

**AUDIX CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**WITH REPORT OF INDEPENDENT AUDITORS**  
**FOR THE THREE-MONTH PERIODS ENDED**  
**March 31, 2025 AND 2024**

Address: No. 8, Lane 120, Sec. 1, Neihu Rd., Taipei, Taiwan, R.O.C.  
Telephone: 886-2-8797-6688

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

# AUDIX CORPORATION AND SUBSIDIARIES

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English Translation of Auditors' Review Report Originally Issued in Chinese**Review Report of Independent Auditors**

To Audix Corporation

**Instruction**

We have reviewed the accompanying consolidated balance sheets of Audix Corporation and its subsidiaries (the "Company and its subsidiaries") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2025 and 2024, and notes to the consolidated financial statements including the summary of material accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

**Scope of Review**

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

**Basis for Qualified Conclusion**

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$2,408,013 thousand and NT \$2,500,988 thousand, constituting 25.53% and 27.43% of the consolidated total assets, and total liabilities of NT \$326,929 thousand and NT \$347,116 thousand, constituting 9.25% and 9.69% of the consolidated total liabilities as of March 31, 2025 and 2024, respectively; and total comprehensive income of NT \$59,363 thousand and NT \$1,935 thousand, constituting 21.63% and 0.68% of the consolidated total comprehensive income for the three-month periods ended March 31, 2025 and 2024, respectively. As explained in Note 6(8), the financial statements of certain associates and joint ventures accounted for under the equity method were not reviewed by independent auditors. Those associates and joint ventures under equity method amounted to NT \$42,238 thousand and NT \$39,258 thousand as of March 31, 2025 and 2024, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT \$1,210 thousand and NT \$967 thousand, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to \$0 thousand for the three-month periods ended March 31, 2025 and 2024, respectively. The information related to above subsidiaries, and associates and joint ventures accounted for under the equity method disclosed in Note 13 was also not reviewed by independent auditors.

## Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, associates and joint ventures accounted for using equity method and the information been reviewed by independent auditors described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at March 31, 2025 and 2024, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

/s/ Yu Chien-Ju

/s/ Hsu, Hsin-Min

Ernst & Young, Taiwan

May 5, 2025

### Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position and results of operations 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English translation of consolidated financial statements originally issued in Chinese  
AUDIX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
March 31, 2025, December 31, 2024 and March 31, 2024  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of					
		March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
Current assets							
Cash and cash equivalents	6(1)	\$918,047	10	\$996,940	10	\$1,425,045	16
Financial assets at fair value through profit or loss, current	6(2)	263,219	3	277,817	3	221,577	2
Financial assets at amortized cost, current	6(4)	3,445,466	37	3,431,665	36	2,030,184	22
Notes receivable, net	6(5), 6(16), 8	235,889	3	369,073	4	214,395	2
Accounts receivable, net	6(6), 6(16)	1,152,717	12	1,067,362	11	1,250,585	14
Accounts receivable due from related parties, net	6(6), 6(16), 7	42,979	-	52,248	1	49,255	1
Other receivables		217,929	2	225,413	2	178,087	2
Inventories, net	6(7)	402,044	4	474,033	5	546,854	6
Prepayments		112,729	1	97,893	1	72,980	1
Other current assets		20,591	-	23,338	-	20,246	-
Total current assets		<u>6,811,610</u>	<u>72</u>	<u>7,015,782</u>	<u>73</u>	<u>6,009,208</u>	<u>66</u>
Non-current assets							
Financial assets at fair value through profit or loss, noncurrent	6(2)	524,869	6	497,967	5	408,415	4
Financial assets at fair value through other comprehensive income, noncurrent	6(3)	93,645	1	84,742	1	104,886	1
Financial assets at amortized cost, noncurrent	6(4)	589,830	6	622,502	7	1,081,742	12
Investments accounted for under the equity method	6(8)	42,238	-	41,028	-	39,258	-
Property, plant and equipment	6(9), 8	1,269,925	14	1,282,035	13	1,363,289	15
Right-of-use assets	6(17)	58,218	1	56,151	1	62,844	1
Intangible assets	6(10)	4,282	-	5,418	-	3,684	-
Deferred tax assets		8,258	-	7,894	-	10,907	-
Refundable deposits	8	25,476	-	24,884	-	34,466	1
Net defined benefit asset, noncurrent		1,999	-	1,999	-	-	-
Other non-current assets		229	-	224	-	-	-
Total non-current assets		<u>2,618,969</u>	<u>28</u>	<u>2,624,844</u>	<u>27</u>	<u>3,109,491</u>	<u>34</u>
Total assets		<u>\$9,430,579</u>	<u>100</u>	<u>\$9,640,626</u>	<u>100</u>	<u>\$9,118,699</u>	<u>100</u>

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

English translation of consolidated financial statements originally issued in Chinese  
AUDIX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
March 31, 2025, December 31, 2024 and March 31, 2024  
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of					
		March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
Current liabilities							
Short-term loans	6(11), 8	\$1,588,729	18	\$1,546,698	16	\$1,054,759	12
Contract liabilities, current	6(15)	44,391	-	41,674	-	16,131	-
Notes payable		-	-	-	-	2,880	-
Accounts payable	7	345,636	4	400,484	4	674,698	7
Other payables	7	281,478	3	333,593	4	302,467	3
Dividends payables		422,383	4	-	-	422,383	5
Current tax liabilities		207,590	2	218,826	2	144,327	2
Current lease liabilities	6(17)	7,629	-	5,891	-	9,094	-
Long-term liabilities, current portion	6(12), 8	12,245	-	11,866	-	15,794	-
Other current liabilities		111,552	1	77,350	1	135,932	1
Total current liabilities		3,021,633	32	2,636,382	27	2,778,465	30
Non-current liabilities							
Long-term loans	6(12), 8	479,935	5	927,333	10	757,846	8
Deferred tax liabilities		24,776	-	24,709	-	25,011	-
Non-current lease liabilities	6(17)	9,308	-	9,283	-	12,134	-
Net defined benefit liability, noncurrent		-	-	-	-	6,459	-
Guarantee deposits received		-	-	-	-	3,315	-
Total non-current liabilities		514,019	5	961,325	10	804,765	8
Total liabilities		3,535,652	37	3,597,707	37	3,583,230	38
Equity attributable to the parent company							
Capital	6(14)						
Common stock		1,055,956	11	1,055,956	11	1,055,956	12
Capital surplus	6(14)	181,895	2	181,895	2	181,790	2
Retained earnings	6(14)						
Legal reserve		1,114,725	12	1,114,725	12	1,053,314	12
Special reserve		30,092	-	30,092	-	30,092	-
Unappropriated earnings		2,766,625	30	3,046,871	32	2,690,814	30
Other components of equity	6(14)						
Exchange differences on translation of foreign operations		303,902	3	189,877	2	70,998	1
Unrealized gains on financial assets measured at fair value through other comprehensive income		38,600	-	29,800	-	49,800	1
Total equity attributable to parent company		5,491,795	58	5,649,216	59	5,132,764	58
Non-controlling interests	6(14), 6(23)	403,132	5	393,703	4	402,705	4
Total equity		5,894,927	63	6,042,919	63	5,535,469	62
Total liabilities and equity		\$9,430,579	100	\$9,640,626	100	\$9,118,699	100

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

English translation of consolidated financial statements originally issued in Chinese

AUDIX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month periods ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	For the three-month periods ended March 31,			
		2025		2024	
		Amount	%	Amount	%
Operating revenues	6(15), 7				
Sales revenue		\$990,698	85	\$1,173,881	88
Service revenue		181,114	15	167,567	12
Total operating revenues		1,171,812	100	1,341,448	100
Operating costs	6(7), 6(18), 7				
Cost of sales		(784,566)	(67)	(916,319)	(68)
Cost of services		(104,351)	(9)	(103,140)	(8)
Total operating costs		(888,917)	(76)	(1,019,459)	(76)
Gross profit		282,895	24	321,989	24
Operating expenses	6(13), 6(17), 6(18), 7				
Selling and marketing expenses		(57,715)	(5)	(61,712)	(5)
General and administrative expenses		(70,566)	(6)	(81,380)	(6)
Research and development expenses		(23,136)	(2)	(24,198)	(2)
Expected credit impairment (losses) gains	6(16)	(11,458)	(1)	952	-
Total operating expenses		(162,875)	(14)	(166,338)	(13)
Net operating income		120,020	10	155,651	11
Non-operating income and expenses					
Interest income	6(19)	49,318	4	42,431	3
Other income	6(19), 7	1,997	-	2,018	-
Other gains and losses	6(19), 7	21,772	2	15,874	1
Finance costs	6(19)	(13,053)	(1)	(13,423)	(1)
Share of profit of associates and joint ventures	6(8)	1,210	-	967	-
Total non-operating income and expenses		61,244	5	47,867	3
Income before income tax		181,264	15	203,518	14
Income tax expense	6(21)	(37,969)	(3)	(49,425)	(4)
Net income		143,295	12	154,093	10
Other comprehensive income	6(20)				
Items that will not be reclassified subsequently					
Unrealized gains (losses) on equity instruments investment at fair value through other comprehensive income		8,800	1	(26,200)	(2)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		122,296	10	156,263	12
Total other comprehensive income		131,096	11	130,063	10
Total comprehensive income		\$274,391	23	\$284,156	20
Net income attributable to:					
Shareholders of the parent		\$142,137	12	\$152,443	10
Non-controlling interests		1,158	-	1,650	-
Comprehensive income attributable to:					
Shareholders of the parent		\$264,962	23	\$274,917	20
Non-controlling interests		9,429	-	9,239	-
Earnings per share-basic (in dollars)	6(22)	\$1.35		\$1.44	
Earnings per share-diluted (in dollars)	6(22)	\$1.34		\$1.44	

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

English translation of consolidated financial statements originally issued in Chinese

AUDIX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three-month periods ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Equity attributable to the parent company								Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings			Other Components of Equity		Total		
				Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income			
Balance as of January 1, 2024	6(14)	\$1,055,956	\$181,790	\$1,053,314	\$30,092	\$2,960,754	\$(77,676)	\$76,000	\$5,280,230	\$393,466	\$5,673,696
Appropriation and distribution of 2023 retained earnings											
Cash dividends		-	-	-	-	(422,383)	-	-	(422,383)	-	(422,383)
Profit for the three-month periods ended March 31, 2024		-	-	-	-	152,443	-	-	152,443	1,650	154,093
Other comprehensive income for the three-month periods ended March 31, 2024		-	-	-	-	-	148,674	(26,200)	122,474	7,589	130,063
Total comprehensive income for the three-month periods ended March 31, 2024		-	-	-	-	152,443	148,674	(26,200)	274,917	9,239	284,156
Balance as of March 31, 2024		\$1,055,956	\$181,790	\$1,053,314	\$30,092	\$2,690,814	\$70,998	\$49,800	\$5,132,764	\$402,705	\$5,535,469
Balance as of January 1, 2025	6(14)	\$1,055,956	\$181,895	\$1,114,725	\$30,092	\$3,046,871	\$189,877	\$29,800	\$5,649,216	\$393,703	\$6,042,919
Appropriation and distribution of 2024 retained earnings											
Cash dividends (Note)		-	-	-	-	(422,383)	-	-	(422,383)	-	(422,383)
Profit for the three-month periods ended March 31, 2025		-	-	-	-	142,137	-	-	142,137	1,158	143,295
Other comprehensive income for the three-month periods ended March 31, 2025		-	-	-	-	-	114,025	8,800	122,825	8,271	131,096
Total comprehensive income for the three-month periods ended March 31, 2025		-	-	-	-	142,137	114,025	8,800	264,962	9,429	274,391
Balance as of March 31, 2025		\$1,055,956	\$181,895	\$1,114,725	\$30,092	\$2,766,625	\$303,902	\$38,600	\$5,491,795	\$403,132	\$5,894,927

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

Note : The distributable dividend paid in cash has been resolved by the Board of Director on March 6, 2025.



