences	-	(9,453)	(7,182)	(32)	(1,381)	-	(18,048)
Reclassifications	-	6,636	2,519	-	1,127	(4,271)	6,011
Balance on September 30, 2025	<u>\$ 451,115</u>	<u>\$ 1,116,297</u>	<u>\$ 2,838,088</u>	<u>\$ 52,629</u>	<u>\$ 227,649</u>	<u>\$ 144,611</u>	<u>\$ 4,830,389</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2025	\$ -	\$ 910,327	\$ 2,201,298	\$ 40,341	\$ 208,737	\$ -	\$ 3,360,703
Depreciation expenses	-	52,270	197,123	3,791	7,060	-	260,244
Disposals	-	(349)	(9,730)	(39)	(1,705)	-	(11,823)
Impairment loss	-	9,486	-	-	-	-	9,486
Effects of foreign currency exchange differences	-	(8,997)	(7,174)	(33)	(1,372)	-	(17,576)
Reclassifications	-	6,011	-	-	1,323	-	7,334
Balance on September 30, 2025	<u>\$ -</u>	<u>\$ 968,748</u>	<u>\$ 2,381,517</u>	<u>\$ 44,060</u>	<u>\$ 214,043</u>	<u>\$ -</u>	<u>\$ 3,608,368</u>
Carrying amount on September 30, 2025	<u>\$ 451,115</u>	<u>\$ 147,549</u>	<u>\$ 456,571</u>	<u>\$ 8,569</u>	<u>\$ 13,606</u>	<u>\$ 144,611</u>	<u>\$ 1,222,021</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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Carrying amount</u>			
Land	\$ 61,162	\$ 101,819	\$ 107,030
Buildings	11,725	17,189	19,011
Transportation equipment	<u>217</u>	<u>719</u>	<u>901</u>
	<u><u>\$ 73,104</u></u>	<u><u>\$ 119,727</u></u>	<u><u>\$ 126,942</u></u>
<u>For the Three Months Ended</u>			
	September 30	September 30	September 30
	2025	2024	2025
Additions to right-of-use assets			
Land	<u>\$ -</u>	<u>\$ 227</u>	<u>\$ 1,172</u>
Disposals of right-of-use assets			
Land	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,643</u>
Transportation equipment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 24,774</u></u>
Depreciation charge for right-of-use assets			
Land	<u>\$ 5,873</u>	<u>\$ 5,173</u>	<u>\$ 16,820</u>
Buildings	<u>1,736</u>	<u>1,735</u>	<u>5,206</u>
Transportation equipment	<u>52</u>	<u>52</u>	<u>155</u>
	<u><u>\$ 7,661</u></u>	<u><u>\$ 6,960</u></u>	<u><u>\$ 22,181</u></u>

Except for the recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the nine months ended September 30, 2025 and 2024.

b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Carrying amount</u>			
Current	\$ 31,242	\$ 29,751	\$ 29,501
Non-current	\$ 35,835	\$ 92,628	\$ 100,169

The discount rates of lease liabilities were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Land	1%	1%	1%
Buildings	1%	1%	1%
Transportation equipment	1%	1%	1%

16. BORROWINGS

a. Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured borrowings			
Line of credit borrowings	\$ _____	\$ _____	\$ 164,445
Interest rate	-	-	0%-1.89%

b. Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
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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	\$ -	\$ -	\$ 24,979
2020.04.09-2024.12.15	-	-	12,490
2020.07.09-2025.06.15	-	19,971	29,938
2020.08.07-2025.06.15	-	24,964	37,422
2021.11.09-2025.06.15	-	14,978	22,453

(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
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	\$ -	\$ -	\$ 8,321
2020.04.29-2024.12.10	- -	- -	8,321
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	19,767
Add: Current portion of deferred revenue	- -	92	253
Less: Current portion	<u>- -</u>	<u>(67,917)</u>	<u>(163,944)</u>
	<u><u>\$ - -</u></u>	<u><u>\$ - -</u></u>	<u><u>\$ - -</u></u>
Interest rate	- -	1.325%-1.375%	1.325%-1.475% (Concluded)

17. OTHER LIABILITIES

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Other payables</u>			
Payables for accrued expense	\$ 343,837	\$ 338,536	\$ 303,137
Payables for purchases of equipment	14,994	38,192	34,440
Payables for annual leave (Note 18)	2,950	2,651	2,097
Payables for remuneration of directors and employee bonuses	16,339	23,174	18,608
Payables for dividends	<u>500</u>	<u>500</u>	<u>500</u>
	<u><u>\$ 378,620</u></u>	<u><u>\$ 403,053</u></u>	<u><u>\$ 358,782</u></u>