English translation of consolidated financial statements originally issued in Chinese

AUDIX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the three-month periods ended March 31, 2025 and 2024  
(Expressed in Thousands of New Taiwan Dollars)

Description	For the three-month periods ended March 31,	
	2025	2024
Cash flows from operating activities:		
Profit before tax	\$181,264	\$203,518
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	55,000	64,932
Amortization expense	1,215	624
Expected credit impairment loss (gain)	11,458	(952)
Net gain on financial assets at fair value through profit or loss	(8,022)	(4,940)
Interest expense	13,053	13,423
Interest income	(49,318)	(42,431)
Dividend income	(67)	(11)
Share of profit of associates and joint ventures	(1,210)	(967)
(Gain) loss on disposal of property, plant and equipment	(49)	1
Gain on lease modification	(1)	(1)
Changes in operating assets and liabilities:		
Notes receivable	133,218	(46,144)
Accounts receivable	(97,101)	647,323
Accounts receivable due from related parties	9,269	8,231
Other receivable	7,484	(19,905)
Inventories	71,989	242
Prepayments	(14,836)	27,324
Other current assets	2,747	3,162
Contract liabilities	2,717	(22,858)
Notes payable	-	2,880
Accounts payable	(54,848)	(448,887)
Other payable	(51,972)	(41,560)
Other current liabilities	34,202	(880)
Net defined benefit liability	-	(3,210)
Cash generated from operations	246,192	338,914
Income taxes paid	(49,502)	(47,358)
Net cash flows provided by operating activities	196,690	291,556
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(600,073)	(199,410)
Proceeds from disposal of financial assets at amortized cost	682,769	170,319
Acquisition of financial assets at fair value through profit or loss	(92,534)	(47,867)
Proceeds from disposal of financial assets at fair value through profit or loss	94,822	36,837
Acquisition of property, plant and equipment	(26,960)	(27,516)
Proceeds from disposal of property, plant and equipment	129	-
Increase in refundable deposits	(592)	(2,302)
Interest received	49,318	42,431
Dividends received	67	11
Net cash flows provided by (used in) investing activities	106,946	(27,497)
Cash flows from financing activities:		
Increase in short-term loans	2,078,394	2,437,745
Decrease in short-term loans	(2,036,363)	(2,725,370)
Proceeds from long-term loans	3,432	403,401
Repayments of long-term loans	(450,451)	(810,437)
Cash payments for the principal portion of the lease liability	(2,664)	(2,982)
Interest paid	(13,103)	(15,845)
Net cash flows used in financing activities	(420,755)	(713,488)
Effect of exchange rate changes on cash and cash equivalents	38,226	46,604
Net decrease in cash and cash equivalents	(78,893)	(402,825)
Cash and cash equivalents at beginning of period	996,940	1,827,870
Cash and cash equivalents at end of period	\$918,047	\$1,425,045

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

English translation of notes to consolidated financial statements originally issued in Chinese

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three-month periods ended March 31, 2025 and 2024

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. History and organization

AUDIX CORPORATION (the “Company”), established on August 7, 1980, was a distributor of semiconductor, LCM, optical read head and other electronic information communication components. In December 1989, the Company expanded business in design, manufacturing and processing of precision molds and plastic injection products. After merging Audix Singapore (pte) Co., Ltd. on July 31, 1990, the Company included the distribution of electronic parts in its business profile. In 1991, the Company expanded its business in safety specification test and certification.

Since October 4, 1999, the Company had been listed on the Taipei Exchange. Since September 17, 2001, the Company has approved by the Taiwan Stock Exchange (“TWSE”) to listed on TWSE. The Company's registered address and main operating site is located at No. 8, Lane 120, Sec. 1, Neihu Rd., Taipei, Taiwan, R.O.C.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries (the Group) for the three-month periods ended March 31, 2025 and 2024 were authorized for issue by the Board of Directors on May 5, 2025.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

- (2) The Q&A related to the early application of certain amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" issued by the FSC, which has not yet been adopted by the Group as at the date when the Group's financial statements were authorized for issue.

In the Q&A, only Section 4.1 (Classification of Financial Assets) of the application guidance is allowed to early adopt from 1 January 2025. Additionally, entities must also comply with the requirements of paragraphs 20B, 20C and 20D of IFRS 7 and disclose the fact of early adoption of these amendments in the financial statements.

# AUDIX CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (3) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(c) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(i) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analysing entities’ performance and make it easier to compare entities.

(ii) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(iii) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(e) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (i) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (ii) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (iii) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (iv) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards – Volume 11

- (i) Amendments to IFRS 1
- (ii) Amendments to IFRS 7
- (iii) Amendments to Guidance on implementing IFRS 7
- (iv) Amendments to IFRS 9
- (v) Amendments to IFRS 10
- (vi) Amendments to IAS 7

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(g) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (i) Clarify the application of the ‘own-use’ requirements.
- (ii) Permit hedge accounting if these contracts are used as hedging instruments.
- (iii) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (a) and (c)~(g), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements of the Group for the three-month periods ended March 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 Interim Financial Reporting, as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NTD”) unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Except for the accounting policies listed below, the same principles of consolidation have been applied in the Company’s consolidated financial statements as those applied in the Company’s consolidated financial statements for the year ended December 31, 2024. For the principles of consolidation, please refer to the Company’s consolidated financial statements for the year ended December 31, 2024:

# AUDIX CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (a) 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 and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.
- (b) Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	TOYO KUNI ELECTRONICS CO., LTD.	Trading and agency of electronic components, etc.	100%	100%	100%	
The Company	AUDIX HI-TECH INVESTMENT CO., LTD.	Electronic component trading and investment business, etc.	100%	100%	100%	
The Company	AUDIX TECHNOLOGY CORPORATION	Safety standard test certification and electromagnetic compatibility test certification, and construction of anechoic chamber, etc.	100%	100%	100%	Note 1
TOYO KUNI ELECTRONICS CO., LTD.	AHI ELECTRONICS WAREHOUSE (SHANGHAI) CO., LTD.	Sales of electronic components, etc.	100%	100%	100%	Note 1
TOYO KUNI ELECTRONICS CO., LTD.	AHC WAREHOUSE & TRADING (SHENZHEN) CO., LTD.	Warehousing business, international trade, entrepot trade, intra-regional trade, Chund, Cheng-Hung and business market consulting, etc.	100%	100%	100%	Note 1
AUDIX HI-TECH INVESTMENT CO., LTD.	AUDIX TECHNOLOGY (XIAMEN) CO., LTD.	Manufacture and sales of transformers, coils, relays, anti-electromagnetic interference components, new electronic components, electronic special equipment and their spare parts, plastic molds and parts, etc.	100%	100%	100%	
AUDIX HI-TECH INVESTMENT CO., LTD.	AUDIX TECHNOLOGY (WUJIANG) CO., LTD.	Production of new electronic components, new instrument components and materials and parts design and processing, software product development technical consultation and technical services, etc.	100%	100%	100%	

**AUDIX CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Investor	Subsidiary	Main businesses	Percentage of ownership (%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
AUDIX HI-TECH INVESTMENT CO., LTD.	AUDIX TECHNOLOGY (SHENZHEN) CO., LTD.	Inspection and testing services, etc.	100%	100%	100%	Note 1
AUDIX HI-TECH INVESTMENT CO., LTD.	AUDIX TECHNOLOGY (SHANGHAI) CO., LTD.	Design, production, microcontroller (microcomputer) electronic control board, engaged in integrated circuit block, electronic, motor, electrical product technology design, technical consultation and service, various types of engineering construction activities (except nuclear power plant construction and operation, water supply and drainage network), electronic special equipment, electronic measuring instruments and home-made products sales, etc.	100%	100%	100%	Note 1
AUDIX TECHNOLOGY (SHENZHEN) CO., LTD.	AUDIX TESTING & MEASUREMENT CO., LTD.	Testing of electronic and electrical products and related technical consulting services, etc.	100%	100%	59.67%	Note 1/ Note 3
AUDIX TECHNOLOGY (XIAMEN) CO., LTD.	YUKA PRECISION (WUJIANG) CO., LTD.	Production of new electronic components, molds and their parts, technical consultation and technical services for software product development, etc.	50%	50%	50%	Note 1/ Note 2

Note 1: The certain insignificant subsidiaries for which the financial statements were not reviewed by independent auditors.

Note 2: Although the Group has only 50% shareholding of YUKA PRECISION (WUJIANG) CO., LTD., the Group has power over operation and financial decisions of YUKA PRECISION (WUJIANG) CO., LTD., Accordingly the Group determined that it has control over the subsidiary, YUKA PRECISION (WUJIANG) CO., LTD., and therefore the subsidiary has been incorporated in the consolidated group.

Note 3: The Group acquired 40.33% shareholding of AUDIX TESTING & MEASUREMENT CO., LTD., in July 2024, resulting in an increase in ownership from 59.67% to 100%.

The financial statements of the consolidated subsidiaries listed above had not been reviewed by independent accountants. As of March 31, 2025 and 2024, the related assets of these subsidiaries amount to \$2,408,013 thousand and \$2,500,988 thousand, respectively, and the related liabilities amount to \$326,929 thousand and \$347,116 thousand, respectively. The comprehensive income of these subsidiaries amounted to \$59,363 thousand and \$1,935 thousand for the three-month periods ended March 31, 2025 and 2024, respectively.



AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

5. Significant accounting judgements, estimates and assumptions

The same significant accounting judgments, estimates and assumptions have been applied in the Company's consolidated financial statements for the three-month periods ended March 31, 2025 as those applied in the Company's consolidated financial statements for the year ended December 31, 2024. For significant accounting judgments, estimates and assumptions, please refer to the Company's consolidated financial statements for the year ended December 31, 2024.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$1,863	\$1,831	\$1,894
Checking and savings accounts	629,797	801,137	911,083
Time deposits	286,387	193,972	512,068
Total	<u>\$918,047</u>	<u>\$996,940</u>	<u>\$1,425,045</u>

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

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Mandatorily measured at fair value through profit or loss:			
Funds	\$114,772	\$82,722	\$74,977
Preferred Stocks	148,447	145,396	146,600
Bonds	524,869	547,666	408,415
Total	<u>\$788,088</u>	<u>\$775,784</u>	<u>\$629,992</u>
Current	\$263,219	\$277,817	\$221,577
Non-current	524,869	497,967	408,415
Total	<u>\$788,088</u>	<u>\$775,784</u>	<u>\$629,992</u>

Financial assets at fair value through profit or loss were not pledged.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Investments in equity instruments designated at fair value through other comprehensive income, noncurrent:			
Unlisted company's stocks	\$93,645	\$84,742	\$104,886

Financial assets at fair value through other comprehensive income were not pledged.

(4) Financial assets at amortized cost

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits with original maturity exceeding 3 months	\$4,035,296	\$4,054,167	\$3,111,926
Current	\$3,445,466	\$3,431,665	\$2,030,184
Non-current	589,830	622,502	1,081,742
Total	\$4,035,296	\$4,054,167	\$3,111,926

The Group's financial assets at amortized cost are not pledged. Please refer to Note 6(16) for more details on loss allowance and Note 12 for more details on credit risk.

(5) Notes receivable, net

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable arising from operating activities	\$235,897	\$369,115	\$214,432
Less: loss allowance	(8)	(42)	(37)
Total	\$235,889	\$369,073	\$214,395

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had discounted notes receivable with recourse rights in amount of \$76,858 thousand, \$259,530 thousand and \$21,840 thousand, respectively. Please refer to Note 6 (11) for more information on loans.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(16) for more details on loss allowance and Note 12 for more details on credit risk.

(6) Accounts receivable and accounts receivable due from related parties, net

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	\$1,170,349	\$1,073,248	\$1,264,729
Less: loss allowance	(17,632)	(5,886)	(14,144)
Subtotal	1,152,717	1,067,362	1,250,585
Accounts receivable due from related parties	42,979	52,248	49,255
Total	<u>\$1,195,696</u>	<u>\$1,119,610</u>	<u>\$1,299,840</u>

Accounts receivable were not pledged.

Accounts receivables are generally on 30-150 day terms. The total carrying amount as of March 31, 2025, December 31, 2024 and March 31, 2024 was \$1,213,328 thousand, \$1,125,496 thousand and \$1,313,984 thousand, respectively. Please refer to Note 6(16) for more details on loss allowance of accounts receivable for the three-month periods ended March 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk.

(7) Inventories

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise	\$122,025	\$121,666	\$126,424
Raw materials	48,166	61,818	80,021
Work in process	131,032	154,051	182,545
Finished goods	100,821	136,498	157,864
Total	<u>\$402,044</u>	<u>\$474,033</u>	<u>\$546,854</u>

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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The cost of inventories recognized in expenses amounted to \$784,566 thousand and \$916,319 thousand for the three-month periods ended March 31, 2025 and 2024, respectively, including the (gains) and losses of write-down of inventories \$(2,638) thousand and \$1,564 thousand, respectively; loss on inventory scrapping amounted to \$2,176 thousand and \$834 thousand, respectively.

The Group recognized gain of writes-down of inventories for the three-month periods ended March 31, 2025 as the slow-moving inventory had been gradually consumed, resulting in the reversal gains of the write-down of inventories.

The inventories were not pledged.

(8) Investments accounted for under the equity method

The following table lists the investments accounted for under the equity method of the Group:

Investee companies	As of					
	March 31, 2025		December 31, 2024		March 31, 2024	
	Carrying amount	% of ownership	Carrying amount	% of ownership	Carrying amount	% of ownership
<u>Associate:</u>						
WAVEGIS						
TECHNOLOGY						
CO., LTD.	<u>\$42,238</u>	38.16	<u>\$41,028</u>	38.16	<u>\$39,258</u>	38.16

The Group's investments in this associate are not individually material and the aggregate financial information is as follows:

	For the three-month periods ended March 31,	
	2025	2024
Income from continuing operations	<u>\$1,210</u>	<u>\$967</u>
Total comprehensive income	<u>\$1,210</u>	<u>\$967</u>

None of the aforementioned investments in associate were pledged, or with contingent liabilities or with capital commitments.

**AUDIX CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**(9) Property, plant and equipment**

		Buildings and	Machinery and	Office	Transportation	Other	Construction in progress and equipment awaiting inspection	Total
	Land	structures	equipment	equipment	equipment	Equipment		
<b>Cost:</b>								
As of January 1, 2025	\$282,503	\$1,744,216	\$1,923,800	\$31,207	\$55,853	\$1,045,968	\$5,985	\$5,089,532
Additions	-	2,838	548	230	-	2,089	21,255	26,960
Disposals	-	(1,068)	(13,611)	(176)	(1,108)	(6,582)	-	(22,545)
Reclassification	-	1,143	31	(64)	-	2,716	(3,826)	-
Effect of exchange rate changes	-	27,022	31,720	319	648	21,724	96	81,529
As of March 31, 2025	<u>\$282,503</u>	<u>\$1,774,151</u>	<u>\$1,942,488</u>	<u>\$31,516</u>	<u>\$55,393</u>	<u>\$1,065,915</u>	<u>\$23,510</u>	<u>\$5,175,476</u>
<b>Cost:</b>								
As of January 1, 2024	\$282,503	\$1,705,179	\$1,865,743	\$40,711	\$55,227	\$973,176	\$11,176	\$4,933,715
Additions	-	207	6,204	-	1,379	3,553	16,173	27,516
Disposals	-	-	(182)	(4,163)	(4,521)	(16)	-	(8,882)
Reclassification	-	207	2,227	-	-	2,002	(4,436)	-
Effect of exchange rate changes	-	23,270	27,978	286	596	18,643	208	70,981
As of March 31, 2024	<u>\$282,503</u>	<u>\$1,728,863</u>	<u>\$1,901,970</u>	<u>\$36,834</u>	<u>\$52,681</u>	<u>\$997,358</u>	<u>\$23,121</u>	<u>\$5,023,330</u>
<b>Accumulated depreciation and impairment:</b>								
As of January 1, 2025	\$-	\$1,130,749	\$1,667,152	\$28,436	\$44,545	\$936,615	\$-	\$3,807,497
Depreciation	-	8,675	21,244	339	1,327	20,291	-	51,876
Disposals	-	(1,068)	(13,609)	(171)	(1,050)	(6,567)	-	(22,465)
Effect of exchange rate changes	-	20,531	27,537	283	583	19,709	-	68,643
As of March 31, 2025	<u>\$-</u>	<u>\$1,158,887</u>	<u>\$1,702,324</u>	<u>\$28,887</u>	<u>\$45,405</u>	<u>\$970,048</u>	<u>\$-</u>	<u>\$3,905,551</u>
<b>Accumulated depreciation and impairment:</b>								
As of January 1, 2024	\$-	\$1,074,062	\$1,555,883	\$37,210	\$42,291	\$839,710	\$-	\$3,549,156
Depreciation	-	8,757	22,459	343	1,482	28,542	-	61,583
Disposals	-	-	(182)	(4,162)	(4,521)	(16)	-	(8,881)
Effect of exchange rate changes	-	17,651	23,395	250	507	16,380	-	58,183
As of March 31, 2024	<u>\$-</u>	<u>\$1,100,470</u>	<u>\$1,601,555</u>	<u>\$33,641</u>	<u>\$39,759</u>	<u>\$884,616</u>	<u>\$-</u>	<u>\$3,660,041</u>
<b>Net carrying amount as of:</b>								
March 31, 2025	<u>\$282,503</u>	<u>\$615,264</u>	<u>\$240,164</u>	<u>\$2,629</u>	<u>\$9,988</u>	<u>\$95,867</u>	<u>\$23,510</u>	<u>\$1,269,925</u>
December 31, 2024	<u>\$282,503</u>	<u>\$613,467</u>	<u>\$256,648</u>	<u>\$2,771</u>	<u>\$11,308</u>	<u>\$109,353</u>	<u>\$5,985</u>	<u>\$1,282,035</u>
March 31, 2024	<u>\$282,503</u>	<u>\$628,393</u>	<u>\$300,415</u>	<u>\$3,193</u>	<u>\$12,922</u>	<u>\$112,742</u>	<u>\$23,121</u>	<u>\$1,363,289</u>

Please refer to Note 8 for more details on property, plant and equipment under pledge.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(10) Intangible assets

	Computer software
Cost:	
As of January 1, 2025	\$73,681
Additions - acquired separately	-
Disposals	-
Effect of exchange rate changes	725
As of March 31, 2025	<u>\$74,406</u>
As of January 1, 2024	\$68,391
Additions- acquired separately	-
Disposals	-
Effect of exchange rate changes	553
As of March 31, 2024	<u>\$68,944</u>
Amortization and impairments:	
As of January 1, 2025	\$68,263
Amortization	1,215
Disposals	-
Effect of exchange rate changes	646
As of March 31, 2025	<u>\$70,124</u>
As of January 1, 2024	\$64,115
Amortization	624
Disposals	-
Effect of exchange rate changes	521
As of March 31, 2024	<u>\$65,260</u>
Net carrying amount as of:	
March 31, 2025	<u>\$4,282</u>
December 31, 2024	<u>\$5,418</u>
March 31, 2024	<u>\$3,684</u>

Amortization expense of intangible assets were stated as follows:

	For the three-month periods ended March 31,	
	2025	2024
Operating expenses	<u>\$1,215</u>	<u>\$624</u>

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(11) Short-term loans

	Interest rates (%)	As of		
		March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable discounted	CNY0.85%~1.67%	\$76,858	\$259,530	\$21,840
Unsecured bank loans	JPY1.1725%	-	-	30,730
	USD4.57801%~6.34125%	261,871	437,168	332,189
	NTD1.68%~1.93%	1,170,000	850,000	650,000
Secured bank loans	NTD1.85%~1.91%	80,000	-	20,000
Total		<u>\$1,588,729</u>	<u>\$1,546,698</u>	<u>\$1,054,759</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's unused credit lines (including long-term and short-term) were \$6,232,206 thousand, \$5,951,574 thousand and \$5,998,548 thousand, respectively.

Please refer to Note 8 for more details on assets pledged as security for secured short-term loans.