18. PROVISIONS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Employee benefits (presented in other payables)	<u><u>\$ 2,950</u></u>	<u><u>\$ 2,651</u></u>	<u><u>\$ 2,097</u></u>

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

19. EQUITY

a. Share capital

Common shares

	September 30, 2025	December 31, 2024	September 30, 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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)</u>			
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
<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>\$ 497,252</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 the years ended December 31, 2024 and 2023 which were approved in the shareholders' meetings on June 17, 2025 and 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

d. Other equity items

The movements of other equity items were as follows:

	For the Nine Months Ended September 30, 2025		
	Exchange	Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at FVTOCI
Balance on January 1	\$ 9,583	\$ 388,589	\$ 398,172
Exchange differences on the translation of the net assets of foreign operations	(77,572)	-	(77,572)
Unrealized valuation gain on investments in equity instruments at FVTOCI	-	416,420	416,420
Share from associates accounted for using the equity method	<u>(7,459)</u>	<u>9,251</u>	<u>1,792</u>
Balance on September 30	<u>\$ (75,448)</u>	<u>\$ 814,260</u>	<u>\$ 738,812</u>

For the Nine Months Ended September 30, 2024

	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at FVTOCI	Total
Balance on January 1	\$ (66,031)	\$ 768,962	\$ 702,931
Exchange differences on the translation of the net assets of foreign operations	68,999	-	68,999
Unrealized valuation loss on investments in equity instruments at FVTOCI	-	(35,236)	(35,236)
Share from associates accounted for using the equity method	<u>5,926</u>	<u>(16,322)</u>	<u>(10,396)</u>
Balance on September 30	<u><u>\$ 8,894</u></u>	<u><u>\$ 717,404</u></u>	<u><u>\$ 726,298</u></u>

e. Treasury shares

1) Movements of the treasury shares for the nine months ended September 30, 2025 and 2024 were as follows:

Unit: In Thousands of Shares

Purpose of Buy-back	For the Nine Months Ended September 30, 2025		
	Number of Shares at January 1, 2025	Increase During the Period	Decrease During the Period
Shares transferred to employees	<u>800</u>	<u>-</u>	<u>-</u>

Purpose of Buy-back	For the Nine Months Ended September 30, 2024		
	Number of Shares at January 1, 2024	Increase During the Period	Decrease During the Period
Shares transferred to employees	<u>800</u>	<u>-</u>	<u>-</u>

2) As of September 30, 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 nine months ended September 30, 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 September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Asia	\$ 964,589	\$ 881,939	\$ 2,811,283	\$ 2,547,941
America	55,654	50,398	181,611	138,682
Europe	37,560	43,105	119,337	132,689
Other	32	-	32	-
	<u>\$ 1,057,835</u>	<u>\$ 975,442</u>	<u>\$ 3,112,263</u>	<u>\$ 2,819,312</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 September 30					
	2025		2024			
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits						
Salaries and wages	\$ 103,910	\$ 40,123	\$ 144,033	\$ 94,428	\$ 37,351	\$ 131,779
Labor/health insurance	10,520	2,815	13,335	10,551	3,017	13,568
Pension	3,555	1,023	4,578	3,588	1,087	4,675
Other employee benefits	6,742	1,347	8,089	7,511	1,582	9,093
Depreciation	86,146	3,778	89,924	97,083	4,528	101,611
Amortization	680	493	1,173	1,410	752	2,162

For the Nine Months Ended September 30					
2025			2024		
Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits					
Salaries and wages	\$ 298,801	\$ 115,590	\$ 414,391	\$ 276,662	\$ 108,139
Labor/health insurance	32,475	8,939	41,414	31,573	8,750
Pension	10,632	3,267	13,899	10,938	3,307
Other employee benefits	21,815	4,722	26,537	22,384	4,913
Depreciation	270,863	11,562	282,425	294,459	13,468
Amortization	2,526	1,581	4,107	3,835	2,258
					6,093

The number of employees of the Group as of September 30, 2025 and 2024 was 727 and 734, 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.

In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolve the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of 50% of the compensation of employees as compensation distributions for non-executive employees.

The estimated compensation of employees (include non-executive employees) and remuneration of directors for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024

Accrual rate

Compensation of employees	2.5%	2.5%	2.5%	2.5%
Remuneration of directors	1%	1%	1%	1%

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024

Amount

Compensation of employees	\$ 5,763	\$ 3,430	\$ 11,671	\$ 13,262
Remuneration of directors	\$ 2,313	\$ 1,378	\$ 4,668	\$ 5,305

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	16,530	-	14,546	-
Remuneration of directors				
Amounts approved in the board of directors' meeting	6,621	-	5,835	-
Actual amounts paid	6,621	-	5,835	-

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. Income tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	Current tax			
In respect of the current year	\$ 51,913	\$ 42,431	\$ 88,764	\$ 114,601
Repatriation of earnings	-	(17,949)	-	(17,346)
Income tax on unappropriated earnings	-	-	11,546	10,180
In respect of the prior year	<u>828</u>	<u>-</u>	<u>457</u>	<u>(1,491)</u>
Income tax expense recognized in profit or loss	<u>\$ 52,741</u>	<u>\$ 24,482</u>	<u>\$ 100,767</u>	<u>\$ 105,944</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 nine months ended September 30, 2025 and 2024 are as follows:

<u>For the Nine Months Ended September 30, 2025</u>			
	Amount (In Thousands)	Number of Shares	Earnings Per Share (In Dollars)
	After Income Tax	After Income Tax	
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 362,886	171,200,000	<u>\$ 2.12</u>
Effect of potentially dilutive common shares - employee share options	-	<u>304,257</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 362,886</u>	<u>171,504,257</u>	<u>\$ 2.12</u>
<u>For the Three Months Ended September 30, 2025</u>			
	Amount (In Thousands)	Number of Shares	Earnings Per Share (In Dollars)
	After Income Tax	After Income Tax	
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 202,660	171,200,000	<u>\$ 1.18</u>
Effect of potentially dilutive common shares - employee share options	-	<u>221,035</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 202,660</u>	<u>171,421,035</u>	<u>\$ 1.18</u>
<u>For the Nine Months Ended September 30, 2024</u>			
	Amount (In Thousands)	Number of Shares	Earnings Per Share (In Dollars)
	After Income Tax	After Income Tax	
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 393,570	171,200,000	<u>\$ 2.30</u>
Effect of potentially dilutive common shares - employee share options	-	<u>346,298</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 393,570</u>	<u>171,546,298</u>	<u>\$ 2.29</u>

For the Three Months Ended September 30, 2024			
Amount (In Thousands)	Number of Shares	Earnings Per Share (In Dollars)	
After Income Tax	After Income Tax		
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 89,425	171,200,000	<u>\$ 0.52</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>276,288</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 89,425</u>	<u>171,476,288</u>	<u>\$ 0.52</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation 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 September 30, 2025, December 31, 2024 and September 30, 2024.

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

September 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	<u>\$ 45,675</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 45,675</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	<u>\$ 1,781,080</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 1,781,080</u>
Domestic unlisted shares	<u>_____ -</u>	<u>_____ -</u>	<u>353,969</u>	<u>353,969</u>
	<u><u>\$ 1,781,080</u></u>	<u><u>\$ _____</u></u>	<u><u>\$ 353,969</u></u>	<u><u>\$ 2,135,049</u></u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	<u>\$ 87,025</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 87,025</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	<u>\$ 1,427,107</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 1,427,107</u>
Domestic unlisted shares	<u>_____ -</u>	<u>_____ -</u>	<u>274,947</u>	<u>274,947</u>
	<u><u>\$ 1,427,107</u></u>	<u><u>\$ _____</u></u>	<u><u>\$ 274,947</u></u>	<u><u>\$ 1,702,054</u></u>

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	<u>\$ 83,695</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 83,695</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	<u>\$ 1,699,483</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 1,699,483</u>
Domestic unlisted shares	<u>_____ -</u>	<u>_____ -</u>	<u>326,468</u>	<u>326,468</u>
	<u><u>\$ 1,699,483</u></u>	<u><u>\$ _____</u></u>	<u><u>\$ 326,468</u></u>	<u><u>\$ 2,025,951</u></u>

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 45,675	\$ 87,025	\$ 83,695
Financial assets at amortized cost (Note 1)	2,974,112	2,720,502	2,663,108
Financial assets at FVTOCI			
Investments in equity instruments	2,135,049	1,702,054	2,025,951
<u>Financial liabilities</u>			
Amortized cost (Note 2)	796,767	861,782	1,073,949

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 Nine Months Ended September 30		For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024	2025	2024
Profit or loss	\$ 41,155	\$ 41,381	\$ 15,685	\$ 15,130	\$ -	\$ -
Equity	1,767	1,901	15,199	18,051	4,125	4,145

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:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
Financial liabilities	\$ 67,077	\$ 122,379	\$ 129,670
Cash flow interest rate risk			
Financial assets	570,982	340,980	394,863
Financial liabilities	-	67,917	328,389

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 nine months ended September 30, 2025 and 2024 would have resulted in cash outflows of \$4,282 thousand and \$499 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:

September 30, 2025

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financial liabilities</u>				
Non-interest bearing Lease liabilities	\$ 769,767 <u>31,242</u>	\$ - <u>32,862</u>	\$ - <u>2,973</u>	\$ 769,767 <u>67,077</u>
	<u>\$ 828,008</u>	<u>\$ 32,862</u>	<u>\$ 2,973</u>	<u>\$ 863,843</u>

December 31, 2024

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financial liabilities</u>				
Non-interest bearing Variable interest rate liabilities	\$ 793,865 <u>67,917</u>	\$ - <u>55,761</u>	\$ - <u>36,867</u>	\$ 793,865 <u>67,917</u>
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>

September 30, 2024

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financial liabilities</u>				
Non-interest bearing Variable interest rate liabilities	\$ 745,560 <u>328,389</u>	\$ - <u>57,587</u>	\$ - <u>42,582</u>	\$ 745,560 <u>328,389</u>
Lease liabilities	<u>29,501</u>	<u>57,587</u>	<u>42,582</u>	<u>129,670</u>
	<u>\$ 1,103,450</u>	<u>\$ 57,587</u>	<u>\$ 42,582</u>	<u>\$ 1,203,619</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. Details of transactions between the Group and other related parties are disclosed as follows.

Related Party Name	Related Party Category
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 September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 are disclosed as follows.

Related Party Category/Name	Sales of Goods			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Parent company	\$ 266,481	\$ 239,947	\$ 718,639	\$ 654,288
Sister companies				
Dongguan Walsin Technology Electronics Co., Ltd.	43,614	45,971	159,520	140,102
Others	18,401	10,643	55,548	46,246
	62,015	56,614	215,068	186,348
Other related parties	19	14	24	31
	<u>\$ 328,515</u>	<u>\$ 296,575</u>	<u>\$ 933,731</u>	<u>\$ 840,667</u>

Related Party Category/Name	Purchases of Goods			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Parent company	\$ 72,450	\$ 75,430	\$ 223,083	\$ 221,954
Sister companies				
Dongguan Walsin Technology				
Electronics Co., Ltd.	31,338	87,277	243,644	278,360
Others	6,728	9,089	34,388	21,225
	<u>38,066</u>	<u>96,366</u>	<u>278,032</u>	<u>299,585</u>
Associates	<u>10,884</u>	<u>5,589</u>	<u>36,876</u>	<u>11,264</u>
	<u><u>\$ 121,400</u></u>	<u><u>\$ 177,385</u></u>	<u><u>\$ 537,991</u></u>	<u><u>\$ 532,803</u></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.

Related Party Category/ Name	Item	Acquisition of Assets			
		For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2025	2024	2025	2024
Other related parties					
Falcon Automation Equipment Corporation	Machinery and equipment	\$ 500	\$ (340)	\$ 500	\$ 170
Disposals of Assets					
Related Party Category	Item	For the Nine Months Ended September 30, 2025		For the Nine Months Ended September 30, 2024	
		Proceeds	Gain (Loss) on Disposal	Proceeds	Gain (Loss) on Disposal
Associates	Machinery and equipment	\$ 50	\$ 12	\$ -	\$ -

Lease arrangements as lessee

Item	Related Party Category	September 30, 2025	December 31, 2024	September 30, 2024
Lease liabilities	Parent company	\$ 11,401	\$ 16,379	\$ 18,030
	Other related parties	<u>6,492</u>	<u>7,701</u>	<u>8,100</u>
		<u><u>\$ 17,893</u></u>	<u><u>\$ 24,080</u></u>	<u><u>\$ 26,130</u></u>

Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2025	2024	2025	2024
Interest expense	Parent company	\$ 30	\$ 46	\$ 102	\$ 151
	Other related parties	<u>17</u>	<u>21</u>	<u>53</u>	<u>65</u>
		<u><u>\$ 47</u></u>	<u><u>\$ 67</u></u>	<u><u>\$ 155</u></u>	<u><u>\$ 216</u></u>
Rental expense	Sister companies	\$ 58	\$ 63	\$ 180	\$ 187

Lease agreements as lessor

Lease income was summarized as follows:

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Parent company	\$ 762	\$ 742	\$ 2,247	\$ 2,314
Sister companies	23	22	66	72
Associates	13	13	39	39
Other related parties	<u>649</u>	<u>650</u>	<u>1,950</u>	<u>1,950</u>
	<u><u>\$ 1,447</u></u>	<u><u>\$ 1,427</u></u>	<u><u>\$ 4,302</u></u>	<u><u>\$ 4,375</u></u>

At the end of the period, the remaining balances were as follows:

Related Party Category/Name	Trade Receivables			Trade Payables		
	September 30, 2025	December 31, 2024	September 30, 2024	September 30, 2025	December 31, 2024	September 30, 2024
Parent company	\$ 273,358	\$ 164,621	\$ 220,777	\$ -	\$ -	\$ -
Sister companies						
Dongguan Walsin Technology Electronics Co., Ltd.	47,996	46,654	47,961	40,962	86,833	103,085
Others	<u>25,477</u>	<u>19,240</u>	<u>17,786</u>	<u>13,317</u>	<u>12,819</u>	<u>13,028</u>
	<u><u>73,473</u></u>	<u><u>65,894</u></u>	<u><u>65,747</u></u>	<u><u>54,279</u></u>	<u><u>99,652</u></u>	<u><u>116,113</u></u>
Associates	-	-	-	15,614	12,944	6,691
Other related parties	<u>20</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 346,851</u></u>	<u><u>\$ 230,515</u></u>	<u><u>\$ 286,541</u></u>	<u><u>\$ 69,893</u></u>	<u><u>\$ 112,596</u></u>	<u><u>\$ 122,804</u></u>
Related Party Category	Other Receivables			Other Payables		
	September 30, 2025	December 31, 2024	September 30, 2024	September 30, 2025	December 31, 2024	September 30, 2024
Parent company	\$ 3,288	\$ 2,247	\$ 5,079	\$ -	\$ -	\$ -
Sister companies	382	543	1,017	550	613	639
Associates	1,779	504	484	58	104	38
Other related parties	<u>550</u>	<u>162</u>	<u>4,910</u>	<u>19,448</u>	<u>12,198</u>	<u>17,024</u>
	<u><u>\$ 5,999</u></u>	<u><u>\$ 3,456</u></u>	<u><u>\$ 11,490</u></u>	<u><u>\$ 20,056</u></u>	<u><u>\$ 12,915</u></u>	<u><u>\$ 17,701</u></u>

Other receivables are the uncollected amounts from the Group's lease income, dividend income, selling of equipment, spare parts and raw materials, 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 September 30, 2025, December 31, 2024 and September 30, 2024.

Remuneration of key management personnel

Remuneration of the board of directors and other key management personnel for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 4,628	\$ 4,901	\$ 25,525	\$ 24,274
Post-employment benefits	<u>54</u>	<u>54</u>	<u>162</u>	<u>162</u>
	<u><u>\$ 4,682</u></u>	<u><u>\$ 4,955</u></u>	<u><u>\$ 25,687</u></u>	<u><u>\$ 24,436</u></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:

	September 30, 2025	December 31, 2024	September 30, 2024
Acquisition of property, plant and equipment	<u>\$ 680,773</u>	<u>\$ 83,562</u>	<u>\$ 95,954</u>

On July 31, 2025, the board of directors resolved to increase the capital expenditure budget for plant and equipment investments by approximately \$1,160,000 thousand, in view of operational expansion and long-term strategic needs. Within the aforementioned budget, on September 26, 2025, the Company entered into a construction contract with a non-related party for the development of a factory on its own land. The contract amount is \$632,000 thousand, and capital expenditures will be disbursed in stages according to the progress of construction.

b. Contingencies

As of September 30, 2025, December 31, 2024 and September 30, 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:

	September 30, 2025			December 31, 2024			September 30, 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	\$ 47,025	30.47	\$ 1,432,852	\$ 47,919	32.781	\$ 1,570,833	\$ 46,060	31.651	\$ 1,457,845
RMB	140,027	4.2795	599,246	128,216	4.4909	575,805	132,139	4.5135	596,409
Non-monetary items									
Investments accounted for using the equity method									
USD	1,933	30.47	58,902	1,917	32.781	62,838	2,002	31.651	63,374
RMB	118,385	4.2795	506,629	123,011	4.4909	552,432	133,309	4.5135	601,688
JPY	666,760	0.2062	137,486	675,364	0.2099	141,759	621,872	0.2222	138,180
<u>Financial liabilities</u>									
Monetary items									
USD	2,003	30.47	61,031	2,931	32.781	96,081	2,480	31.651	78,494
RMB	17,852	4.2795	76,398	18,995	4.4909	85,305	20,401	4.5135	92,080

For the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, foreign exchange gains (losses) were \$33,901 thousand, \$(30,726) thousand, \$(99,232) thousand and \$39,829 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) 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 period, 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 period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - 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 period 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 nine months ended September 30, 2025 and 2024:

	For the Nine Months Ended September 30, 2025		
	Adjustments		
	Taiwan Segment	China Segment	and Eliminations
Net sales	\$ 2,730,517	\$ 1,546,621	\$ (1,164,875)
Cost of sales	(2,061,898)	(1,487,937)	1,169,039
Unrealized gain on inter-affiliate accounts	(731)	-	731
Gross profit	667,888	58,684	4,895
Operating expenses	(199,035)	(22,196)	(4,881)
Profit from operations	468,853	36,488	14
Non-operating income and expenses	(13,751)	(10,186)	(17,765)
Profit before income tax	\$ 455,102	\$ 26,302	\$ (17,751)
			\$ 463,653
	For the Nine Months Ended September 30, 2024		
	Adjustments		
	Taiwan Segment	China Segment	and Eliminations
Net sales	\$ 2,483,937	\$ 1,503,976	\$ (1,168,601)
Cost of sales	(1,953,055)	(1,434,317)	1,180,729
Unrealized gain on inter-affiliate accounts	7,073	-	(7,073)
Gross profit	537,955	69,659	5,055
Operating expenses	(200,174)	(23,840)	(5,000)
Profit from operations	337,781	45,819	55
Non-operating income and expenses	171,201	7,017	(62,359)
Profit before income tax	\$ 508,982	\$ 52,836	\$ (62,304)
			\$ 499,514

b. Segment assets and liabilities

	September 30, 2025			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 432,231	\$ 235,055	\$ -	\$ 667,286
Notes and trade receivables	931,927	510,089	(405,207)	1,036,809
Inventories	630,906	44,720	(25,854)	649,772
Other current assets	<u>143,836</u>	<u>76,390</u>	<u>-</u>	<u>220,226</u>
Total current assets	<u>2,138,900</u>	<u>866,254</u>	<u>(431,061)</u>	<u>2,574,093</u>
Financial assets at FVTOCI - non-current	2,135,049	-	-	2,135,049
Investments accounted for using the equity method	1,909,652	703,016	(1,453,151)	1,159,517
Financial assets at amortized cost	756,903	378,117	-	1,135,020
Property, plant and equipment	1,215,714	6,307	-	1,222,021
Other non-current assets	<u>111,803</u>	<u>7,408</u>	<u>-</u>	<u>119,211</u>
Total assets	<u><u>\$ 8,268,021</u></u>	<u><u>\$ 1,961,102</u></u>	<u><u>\$ (1,884,212)</u></u>	<u><u>\$ 8,344,911</u></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><u>\$ 7,930,397</u></u>	<u><u>\$ 1,999,890</u></u>	<u><u>\$ (1,899,385)</u></u>	<u><u>\$ 8,030,902</u></u>

September 30, 2024

	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 159,568	\$ 221,198	\$ -	\$ 380,766
Notes and trade receivables	867,812	522,315	(445,291)	944,836
Inventories	579,366	85,235	(21,556)	643,045
Other current assets	<u>163,025</u>	<u>251,790</u>	<u>(117)</u>	<u>414,698</u>
Total current assets	<u>1,769,771</u>	<u>1,080,538</u>	<u>(466,964)</u>	<u>2,383,345</u>
Financial assets at FVTOCI - non-current	2,025,951	-	-	2,025,951
Investments accounted for using the equity method	2,023,683	803,241	(1,543,325)	1,283,599
Financial assets at amortized cost	779,865	252,651	-	1,032,516
Property, plant and equipment	1,521,790	13,911	-	1,535,701
Other non-current assets	<u>159,702</u>	<u>10,939</u>	<u>-</u>	<u>170,641</u>
Total assets	<u><u>\$ 8,280,762</u></u>	<u><u>\$ 2,161,280</u></u>	<u><u>\$ (2,010,289)</u></u>	<u><u>\$ 8,431,753</u></u>

September 30, 2025

	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 773,183	\$ 480,635	\$ (405,207)	\$ 848,611
Guarantee deposits received	7,486	8,365	-	15,851
Deferred income tax liabilities	179,076	-	-	179,076
Other non-current liabilities	<u>37,935</u>	<u>-</u>	<u>-</u>	<u>37,935</u>
Total liabilities	<u><u>\$ 997,680</u></u>	<u><u>\$ 489,000</u></u>	<u><u>\$ (405,207)</u></u>	<u><u>\$ 1,081,473</u></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><u>\$ 1,122,287</u></u>	<u><u>\$ 468,462</u></u>	<u><u>\$ (360,559)</u></u>	<u><u>\$ 1,230,190</u></u>

September 30, 2024

			Adjustments	
	Taiwan Segment	China Segment	and Eliminations	Total
Total current liabilities	\$ 969,435	\$ 591,867	\$ (445,408)	\$ 1,115,894
Guarantee deposits received	7,486	11,609	-	19,095
Deferred income tax liabilities	166,928	-	-	166,928
Other non-current liabilities	<u>107,437</u>	<u>-</u>	<u>-</u>	<u>107,437</u>
 Total liabilities	 <u>\$ 1,251,286</u>	 <u>\$ 603,476</u>	 <u>\$ (445,408)</u>	 <u>\$ 1,409,354</u>

All intercompany transactions had been eliminated upon consolidation.