(12) Long-term loans

Details of loan-term loans as of March 31, 2025, December 31, 2024 and March 31, 2024 were as follows:

Creditor	As of		Repayment
	March 31, 2025	Interest Rate (%)	
Hua Nan Commercial Bank– Secured loan	\$400,000	1.895%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Industrial Bank Co., Ltd.– Unsecured loan	889	3.60% (Note 1)	Repayable from August 17, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	7,772	3.60% (Note 1)	Repayable from August 30, 2023 to July 5, 2026 in 6 installments every 6 months with interest paid quarterly.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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Creditor	As of March 31, 2025	Interest Rate (%)	Repayment
Industrial Bank Co., Ltd.— Unsecured loan	234	3.60% (Note 1)	Repayable from August 30, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	234	3.60% (Note 1)	Repayable from September 26, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	19,204	3.60% (Note 1)	Repayable from September 27, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	836	3.60% (Note 1)	Repayable from October 27, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	300	3.60% (Note 1)	Repayable from November 29, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	518	3.60% (Note 1)	Repayable from December 28, 2023 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	2,121	3.60% (Note 1)	Repayable from January 30, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	71	3.60% (Note 1)	Repayable from February 28, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	9,275	3.60% (Note 1)	Repayable from April 29, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,486	3.25% (Note 1)	Repayable from May 15, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	4,356	3.25% (Note 1)	Repayable from May 29, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	14,113	3.25% (Note 1)	Repayable from June 26, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Creditor	As of March 31, 2025	Interest Rate (%)	Repayment
China Construction Bank Co., Ltd. – Unsecured loan	11,431	3.25% (Note 1)	Repayable from July 19, 2024 to July 19, 2027 in 3 installments every 12 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,029	3.25% (Note 1)	Repayable from July 25, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	3,160	3.25% (Note 1)	Repayable from August 28, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,251	3.25% (Note 1)	Repayable from September 27, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,372	3.25% (Note 1)	Repayable from November 29, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	2,259	3.25% (Note 1)	Repayable from July 17, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	5,272	3.25% (Note 1)	Repayable from October 22, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	1,614	3.25% (Note 1)	Repayable from November 28, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	1,815	3.25% (Note 1)	Repayable from December 27, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	1,568	3.25% (Note 1)	Repayable from January 23, 2025 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Subtotal	\$492,180		
Less: current portion	(12,245)		
Total	<u>\$479,935</u>		

Note 1: It is a loan with government subsidy. The actual interest rate paid by the Group is 2.00%.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Creditor	As of December 31, 2024	Interest Rate (%)	Repayment
Hua Nan Commercial Bank– Secured loan	\$400,000	1.895%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Hua Nan Commercial Bank– Secured loan	150,000	1.930%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Taipei Fubon Commercial Bank Co., Ltd.– Unsecured loan	300,000	1.970%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Industrial Bank Co., Ltd.– Unsecured loan	870	3.60% (Note 1)	Repayable from August 17, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	8,061	3.60% (Note 1)	Repayable from August 30, 2023 to July 5, 2026 in 6 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	229	3.60% (Note 1)	Repayable from August 30, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	229	3.60% (Note 1)	Repayable from September 26, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	18,809	3.60% (Note 1)	Repayable from September 27, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	818	3.60% (Note 1)	Repayable from October 27, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	294	3.60% (Note 1)	Repayable from November 29, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	507	3.60% (Note 1)	Repayable from December 28, 2023 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	2,079	3.60% (Note 1)	Repayable from January 30, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	70	3.60% (Note 1)	Repayable from February 28, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	9,085	3.60% (Note 1)	Repayable from April 29, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Creditor	As of December 31, 2024	Interest Rate (%)	Repayment
China Construction Bank Co., Ltd. – Unsecured loan	1,455	3.25% (Note 1)	Repayable from May 15, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	4,267	3.25% (Note 1)	Repayable from May 29, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	13,823	3.25% (Note 1)	Repayable from June 26, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	11,196	3.25% (Note 1)	Repayable from July 19, 2024 to July 19, 2027 in 3 installments every 12 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,008	3.25% (Note 1)	Repayable from July 25, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	3,095	3.25% (Note 1)	Repayable from August 28, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,225	3.25% (Note 1)	Repayable from September 27, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
China Construction Bank Co., Ltd. – Unsecured loan	1,344	3.25% (Note 1)	Repayable from November 29, 2024 to May 15, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	2,212	3.25% (Note 1)	Repayable from July 17, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	5,164	3.25% (Note 1)	Repayable from October 22, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	1,581	3.25% (Note 1)	Repayable from November 28, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Agricultural Bank of China., Ltd. – Unsecured loan	1,778	3.25% (Note 1)	Repayable from December 27, 2024 to July 16, 2029 in 10 installments every 6 months with interest paid quarterly.
Subtotal	\$939,199		
Less: current portion	(11,866)		
Total	<u>\$927,333</u>		

Note 1: It is a loan with government subsidy. The actual interest rate paid by the Group is 2.00%.

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Creditor	As of March 31, 2024	Interest Rate (%)	Repayment
Taipei Fubon Commercial Bank Co., Ltd.– Unsecured loan	\$200,000	1.70%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Taipei Fubon Commercial Bank Co., Ltd.– Unsecured loan	100,000	1.82%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Hua Nan Commercial Bank– Secured loan	400,000	1.865%	Revolving use within the credit period and the repayment will be due in a lump-sum payment upon maturity.
Hua Nan Commercial Bank– Secured loan	2,480	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Secured loan	3,600	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Secured loan	8,000	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Secured loan	3,120	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Secured loan	3,760	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Secured loan	4,560	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Secured loan	2,480	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Unsecured loan	620	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Creditor	As of March 31, 2024	Interest Rate (%)	Repayment
Hua Nan Commercial Bank– Unsecured loan	900	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Unsecured loan	2,000	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Unsecured loan	780	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Unsecured loan	940	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Unsecured loan	1,140	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Hua Nan Commercial Bank– Unsecured loan	620	2.095% (Note 2)	Batching use within the credit period with a grace period of one year for the principal amount and equal monthly installments after the grace period.
Industrial Bank Co., Ltd.– Unsecured loan	1,102	3.60% (Note 1)	Repayable from August 17, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	8,378	3.60% (Note 1)	Repayable from August 30, 2023 to July 5, 2026 in 6 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	290	3.60% (Note 1)	Repayable from August 30, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	290	3.60% (Note 1)	Repayable from September 26, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.– Unsecured loan	23,812	3.60% (Note 1)	Repayable from September 27, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Creditor	As of March 31, 2024	Interest Rate (%)	Repayment
Industrial Bank Co., Ltd.— Unsecured loan	1,036	3.60% (Note 1)	Repayable from October 27, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	371	3.60% (Note 1)	Repayable from November 29, 2023 to July 5, 2028 in 10 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	642	3.60% (Note 1)	Repayable from December 28, 2023 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	2,631	3.60% (Note 1)	Repayable from January 30, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Industrial Bank Co., Ltd.— Unsecured loan	88	3.60% (Note 1)	Repayable from February 28, 2024 to July 5, 2028 in 9 installments every 6 months with interest paid quarterly.
Subtotal	<u>\$773,640</u>		
Less: current portion	<u>(15,794)</u>		
Total	<u><u>\$757,846</u></u>		

Note 1: It is a loan with government subsidy. The actual interest rate paid by the Group is 2.00%.

Note 2: It is a loan with government subsidy. The actual interest rate paid by the Group is 0.50%.

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's unused credit lines on long-term loans were calculated with short-term loans. Please refer to Note 6(11) for more details.

Please refer to Note 8 for more details on assets pledged as security for secured loans.

(13) Post-employment benefits

A. Defined contribution plan

Pension expenses under the defined contribution plan for the three-month periods ended March 31, 2025 and 2024 were \$16,982 thousand and \$15,582 thousand, respectively.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Defined benefits plan

Expenses under the defined benefits plan for the three-month periods ended March 31, 2025 and 2024 were \$0 thousand and \$30 thousand, respectively.

(14) Equity

A. Common stock

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Company's authorized and issued capital was \$2,500,000 thousand and \$1,055,956 thousand, respectively, each at a par value of \$10. Each with a voting right and the right to receive dividends.

B. Capital surplus

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-in capital	\$170,338	\$170,338	\$170,338
Difference between consideration and carrying amount of subsidiaries acquired or disposed	1,037	1,037	932
Gain on disposals of property, plant and equipment	487	487	487
Net assets from merger	10,028	10,028	10,028
Others	5	5	5
Total	<u>\$181,895</u>	<u>\$181,895</u>	<u>\$181,790</u>

According to the Company Act, the additional paid-in capital shall not be used except for offsetting the deficit of the Company. When a company incurs no loss, it may distribute the additional paid-in capital generated from the excess of the issuance price over the par value of share capital and donations. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policy

According to the Company Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (a) Payment of all taxes and dues;
- (b) Offset prior years' operation losses (Includes adjustment of unallocated surplus amount);
- (c) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve, but not when the accumulated statutory surplus reserve has reached the total paid-in capital of the company;
- (d) Set aside or reverse special reserve in accordance with law and regulations; in the case of special surplus reserves, the shortfalls in the provision of "net increase in fair value of investment real estate accumulated in the previous period" and "net deductions of other equity gains accumulated in the previous period" should be included in the amount of the special surplus reserve by the same amount from the undistributed surplus of the previous period before the distribution of the surplus, and if there is still a shortfall, the amount other than the net after-tax profit of the current period shall be added to the amount of the undistributed surplus in the current period; and
- (e) If there is surplus (hereinafter referred to as "current year earnings") and undistributed surpluses at the beginning of the same period (including adjustments to the amount of undistributed surpluses), the Board of Directors shall, in accordance with the dividend policy, formulate a surplus distribution proposal and request the shareholders' meeting to resolve the distribution of shareholders' dividends.

The shareholder dividend assigned in the preceding paragraph or all or part of the statutory surplus and capital accumulation as required by law shall be issued in cash; the board is authorized to report the dividend distribution to the shareholder's meeting upon adoption of a resolution by a majority voting of the directors present at a board meeting attended by two-thirds of the directors of the Company.

The Company's dividend policy considers its current and future development plans, capital requirements, competitive conditions and changes in the industrial environment. The Company's surplus distribution case is prepared taking into account the interests of shareholders and the long-term financial planning of the Company. The total annual shareholder dividend of the Company shall not be less than 50% of the current annual surplus.

The surplus of the preceding item is distributed in the form of cash or stock. In response to the growth of electronic technology innovation, the Company is now entering a stable growth period. Cash dividend is preferred when distributing surplus. Stock dividends can also be distributed. However, the portion of cash dividends shall not be less than 50% of the dividends allocated in the current year.



AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to “other net deductions from shareholders’ equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC on March 31, 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

As of March 31, 2025, December 31, 2024, and March 31, 2024, special reserve set aside for the first-time adoption of TIFRS amounted to \$30,092 thousand.

Details of the 2024 and 2023 earnings distribution and dividends per share as approved and resolved by the Board of Directors’ meeting and shareholders’ meeting on March 6, 2025 and June 12, 2024, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NTD\$)	
	2024	2023	2024	2023
Legal reserve	\$56,991	\$61,411		
Common stock-cash dividend (Note)	422,383	422,383	\$4.0	\$4.0
Total	<u>\$479,374</u>	<u>\$483,794</u>		

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The appropriation of 2024 unappropriated retained earnings have not yet been approved by the shareholders' meeting as of the reporting date. Information relevant to the Board of Directors' meeting resolutions and shareholders' meeting approval can be obtained from the "Market Observation Post System" on the website of the TWSE.

Note: The Company explicitly provided in its the Articles of Incorporation that the Board of Director may resolve the distributable dividends by special resolutions. On March 6, 2025 and March 14, 2024, the distributable dividend paid in cash has been resolved by the Board of Director, respectively.

Please refer to Note 6(18) for details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	For the three-month periods ended March 31,	
	2025	2024
Beginning balance	\$393,703	\$393,466
Net income attributable to non-controlling interest	1,158	1,650
Other comprehensive income, attributable to non-controlling interest:		
Exchange differences on translation of foreign financial statements	8,271	7,589
Ending balance	<u>\$403,132</u>	<u>\$402,705</u>

(15) Operating revenues

	For the three-month periods ended March 31,	
	2025	2024
Revenue from contracts with customers		
Sale of goods	\$990,698	\$1,173,881
Rendering of services	181,114	167,567
Total	<u>\$1,171,812</u>	<u>\$1,341,448</u>

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Analysis of revenue from contracts with customers during the three-month periods ended March 31, 2025 and 2024 were as follows:

(a) Disaggregation of revenue

For the three-month periods ended March 31, 2025:

	Channel business	Manufacture business	Certification business	Total
Sale of goods	\$404,152	\$569,004	\$17,542	\$990,698
Rendering of services	1,653	18,816	160,645	181,114
Total	<u>\$405,805</u>	<u>\$587,820</u>	<u>\$178,187</u>	<u>\$1,171,812</u>

Timing of revenue recognition:

At the time the performance  
obligation is fulfilled

<u>\$405,805</u>	<u>\$587,820</u>	<u>\$178,187</u>	<u>\$1,171,812</u>
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For the three-month periods ended March 31, 2024:

	Channel business	Manufacture business	Certification business	Total
Sale of goods	\$493,399	\$601,281	\$79,201	\$1,173,881
Rendering of services	1,039	11,059	155,469	167,567
Total	<u>\$494,438</u>	<u>\$612,340</u>	<u>\$234,670</u>	<u>\$1,341,448</u>

Timing of revenue recognition:

At the time the performance  
obligation is fulfilled

<u>\$494,438</u>	<u>\$612,340</u>	<u>\$234,670</u>	<u>\$1,341,448</u>
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(b) Contract balances

Contract liabilities, current

	As of			
	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Sales revenue	\$37,342	\$32,628	\$7,097	\$3,075
Rendering of services	7,049	9,046	9,034	35,914
Total	<u>\$44,391</u>	<u>\$41,674</u>	<u>\$16,131</u>	<u>\$38,989</u>

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The significant changes in the Group's balances of contract liabilities for the three-month periods ended March 31, 2025 and 2024 were as follows:

	For the three-month periods ended March 31,	
	2025	2024
The opening balance transferred to revenue	\$9,914	\$38,662
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	11,863	15,070

(16) Expected credit impairment (losses) gains

	For the three-month periods ended March 31,	
	2025	2024
Operating expenses –Expected credit impairment (losses)/gains		
Notes receivable	\$34	\$35
Accounts receivable	(11,492)	917
Total	<u><u>\$(11,458)</u></u>	<u><u>\$952</u></u>

Please refer to Note 12 for more details on credit risk.

The credit risk for the Group's financial assets measured at amortized cost as of March 31, 2025, December 31, 2024 and March 31, 2024, was assessed as low (the same as the assessment result in the beginning of the period). Therefore, the expected credit loss was measured at an amount equal to twelve-month expected credit loss (loss rate 0%).

The Group measures the loss allowance of its receivables (including notes receivable 、accounts receivable and non-accrual loans) at an amount equal to lifetime expected credit loss. The assessment of the Group's loss allowance as of March 31, 2025, December 31, 2024 and March 31, 2024 was as follow:

A. The accounts receivable include financial difficulties of counterparties, whose accounts aging more than 365 days. As of March 31, 2025, December 31, 2024 and March 31, 2024, the non-accrual loan that was assessed individually amounted to \$6,281 thousand, \$6,152 thousand and \$6,058 thousand, respectively, with 100% of loss allowance appropriated. The remaining accounts receivable were divided into two groups, Group A and Group B, based on the customer's financial position and credit, and a provision matrix was used to measure loss allowance. The relevant information is as follows:

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of March 31, 2025

Group A	Overdue of aging days								Total
	Not yet due	<=60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	>=366 days	
Gross carrying									
amount	\$166,360	\$4	\$1,411	\$1,546	\$808	\$1,004	\$-	\$-	\$171,133
Loss ratio		0%	0%	1%	1%	5%	30%	100%	
Lifetime									
expected									
credit loss	(208)	-	-	(15)	(8)	(50)	-	-	(281)
Subtotal	166,152	4	1,411	1,531	800	954	-	-	170,852
Group B	Overdue of aging days								Total
	Not yet due	<=60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	>=366 days	
Gross carrying									
amount	\$1,029,015	\$11,752	\$64,124	\$85,972	\$78,487	\$6,398	\$2,344	\$-	\$1,278,092
Loss ratio		0%	1%	5%	10%	20%	50%	100%	
Lifetime									
expected									
credit loss	(2,118)	-	(641)	(4,299)	(7,849)	(1,280)	(1,172)	-	(17,359)
Subtotal	1,026,897	11,752	63,483	81,673	70,638	5,118	1,172	-	1,260,733
Carrying amount of receivables									<u>\$1,431,585</u>
Notes receivable									\$235,889
Accounts receivable (including related parties)									<u>1,195,696</u>
Total									<u>\$1,431,585</u>

As of December 31, 2024

Group A	Overdue of aging days								Total
	Not yet due	<=60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	>=366 days	
Gross carrying									
amount	\$130,715	\$42	\$946	\$1,575	\$1,435	\$1,069	\$-	\$-	\$135,782
Loss ratio		0%	0%	1%	1%	5%	30%	100%	
Lifetime									
expected									
credit loss	(170)	-	-	(16)	(14)	(53)	-	-	(253)
Subtotal	130,545	42	946	1,559	1,421	1,016	-	-	135,529

**AUDIX CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

<b>Group B</b>	Overdue of aging days								Total
	Not yet due	<=60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	>=366 days	
Gross carrying									
amount	\$1,320,549	\$18,576	\$5,996	\$5,847	\$6,998	\$693	\$170	\$-	\$1,358,829
Loss ratio		0%	1%	5%	10%	20%	50%	100%	
Lifetime									
expected									
credit loss	(4,399)	-	(60)	(292)	(700)	(139)	(85)	-	(5,675)
Subtotal	1,316,150	18,576	5,936	5,555	6,298	554	85	-	1,353,154
Carrying amount of receivables									<u>\$1,488,683</u>
Notes receivable									\$369,073
Accounts receivable (including related parties)									<u>1,119,610</u>
Total									<u>\$1,488,683</u>

As of March 31, 2024

<b>Group A</b>	Overdue of aging days								Total
	Not yet due	<=60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	>=366 days	
Gross carrying									
amount	\$432,994	\$1,505	\$3,532	\$1,635	\$11,418	\$401	\$-	\$45	\$451,530
Loss ratio		0%	0%	1%	1%	5%	30%	100%	
Lifetime									
expected									
credit loss	(1,584)	-	-	(16)	(114)	(20)	-	(45)	(1,779)
Subtotal	431,410	1,505	3,532	1,619	11,304	381	-	-	449,751

<b>Group B</b>	Overdue of aging days								Total
	Not yet due	<=60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	>=366 days	
Gross carrying									
amount	\$893,109	\$111,378	\$33,645	\$18,705	\$18,357	\$767	\$9	\$916	\$1,076,886
Loss ratio		0%	1%	5%	10%	20%	50%	100%	
Lifetime									
expected									
credit loss	(8,221)	-	(336)	(935)	(1,836)	(153)	(5)	(916)	(12,402)
Subtotal	884,888	111,378	33,309	17,770	16,521	614	4	-	1,064,484
Carrying amount of receivables									<u>\$1,514,235</u>
Notes receivable									\$214,395
Accounts receivable (including related parties)									<u>1,299,840</u>
Total									<u>\$1,514,235</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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B. The movement in the provision for impairment of notes receivable and accounts receivable during the three-month periods ended March 31, 2025 and 2024 are as follows:

	Notes receivable	Accounts receivable	Overdue receivable	Total
Beginning balance as of January 1, 2025	\$42	\$5,886	\$6,152	\$12,080
(Reverse) allowance for the current period	(34)	11,492	-	11,458
Effect of exchange rate changes	-	254	129	383
Ending balance as of March 31, 2025	<u>\$8</u>	<u>\$17,632</u>	<u>\$6,281</u>	<u>\$23,921</u>
Beginning balance as of January 1, 2024	\$72	\$14,795	\$5,943	\$20,810
Reverse for the current period	(35)	(917)	-	(952)
Effect of exchange rate changes	-	266	115	381
Ending balance as of March 31, 2024	<u>\$37</u>	<u>\$14,144</u>	<u>\$6,058</u>	<u>\$20,239</u>

(17) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings. The lease terms range from 1 to 50 years. The Group did not be imposed any restrictions in these lease contract.

The Group's leases effect on the financial position, financial performance and cash flows were as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Land	\$48,311	\$48,293	\$50,139
Buildings	9,907	7,858	12,705
Total	<u>\$58,218</u>	<u>\$56,151</u>	<u>\$62,844</u>

During the three-month periods ended March 31, 2025 and 2024, the Group's additions to right-of-use assets amounted to \$4,237 thousand and \$4,676 thousand, respectively.

AUDIX CORPORATION AND SUBSIDIARIES  
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ii. Lease liabilities

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$7,629	\$5,891	\$9,094
Non-current	9,308	9,283	12,134
Total	<u>\$16,937</u>	<u>\$15,174</u>	<u>\$21,228</u>

Please refer to Note 6(19)(D) for the interest expense on lease liabilities recognized during the three-month periods ended March 31, 2025 and 2024; refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of March 31, 2025, December 31, 2024 and March 31, 2024.

(b) Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the three-month periods ended March 31,	
	2025	2024
Land	\$839	\$820
Buildings	2,285	2,529
Total	<u>\$3,124</u>	<u>\$ 3,349</u>

(c) Income and costs relating to leasing activities

	For the three-month periods ended March 31,	
	2025	2024
The expenses relating to short-term leases	\$708	\$1,195
The relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	221	272

(d) Cash outflow relating to leasing activities

The Group's total cash outflows for leases amounted to \$3,593 thousand and \$4,449 thousand for the three-month periods ended March 31, 2025 and 2024, respectively.



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(e) Other information relating to leasing activities

Extension and termination options

Some of the Group's building and equipment rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group. After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. Group as a lessor

	For the three-month periods ended March 31,	
	2025	2024
Rental income for operating leases		
Income relating to variable lease payments that are not depend on an index or a rate	\$1,930	\$2,007

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of March 31, 2025, December 31, 2024 and March 31, 2024 are as follow:

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Less than one year	\$7,582	\$8,329	\$8,098
More than one year but less than two years	7,682	5,119	8,019
More than two years but less than three years	4,810	2,517	4,187
More than three years but less than four years	3,213	-	1,409
Total	\$23,287	\$15,965	\$21,713

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(18) Summary statement of employee benefits, depreciation and amortization expenses by function were as follows:

By function By feature	For the three-month periods ended March 31,					
	2025			2024		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Wages and salaries	\$161,846	\$62,363	\$224,209	\$164,505	\$76,549	\$241,054
Labor and health insurance	7,907	6,069	13,976	7,181	6,018	13,199
Pension	11,784	5,198	16,982	10,521	5,091	15,612
Director's remuneration	-	1,845	1,845	-	1,620	1,620
Depreciation	42,580	12,420	55,000	52,258	12,674	64,932
Amortization	-	1,215	1,215	-	624	624

According to the Articles of Incorporation of the Company, more than 2.5% and less than 5% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors. (Profit is defined as pre-tax profit before employees' compensation and directors' remuneration.) However, the Company's accumulated losses shall have been covered (including adjustments to undistributed surplus amounts). The aforementioned employee remuneration is paid in stock or cash, while the director remuneration can only be paid in cash. These two items shall be implemented by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, and shall report to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit of the three-month period ended March 31, 2025, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the three-month period ended March 31, 2025 to be \$3,917 thousand and \$1,800 thousand, respectively, recognized as employee benefits expense. Based on the profit of the three-month period ended March 31, 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the three-month period ended March 31, 2024 to be \$4,786 thousand and \$1,575 thousand, respectively.