TABLE 1**PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****SEPTEMBER 30, 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	September 30, 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 FVTOCI - non-current	31,915,536	\$ 574,480	6.16	\$ 574,480	
	Walsin Lihwa Corporation	The chairman of the securities issuer is the second degree of kinship of the Company	"	11,861,940	307,818	0.27	307,818	
	HannStar Board Corporation	The chairman of the securities issuer is the same as the Company's	"	5,214,865	477,160	1.07	477,160	
	Fubon Financial Holding Co., Ltd.	None	"	500,000	27,000	-	27,000	
	Preference Shares C							
	Hotai Finance Co., Ltd.	"	"	1,000,000	98,600	0.14	98,600	
	Preferred Shares B							
	TXC Corporation	"	"	2,602,000	236,522	0.76	236,522	
	O-Bank Co., Ltd.	"	"	5,000,000	59,500	0.16	59,500	
	Preferred Shares B							
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	Financial assets at FVTPL - current	35,000	45,675	-	45,675	
	<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 FVTOCI - non-current	3,500,000	150,919	0.72	150,919	
	Hwa Bao Botanic Conservation Corp.	"	"	18,000,000	203,050	10	203,050	
	<u>Bonds</u>							
	ANZ New Zealand International Ltd.	None	Financial assets at amortized cost - non-current	-	60,744	-	63,024	
	Sumitomo Mitsui Trust Bank, Limited	"	"	-	30,517	-	31,655	
	Norinchukin Bank	"	"	-	30,620	-	31,177	
	Credit Agricole S.A.	"	"	-	30,441	-	31,424	
	NBN Co Limited	"	"	-	61,782	-	63,694	
	Burlington Northern Santa Fe, LLC	"	"	-	32,047	-	32,929	
	Bristol-Myers Squibb Company	"	"	-	31,325	-	32,636	
	Macquarie Group Limited.	"	"	-	48,351	-	49,703	
	Banco Santander, S.A.	"	"	-	61,603	-	63,353	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 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	-	\$ 200,692	
	The Second Issue of 2024 for US-dollar-denominated unsecured cumulative subordinated corporate Bonds of Cathay Life Insurance Co., Ltd.	"	"	-	76,175	-	79,003	
	Hyundai Capital America	"	"	-	61,315	-	62,927	
	Volkswagen Group America Finance, LLC	"	"	-	31,983	-	32,786	
	Shinhan Card Co., Ltd.	"	Financial assets at amortized cost - current	-	5,980	-	5,964	
	<u>Bonds</u> TSMC Arizona Corp.	None	Financial assets at amortized cost - non-current	-	91,376	-	91,058	
Frontier Components Co., Limited	Amazon.com, Inc.	"	"	-	60,543	-	60,504	
	Westpac New Zealand Ltd.	"	"	-	4,703	-	4,835	
	Berkshire Hathaway Energy Company	"	"	-	66,842	-	68,642	
	Equinor ASA	"	"	-	69,059	-	70,607	

(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 NINE MONTHS ENDED SEPTEMBER 30, 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		
Prosperity Dielectrics Co., Ltd.	Frontier Components Co., Limited	Indirectly owned second-tier subsidiary	Sales	\$ (658,469)	(24)	No significant difference with third parties	-	-	Trade receivables \$ 211,346	23
	Walsin Technology Corporation	Parent company	Sales	(718,639)	(26)	"	-	-	Trade receivables 273,358	29
	Walsin Technology Corporation	Parent company	Purchases	223,083	21	"	-	-	Trade payables -	-
Frontier Components Co., Limited	Prosperity Dielectrics Co., Ltd.	Parent company	Purchases	658,469	100	"	-	-	Trade payables (211,346)	(97)
	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Sales	(504,970)	(72)	"	-	-	Trade receivables 187,290	75
	Dongguan Walsin Technology Electronics Co., Ltd.	Sister company	Sales	(159,520)	(23)	"	-	-	Trade receivables 47,996	19
Dongguan Frontier Electronics Co., Ltd.	Frontier Components Co., Limited	Parent company	Purchases	504,970	65	"	-	-	Trade payables (187,290)	(75)
	Dongguan Walsin Technology Electronics Co., Ltd.	Sister company	Purchases	208,943	27	"	-	-	Trade payables (33,869)	(14)