A resolution was approved through the Board of Directors' meeting held on March 6, 2025 to distribute \$20,017 thousand and \$6,300 thousand in cash as employees' compensation and remuneration to directors for the year of 2024. There were no significant differences between the amounts approved and the amounts recorded as expenses in the year of 2024.

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There were no significant differences between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2023.

(19) Non-operating income and expenses

A. Interest income

	For the three-month periods ended March 31,	
	2025	2024
Bank deposits	\$4,347	\$7,555
Financial assets measured at amortized cost	38,872	30,898
Financial assets measured at fair value through profit or loss	6,099	3,978
Total	<u>\$49,318</u>	<u>\$42,431</u>

B. Other income

	For the three-month periods ended March 31,	
	2025	2024
Rental income	\$1,930	\$2,007
Dividend income		
Financial assets mandatorily measured at fair value through profit or loss	67	11
Total	<u>\$1,997</u>	<u>\$2,018</u>

C. Other gains and losses

	For the three-month periods ended March 31,	
	2025	2024
Gain (loss) on disposal of property, plant and equipment	\$49	\$(1)
Foreign exchange gain, net	2,440	4,433
Gain on financial assets at fair value through profit or loss, net (Note)	8,022	4,940
Profit from lease modification	1	1
Other gains and losses	11,260	6,501
Total	<u>\$21,772</u>	<u>\$15,874</u>

Note: Balances were arising from financial assets mandatorily measured at fair value through profit or loss including valuation adjustment and foreign exchange net gain or loss.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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D. Finance costs

	For the three-month periods ended March 31,	
	2025	2024
Interest on bank loans	\$12,927	\$13,279
Interest on notes receivable discounted	33	-
Interest on lease liabilities	93	144
Total	<u>\$13,053</u>	<u>\$13,423</u>

(20) Components of other comprehensive income

Other comprehensive income for the three-month periods ended March 31, 2025:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax effect	Other comprehensive income, net of tax
Not be reclassified subsequently to profit or loss:					
Unrealized gains on equity instruments investment at fair value through other comprehensive income	\$8,800	\$-	\$8,800	\$-	\$8,800
May be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	122,296	-	122,296	-	122,296
Total other comprehensive income	<u>\$131,096</u>	<u>\$-</u>	<u>\$131,096</u>	<u>\$-</u>	<u>\$131,096</u>

Other comprehensive income for the three-month periods ended March 31, 2024:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax effect	Other comprehensive income, net of tax
Not be reclassified subsequently to profit or loss:					
Unrealized losses on equity instruments investment at fair value through other comprehensive income	\$(26,200)	\$-	\$(26,200)	\$-	\$(26,200)
May be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	156,263	-	156,263	-	156,263
Total other comprehensive income	<u>\$130,063</u>	<u>\$-</u>	<u>\$130,063</u>	<u>\$-</u>	<u>\$130,063</u>

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(21) Income tax expense

The major components of income tax expense for the three-month periods ended March 31, 2025 and 2024 are as follows:

Income tax expense recognized in profit or loss

	For the three-month periods ended March 31,	
	2025	2024
Current tax expense:		
Current income tax charge	\$39,161	\$44,371
Adjustments in respect of current income tax of prior periods	(1,133)	3,149
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	(59)	1,905
Total income tax expense	<u>\$37,969</u>	<u>\$49,425</u>

The assessment of income tax returns

As of March 31, 2025, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2022
Subsidiary- Audix Technology Corporation	Assessed and approved up to 2023

(22) Earnings per share

Basic earnings per share is calculated by dividing net income for the year attributable to parent company of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net income attributable to parent company of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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	For the three-month periods ended March 31,	
	2025	2024
A. Earnings per share-basic		
Net income attributable to parent company (in thousand NT\$)	\$142,137	\$152,443
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	105,596	105,596
Earnings per share-basic (NT\$)	\$1.35	\$1.44
B. Earnings per share-diluted		
Net income attributable to parent company (in thousand NT\$)	\$142,137	\$152,443
Net income attributable to parent company after dilution (in thousand NT\$)	\$142,137	\$152,443
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	105,596	105,596
Effect of dilution:		
Employee compensation — stock (in thousands)	267	323
Weighted average number of ordinary shares outstanding after dilution (in thousands)	105,863	105,919
Earnings per share-diluted (NT\$)	\$1.34	\$1.44

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial report date and the date the financial statements were authorized for issue.

(23) Changes in parent's interest in subsidiaries

Acquisition of additional interest of a subsidiary

A. AUDIX TESTING & MEASUREMENT CO., LTD.

On July 5, 2024, the Group acquired an additional 40.33% of the shares of AUDIX TESTING & MEASUREMENT CO., LTD. from Shenzhen Junhao Testing Technology Co., Ltd., increasing its ownership to 100%. A cash consideration of \$8,967 thousand was paid to the non-controlling interest shareholders. The carrying amount of AUDIX TESTING & MEASUREMENT CO., LTD.'s net assets (excluding goodwill on the original acquisition) was \$9,072 thousand. Following is a schedule of additional interest acquired in Shenzhen Junhao Testing Technology Co., Ltd., including changes in non-controlling interests:

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Cash consideration paid to non-controlling interests	\$(8,967)
Carrying amount of net assets of non-controlling interests	<u>9,072</u>
Differences recognized as additional paid-in capital in equity	<u><u>\$105</u></u>

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period was as follows:

Name and Relationship of the related parties

Name of related parties	Relationship
WAVEGIS TECHNOLOGY CO., LTD.	Associate
YUWA CO., LTD.	Other related parties
YUWA (VN) CO., LTD.	Other related parties
YUWA (HK) CO., LTD.	Other related parties
HONGBAO INVESTMENT CO., LTD.	Other related parties
HONGBAO FOUNDATION	Other related parties

Significant transactions with the related parties

(1) Operating revenues

	For the three-month periods ended March 31,	
	2025	2024
Other related parties	<u>\$41,939</u>	<u>\$49,342</u>

The sales prices to related parties were negotiated by both parties in reference to market prices; the collection periods of operating income to the above related parties were 60-150 days, while the collection periods to third parties were 30-150 days.

(2) Purchases

	For the three-month periods ended March 31,	
	2025	2024
Other related parties	<u>\$53</u>	<u>\$3</u>

The purchase prices to related parties were negotiated by both parties in reference to market prices; the payment periods of purchase to the above related parties were 30-90 days; while the payment periods to third parties were 30-105 days.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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(3) Operating costs - manufacturing costs

	For the three-month periods ended March 31,	
	2025	2024
Other related parties	\$112	\$8

Operating costs – manufacturing expenses mainly include repair and maintenance expense.

(4) Operating expenses

	For the three-month periods ended March 31,	
	2025	2024
Other related parties	\$1,320	\$1,329

Operating expenses mainly include technical know-how fees.

(5) Accounts receivable due from related parties

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Other related parties			
YUWA CO., LTD.	\$36,302	\$50,505	\$49,255
YUWA (VN) CO., LTD.	6,677	115	-
Associate	-	1,628	-
Total	\$42,979	\$52,248	\$49,255

(6) Accounts payable

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Other related parties	\$56	\$17	\$3

(7) Other payables

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Other related parties	\$1,396	\$1,688	\$1,351



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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(8) Rent income

	Location	Calculation and Collection of Rent	For the three-month periods ended March 31,	
			2025	2024
Other related parties	No. 8, Lane 120, Section 1, Neihu Road, Taipei City	Receipt by wire transfer on an annual basis	\$9	\$9

(9) Other gains and losses

	For the three-month periods ended March 31,	
	2025	2024
Other related parties	\$42	\$27

(10) Key management personnel compensation

	For the three-month periods ended March 31,	
	2025	2024
Short-term employee benefits	\$5,257	\$5,303
Post-employment benefits	80	80
Total	\$5,337	\$5,383

8. Pledged assets

The following assets of the Group pledged as collaterals:

Item	Carrying amount as of			Purpose
	March 31, 2025	December 31, 2024	March 31, 2024	
Notes receivable	\$76,858	\$259,530	\$21,840	Notes receivable discounted
Property, plant and equipment				Bank loans
Land	176,699	176,700	176,700	
Buildings	74,344	75,090	77,328	
Subtotal	251,043	251,790	254,028	
Refundable deposits	100	-	100	Guarantee of Oil Purchase
Total	\$328,001	\$511,420	\$275,968	

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9. Significant contingencies and unrecognized contract commitments

As of March 31, 2025, the Group entrusted financial institutes to open guarantee the amount of request for financial related to custom tax guarantee for the amount of NT\$4,800 thousand and CNY\$2,000 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Financial instruments

Financial assets

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss	\$788,088	\$775,784	\$629,992
Financial assets at fair value through other comprehensive income	93,645	84,742	104,886
Financial assets at amortized cost:			
Cash and cash equivalents (exclude cash on hand)	916,184	995,109	1,423,151
Notes receivable	235,889	369,073	214,395
Accounts receivable (including due from related parties)	1,195,696	1,119,610	1,299,840
Other receivables (including due from related parties)	217,929	225,413	178,087
Financial assets at amortized cost	4,035,296	4,054,167	3,111,926
Refundable deposits	25,476	24,884	34,466
Total	<u>\$7,508,203</u>	<u>\$7,648,782</u>	<u>\$6,996,743</u>

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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Financial liabilities

	As of		
	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities at amortized cost:			
Short-term loans	\$1,588,729	\$1,546,698	\$1,054,759
Payables (including due from related parties)	1,049,497	734,077	1,402,428
Long-term loans (including current portion)	492,180	939,199	773,640
Lease liabilities	16,937	15,174	21,228
Guarantee deposits received	-	-	3,315
Total	<u>\$3,147,343</u>	<u>\$3,235,148</u>	<u>\$3,255,370</u>

(2) Financial risk management objectives

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprise currency risk and interest rate risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

## AUDIX CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Group reviews its assets and liabilities denominated in foreign currency and enters into forward exchange contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit. As the purpose of holding forward exchange contracts are to hedge exchange rate fluctuation risk, the gain or loss made on the contracts from the fluctuation in exchange rates are expected to mostly offset gains or losses made on the hedged item. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the three-month periods ended March 31, 2025 and 2024 is decreased/increased by \$5,621 thousand and \$2,271 thousand, respectively.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investment at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including loans with variable interest rates. At the balance sheet date, an increase or a decrease of 10 basis points of interest rate could cause the profit for the three-month periods ended March 31, 2025 and 2024 to decrease/increase by \$2,081 thousand and \$1,828 thousand, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivable and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit of the Group subject to established policy, procedures and controls relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria, etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment and insurance.