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 NINE MONTHS ENDED SEPTEMBER 30, 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 Trade receivables	\$ 211,346 273,358	4.41 4.38	\$ - - - -	\$ 96,685 - 70,442	\$ - - -
			Trade receivables	187,290	3.99	-		
Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary						

TABLE 4**PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES****INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(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	\$ 658,469 211,346	No significant difference with third parties " " "	21 3
1	Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	Subsidiary to subsidiary	Sales Trade receivables	504,970 187,290	" " "	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 September 30, 2025. For profit or loss items, cumulative amounts are shown as a percentage of consolidated total operating revenue for the nine months ended September 30, 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 INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 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	\$ 1,479,005	\$ 17,751	\$ 17,751	
	Tsai Yi Corporation	Taiwan	Investment holding	51,928	51,928	4,934,995	3.36	104,365	84,252	2,834	
	Hannstar Board New Energy Co., Ltd.	Taiwan	Solar power generation	2,500	2,500	250,000	5	2,070	(3,701)	(185)	
	Joyin Co., Ltd.	Taiwan	Manufacturing of electronic components	426,701	426,701	23,715,360	30.4	350,065	(57,916)	(21,485)	
PDC Prime Holdings Limited	PDC Success Investments Ltd.	Republic of Mauritius	Investment holding	387,932	387,932	12,009,000	100	605,712	(45,732)	(45,732)	
	Frontier Components Co., Limited	Hong Kong	International trade	274,260	274,260	70,036,752	100	807,753	64,947	64,947	
	Prosperity International Development (HK) Co., Ltd.	Hong Kong	Investment holding	73,158	73,158	2,401,000	100	58,926	(987)	(987)	
Prosperity International Development (HK) Co., Ltd.	GHPW Enterprise Corporation (HK) Limited	Hong Kong	Investment holding	73,128	73,128	2,400,000	10	58,902	(9,872)	(987)	
Frontier Components Co., Limited	PSA Japan Investment G.K.	Japan	Investment company	134,546	134,546	-	9	137,486	(19,205)	(1,729)	

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

Note 2: The closing exchange rate as of September 30, 2025 was used to convert the foreign currencies into New Taiwan dollars. The closing exchange rate as of September 30, 2025 were US\$ to NT\$ = 1:30.47 and JPY to NT\$ = 1:0.2062.

TABLE 6

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 investments, 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 September 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2025 (Note 3)	Accumulated Repatriation of Investment Income as of September 30, 2025
					Outward	Inward						
PDC Electronics (Suzhou) Co., Ltd.	Manufacturing of ceramic components	\$ 365,640 (US\$ 12,000,000)	Note 1	\$ 365,640 (US\$ 12,000,000)	\$ -	\$ -	\$ 365,640 (US\$ 12,000,000)	\$ (45,711)	100	\$ (45,711)	\$ 605,423	\$ 157,844 (US\$ 5,180,313)
Dongguan Frontier Electronics Co., Ltd.	Selling of electronic components	\$ 185,867 (US\$ 6,100,000)	Note 1	\$ 185,867 (US\$ 6,100,000)	-	-	\$ 185,867 (US\$ 6,100,000)	21,033	100	21,033	292,082	\$ 252,936 (US\$ 8,301,154)
Chongqing Shuohong Investment Co., Ltd.	Investment management, investment consultation services	\$ 2,268,135 (RMB 530,000,000) (Note 4)	Note 1	-	-	-	-	(98,141)	20.43	(20,052)	469,233	-
Chongqing Xincheng Electronic Co., Ltd.	Selling of electronic components, real estate investment and leasing	\$ 231,615 (RMB 54,122,000) (Note 5)	Note 1	-	-	-	-	(829)	13.04	(108)	37,396	-
GHPW Enterprise Corporation (Chongqing) Limited	Business consultations, business management, consultation services and property management	\$ 731,280 (US\$ 24,000,000)	Note 1	\$ 73,128 (US\$ 2,400,000)	-	-	\$ 73,128 (US\$ 2,400,000)	(9,678)	10	(968)	58,877	-

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 September 30, 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 nine months ended September 30, 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 September 30, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 611,214 (US\$ 20,059,533.72)	\$ 611,214 (US\$ 20,059,533.72)	(Note 2)

Note 1: The average exchange rates as of September 30, 2025 are as follows:

US\$ to NT\$ = 1:30.47
RMB to NT\$ = 1:4.2795

The average exchange rates for the nine months ended September 30, 2025 are as follows:

US\$ to NT\$ = 1:31.222
RMB to NT\$ = 1:4.3576

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".

(Continued)

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.
4. Circumstances in which investee mainland China companies 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)