As of March 31, 2025, December 31, 2024 and March 31, 2024, the top ten receivables from counter parties presented 48.04%, 46.66% and 66.66% of the total receivables of the Group, respectively. The credit centration risk of the remaining receivables was insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Group makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than					Above	
	1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 years	Total
As of March 31, 2025							
Loans	\$1,611,678	\$429,679	\$25,081	\$10,129	\$27,287	\$-	\$2,103,854
payables	1,049,497	-	-	-	-	-	1,049,497
Lease liabilities	7,891	3,776	2,225	1,208	1,208	1,108	17,416
As of December 31, 2024							
Loans	\$1,563,529	\$895,062	\$24,422	\$9,696	\$26,085	\$-	\$2,518,794
payables	734,077	-	-	-	-	-	734,077
Lease liabilities	6,119	3,067	2,631	1,208	1,208	1,410	15,643
As of March 31, 2024							
Loans	\$1,090,405	\$709,810	\$48,662	\$6,829	\$3,378	\$-	\$1,859,084
payables	1,402,428	-	-	-	-	-	1,402,428
Lease liabilities	9,528	4,900	2,879	1,208	1,208	2,316	22,039
Guarantee deposits received	-	3,315	-	-	-	-	3,315

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the three-month periods ended March 31, 2025:

	Short-term loans	Long-term loans	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
As of January 1, 2025	\$1,546,698	\$939,199	\$15,174	\$-	\$2,501,071
Cash flows	42,031	(447,019)	(2,664)	-	(407,652)
Non-cash changes	-	-	4,427	-	4,427
As of March 31, 2025	\$1,588,729	\$492,180	\$16,937	\$-	\$2,097,846

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Reconciliation of liabilities for the three-month periods ended March 31, 2024:

	Short-term loans	Long-term loans	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
As of January 1, 2024	\$1,342,384	\$1,180,676	\$19,271	\$3,315	\$2,545,646
Cash flows	(287,625)	(407,036)	(2,982)	-	(697,643)
Non-cash changes	-	-	4,939	-	4,939
As of March 31, 2024	<u>\$1,054,759</u>	<u>\$773,640</u>	<u>\$21,228</u>	<u>\$3,315</u>	<u>\$1,852,942</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, receivables payables refundable deposits, guarantee deposits received, and lease liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

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- (d) Fair value of debt instruments without market quotations and bank loans are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and financial liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group did not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group assets and liabilities measured at fair value on a recurring basis was as follows:



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As of March 31, 2025:

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Financial assets at fair value through profit or loss				
Funds	\$114,772	\$-	\$-	\$114,772
Preferred stocks	148,447	-	-	148,447
Bonds	524,869	-	-	524,869
Fair value through other comprehensive income				
Investments in equity instruments designated at fair value through other comprehensive income	-	88,600	5,045	93,645

As of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Financial assets at fair value through profit or loss				
Funds	\$82,722	\$-	\$-	\$82,722
Preferred stocks	145,396	-	-	145,396
Bonds	547,666	-	-	547,666
Fair value through other comprehensive income				
Investments in equity instruments designated at fair value through other comprehensive income	-	79,800	4,942	84,742

As of March 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Financial assets at fair value through profit or loss				
Funds	\$74,977	\$-	\$-	\$74,977
Preferred stocks	146,600	-	-	146,600
Bonds	408,415	-	-	408,415
Fair value through other comprehensive income				
Investments in equity instruments designated at fair value through other comprehensive income	-	99,800	5,086	104,886

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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Transfers between Level 1 and Level 2 during the period

During the three-month periods ended March 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy

The movements during the period were as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2025	\$4,942
Effect of exchange rate changes	103
Ending balances as of March 31, 2025	<u>\$5,045</u>

  

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2024	\$4,990
Effect of exchange rate changes	96
Ending balances as of March 31, 2024	<u>\$5,086</u>

Total gains and losses recognized in profit or loss for the three-month periods ended March 31, 2025 and 2024 in the table above contain gains and losses related to assets on hand as at March 31, 2025 and 2024 in the amount of \$0 thousand.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy was as follows:

None.

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Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's finance department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(In thousands)			
As of March 31, 2025			
	Foreign currencies	Exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$31,626	33.205	\$1,050,135
JPY	63,749	0.2227	14,197
HKD	9,570	4.268	40,845
CNY	785	4.573	3,590
Non-monetary items:			
USD	84	33.205	2,795
JPY	12,714	0.2227	2,831
<u>Financial liabilities</u>			
Monetary items:			
USD	14,783	33.205	490,876
JPY	25,477	0.2227	5,674
HKD	4,483	4.268	19,133
CNY	376	4.573	1,722

AUDIX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(In thousands)			
As of December 31, 2024			
	Foreign currencies	Exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$35,935	32.785	\$1,178,127
JPY	86,695	0.2099	18,197
HKD	9,320	4.222	39,347
CNY	757	4.478	3,388
Non-monetary items:			
USD	157	32.785	5,137
JPY	9,136	0.2099	1,918
<u>Financial liabilities</u>			
Monetary items:			
USD	21,526	32.785	705,724
JPY	22,411	0.2099	4,704
HKD	4,781	4.222	20,184
CNY	391	4.478	1,752

(In thousands)			
As of March 31, 2024			
	Foreign currencies	Exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$29,212	32.000	\$934,781
JPY	544,507	0.2115	115,163
HKD	7,282	4.089	29,776
CNY	9,620	4.408	42,403
Non-monetary items:			
USD	317	32.000	10,148
<u>Financial liabilities</u>			
Monetary items:			
USD	22,116	32.000	707,710
JPY	317,772	0.2115	67,209
HKD	248	4.089	1,014
CNY	460	4.408	2,028

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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The Group's foreign currency transactions were denominated in multiple currency; therefore, the information of the foreign exchange gains (losses) of monetary assets and liabilities denominated by each currency was not applicable for disclosure. The Group's significant monetary financial assets and liabilities denominated in foreign currencies incurred foreign exchange gains of \$2,440 thousand and \$4,433 thousand for the three-month periods ended March 31, 2025 and 2024, respectively.

The above information was disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions

A. Financings provided to others: Please refer to table 1.

B. Endorsements/guarantees provided to others: None.

C. Significant securities held: Please refer to table 2.

D. Total purchases from or sales to related parties of at least NTD 100 million or 20 percent of the paid-in capital: None.

E. Receivables due from related parties amounting to at least NTD 100 million or 20 percent of the paid-in capital: None.

F. Significant intercompany transactions between consolidated entities: Please refer to table 3.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(2) Information on investees

A. Information about the invested company shall be disclosed to those who have significant influence or control directly or indirectly: Please refer to table 4.

(3) Information on investments in Mainland China

A. Names, main business, paid-in capital, method of investment, investment flows, percentage of ownership, share of profits (losses), carrying amount at the end of the period, accumulated inward remittance of earnings and the upper limit of investment: Please refer to table 5.

B. Significant direct or indirect transactions with the investee, its prices, terms of payment and unrealized gain or loss: Please refer to table 1 and table 3.

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

- (1) Channel business: The department is mainly responsible for marketing electronic components.
- (2) Manufacture business: The department is responsible for the production of electronic components.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on significant accounting policies information consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

AUDIX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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1. Information on departmental equity, assets and liabilities

For the three-month periods ended March 31, 2025

	Channel business	Manufacture business	Other (Note 1)	Adjustment and elimination (Note 2)	Consolidated
Operating revenue					
External customer	\$405,805	\$587,820	\$178,187	\$-	\$1,171,812
Inter-segment	42,355	82,751	11,021	(136,127)	-
Total	<u>\$448,160</u>	<u>\$670,571</u>	<u>\$189,208</u>	<u>\$(136,127)</u>	<u>\$1,171,812</u>
Net income before income tax	<u>\$22,039</u>	<u>\$125,222</u>	<u>\$34,003</u>	<u>\$-</u>	<u>\$181,264</u>
Segment profit and loss	<u>\$20,546</u>	<u>\$98,360</u>	<u>\$24,389</u>	<u>\$-</u>	<u>\$143,295</u>
Segment assets					<u>\$9,430,579</u>
Segment liabilities					<u>\$3,535,652</u>

For the three-month periods ended March 31, 2024

	Channel business	Manufacture business	Other (Note 1)	Adjustment and elimination (Note 2)	Consolidated
Operating revenue					
External customer	\$494,438	\$612,340	\$234,670	\$-	\$1,341,448
Inter-segment	37,055	69,215	52,174	(158,444)	-
Total	<u>\$531,493</u>	<u>\$681,555</u>	<u>\$286,844</u>	<u>\$(158,444)</u>	<u>\$1,341,448</u>
Net income before income tax	<u>\$8,795</u>	<u>\$156,893</u>	<u>\$37,830</u>	<u>\$-</u>	<u>\$203,518</u>
Segment profit and loss	<u>\$8,830</u>	<u>\$117,693</u>	<u>\$27,570</u>	<u>\$-</u>	<u>\$154,093</u>
Segment assets					<u>\$9,118,699</u>
Segment liabilities					<u>\$3,583,230</u>

Note 1: Revenues from a certification business that is below the quantification threshold have never reached the quantification threshold of a reportable sector.

Note 2: Inter- segment income is eliminated upon consolidation.

Table 1: Financings provided to others

Unit: in Thousands of New Taiwan Dollars

No. (Note 1)	Lender	Counterparty	Account (Note 2)	Related party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 3)	Amount of loan	Reason for short- term financing	Loss allowance	Collateral		Limit of financing amount for individual counterparty (Note 4)	Limit of total financing amount (Note 4)
													Name	Value		
1	Audix Technology (Xiamen) Co., Ltd.	AHI Electronics Warehouse (Shanghai) Co., Ltd.	Other receivables	Yes	\$45,730	\$45,730	\$-	-	2	\$-	Financing for short- term operating funds	\$-	-	\$-	\$967,902	\$967,902

Note 1: The Company and its subsidiaries are coded as follows:

- (1) The Company is coded "0".
- (2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Items recorded include trade receivables from associates, receivables from related parties, shareholder transactions, prepayments, advances, and similar items. If these items are of a nature involving financing provided to others, fill in the field.

Note 3: The nature of financing shall be filled in for counterparties who have business transactions or the need for short-term financing.

- (1) Please fill in 1 for those who have business transaction.
- (2) Please fill in 2 for those who have the need for short-term financing.

Note 4: Audix Technology (Xiamen) Co., Ltd. has set a limit on the total amount of financing for companies that need short-term financing and individual counterparty:

- (1) The total amount of the loan shall not exceed 40% of the Company's net worth in the latest financial statements. The amount of loans to individual counterparty shall not exceed 20% of the Company's net worth in the latest financial statements.
- (2) If the parent company directly and indirectly holds 100% of the voting shares and is not engaged in financing between companies established in Taiwan, the amount of the loan is not subject to the restrictions in (1), but shall not exceed 40% of the Company's net worth in the latest financial statements.



Table 2: Significant securities held (not including subsidiaries, associates and joint ventures)

(In Thousands of NTD/ Foreign currency)

Held Company Name	Marketable Securities Type	Marketable Securities Name	Relationship with the issuer	Financial Statement Account	As of March 31, 2025				Remark
					Share/Units	Carrying Amount	Percentage of Ownershop	Fair Value	
Audix Corporation	Preferred stock	Fubon Preferred Stock	-	Financial assets at fair value through profit or loss - current	195,000 Share	\$12,480	-	\$12,480	
Audix Corporation	Preferred stock	Fubon Preferred Stock-Share B	-	Financial assets at fair value through profit or loss - current	535,646 Share	33,264	-	33,264	
Audix Corporation	Preferred stock	Cathay Preferred Stock	-	Financial assets at fair value through profit or loss - current	888,000 Share	54,967	-	54,967	
Audix Corporation	Preferred stock	Cathay Preferred Stock-Share B	-	Financial assets at fair value through profit or loss - current	773,672 Share	47,736	-	47,736	
Audix Corporation	Fund	Cathay US Premium Bond Fund	-	Financial assets at fair value through profit or loss - current	444,910 Units	4,922	-	4,922	
Audix Corporation	Fund	Nomura Global Financial Bond Fund Acc USD	-	Financial assets at fair value through profit or loss - current	959,477 Units	10,364	-	10,364	
Audix Corporation	Fund	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	-	Financial assets at fair value through profit or loss - current	240,000 Share	5,064	-	5,064	
Audix Corporation	Fund	Cathay BBB Corporate bond ex China Coupon 4.5% 10Yr+ 20% Sector Capped ETF	-	Financial assets at fair value through profit or loss - current	277,000 Share	10,504	-	10,504	
Audix Corporation	Fund	Nomura All Weather Global Bond Fund	-	Financial assets at fair value through profit or loss - current	550,000 Share	5,527	-	5,527	
Audix Corporation	Fund	Nomura Global Short Duration Bond Fund	-	Financial assets at fair value through profit or loss - current	712,385 Share	8,134	-	8,134	
Audix Corporation	Fund	Yuanta Japan Leaders Equity Fund-JPY(A)	-	Financial assets at fair value through profit or loss - current	1,307,998 Share	2,831	-	2,831	
Audix Corporation	Fund	Goldman Sachs US Dollar Credit Y Cap USD	-	Financial assets at fair value through profit or loss - current	259 Units	2,795	-	2,795	
Audix Corporation	Fund	Fuh-Hwa Global Bond Fund	-	Financial assets at fair value through profit or loss - current	333,579 Share	5,197	-	5,197	
Audix Corporation	Fund	Cathay U.S. Treasury 20+ Year Bond	-	Financial assets at fair value through profit or loss - current	166,000 Share	5,118	-	5,118	
Audix Corporation	Fund	Yuanta US 20+ Year BBB Corporate Bond ETF	-	Financial assets at fair value through profit or loss - current	145,000 Share	5,166	-	5,166	
Audix Corporation	Fund	Yuanta US 20+ Year AAA-A Corporate Bond ETF	-	Financial assets at fair value through profit or loss - current	236,000 Share	8,057	-	8,057	
Audix Corporation	Fund	PineBridge Global ESG Quantitative Bond Fund	-	Financial assets at fair value through profit or loss - current	303,512 Share	3,005	-	3,005	
Audix Corporation	Stock	Locus Cell Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non current	5,000,000 Share	88,600	2.50%	88,600	
Total						\$313,731			
Audix Technology (Xiamen) Co.,Ltd.	capital	Xiamen Juxiang Precision Mold Co., Ltd	-	Financial assets at fair value through other comprehensive income - non current	-	RMB 1,103	8.00%	RMB 1,103	
Total						RMB 1,103			
Audix Technology Corporation	Fund	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,237,221 Share	\$38,088	-	38,088	
Total						\$38,088			
Audix Hi-tech Investment Co., Ltd.	Bond	AFRFIN bond	-	Financial assets at fair value through profit or loss - non current	-	USD 460	-	USD 460	
Audix Hi-tech Investment Co., Ltd.	Bond	ARAMCO bond	-	Financial assets at fair value through profit or loss - non current	-	USD 435	-	USD 435	
Audix Hi-tech Investment Co., Ltd.	Bond	BAC bond	-	Financial assets at fair value through profit or loss - non current	-	USD 500	-	USD 500	
Audix Hi-tech Investment Co., Ltd.	Bond	BANK bond	-	Financial assets at fair value through profit or loss - non current	-	USD 359	-	USD 359	
Audix Hi-tech Investment Co., Ltd.	Bond	BMW bond	-	Financial assets at fair value through profit or loss - non current	-	USD 502	-	USD 502	
Audix Hi-tech Investment Co., Ltd.	Bond	BNP bond	-	Financial assets at fair value through profit or loss - non current	-	USD 403	-	USD 403	
Audix Hi-tech Investment Co., Ltd.	Bond	CGM bond	-	Financial assets at fair value through profit or loss - non current	-	USD 2,985	-	USD 2,985	
Audix Hi-tech Investment Co., Ltd.	Bond	CITIGROUP bond	-	Financial assets at fair value through profit or loss - non current	-	USD 389	-	USD 389	
Audix Hi-tech Investment Co., Ltd.	Bond	CKINF bond	-	Financial assets at fair value through profit or loss - non current	-	USD 347	-	USD 347	
Audix Hi-tech Investment Co., Ltd.	Bond	CREDIT bond	-	Financial assets at fair value through profit or loss - non current	-	USD 405	-	USD 405	
Audix Hi-tech Investment Co., Ltd.	Bond	FOXCONN bond	-	Financial assets at fair value through profit or loss - non current	-	USD 1,690	-	USD 1,690	
Audix Hi-tech Investment Co., Ltd.	Bond	HSBC bond	-	Financial assets at fair value through profit or loss - non current	-	USD 497	-	USD 497	
Audix Hi-tech Investment Co., Ltd.	Bond	HSBC bond	-	Financial assets at fair value through profit or loss - non current	-	USD 359	-	USD 359	
Audix Hi-tech Investment Co., Ltd.	Bond	HYUNDAI bond	-	Financial assets at fair value through profit or loss - non current	-	USD 389	-	USD 389	
Audix Hi-tech Investment Co., Ltd.	Bond	MERCEDES bond	-	Financial assets at fair value through profit or loss - non current	-	USD 392	-	USD 392	
Audix Hi-tech Investment Co., Ltd.	Bond	MITSUBISHI bond	-	Financial assets at fair value through profit or loss - non current	-	USD 343	-	USD 343	
Audix Hi-tech Investment Co., Ltd.	Bond	MIZUHO bond	-	Financial assets at fair value through profit or loss - non current	-	USD 415	-	USD 415	
Audix Hi-tech Investment Co., Ltd.	Bond	NATIXIS bond	-	Financial assets at fair value through profit or loss - non current	-	USD 1,493	-	USD 1,493	
Audix Hi-tech Investment Co., Ltd.	Bond	NSANY bond	-	Financial assets at fair value through profit or loss - non current	-	USD 388	-	USD 388	
Audix Hi-tech Investment Co., Ltd.	Bond	SCGAU bond	-	Financial assets at fair value through profit or loss - non current	-	USD 499	-	USD 499	
Audix Hi-tech Investment Co., Ltd.	Bond	SCP bond	-	Financial assets at fair value through profit or loss - non current	-	USD 497	-	USD 497	
Audix Hi-tech Investment Co., Ltd.	Bond	STD bond	-	Financial assets at fair value through profit or loss - non current	-	USD 389	-	USD 389	
Audix Hi-tech Investment Co., Ltd.	Bond	SUCI bond	-	Financial assets at fair value through profit or loss - non current	-	USD 402	-	USD 402	
Audix Hi-tech Investment Co., Ltd.	Bond	SUMILF bond	-	Financial assets at fair value through profit or loss - non current	-	USD 357	-	USD 357	
Audix Hi-tech Investment Co., Ltd.	Bond	TAMC bond	-	Financial assets at fair value through profit or loss - non current	-	USD 493	-	USD 493	
Audix Hi-tech Investment Co., Ltd.	Bond	VOLKSWAGEN bond	-	Financial assets at fair value through profit or loss - non current	-	USD 420	-	USD 420	
Total						USD 15,808			

Note: Securities referred to in this Table are stocks, bonds, benefit certificates and securities derived from these items within the scope of IFRS No. 9, "Financial Instruments."

Table 3: Significant intercompany transactions between consolidated entities

(In Thousands of NTD)

No. (Note1)	Company Name	Counter-party	Nature of Relationship (Note2)	Intercompany Transactions			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note3)
	<u>For the three-month periods ended March 31, 2025</u>						
0	Audix Corporation	Toyo Kuni Electronics Co., Ltd.	1	Operating revenue	\$5,974	(Note4)	0.51 %
0	Audix Corporation	Audix Technology (Xiamen) Co., Ltd.	1	Operating revenue	1,559	(Note4)	0.13 %
0	Audix Corporation	Audix Technology (Xiamen) Co., Ltd.	1	Purchases	47,988	(Note5)	4.10 %
0	Audix Corporation	Toyo Kuni Electronics Co., Ltd.	1	Other income	1,677	-	0.14 %
0	Audix Corporation	Audix Hi-tech Investment Co., Ltd.	1	Other income	2,269	-	0.19 %
0	Audix Corporation	Audix Technology Corporation	1	Rental income	1,689	-	0.14 %
0	Audix Corporation	Audix Technology (Xiamen) Co., Ltd.	1	Accounts payable	17,061	-	0.18 %
1	Toyo Kuni Electronics Co., Ltd.	AHC Warehouse & Trading (Shenzhen) Co., Ltd.	3	Operating revenue	29,172	(Note4)	2.49 %
1	Toyo Kuni Electronics Co., Ltd.	AHC Warehouse & Trading (Shenzhen) Co., Ltd.	3	Operating expenses	3,104	-	0.26 %
1	Toyo Kuni Electronics Co., Ltd.	AHC Warehouse & Trading (Shenzhen) Co., Ltd.	3	Accounts receivable	49,483	-	0.52 %
2	Audix Hi-tech Investment Co., Ltd.	Audix Technology (Xiamen) Co., Ltd.	3	Purchases	19,362	(Note5)	1.65 %
2	Audix Hi-tech Investment Co., Ltd.	Audix Technology (Xiamen) Co., Ltd.	3	Accounts payable	25,402	-	0.27 %
3	Audix Technology Corporation	Audix Technology (Wujiang) Co., Ltd.	3	Operating revenue	1,465	(Note4)	0.13 %
3	Audix Technology Corporation	Audix Technology (Shenzhen) Co., Ltd.	3	Operating revenue	4,080	(Note4)	0.35 %
4	Audix Technology (Xiamen) Co., Ltd.	AHC Warehouse & Trading (Shenzhen) Co., Ltd.	3	Operating revenue	11,534	(Note4)	0.98 %
4	Audix Technology (Xiamen) Co., Ltd.	AHI Electronics Warehouse (Shanghai) Co., Ltd.	3	Operating revenue	2,934	(Note4)	0.25 %
4	Audix Technology (Xiamen) Co., Ltd.	AHC Warehouse & Trading (Shenzhen) Co., Ltd.	3	Accounts receivable	23,074	-	0.24 %
5	Audix Technology (Wujiang) Co., Ltd.	Audix Technology (Shenzhen) Co., Ltd.	3	Operating revenue	1,466	(Note4)	0.13 %
5	Audix Technology (Wujiang) Co., Ltd.	Yuka Precision (Wujiang) Co., Ltd.	3	Rental income	6,810	-	0.58 %
6	AHC Warehouse & Trading (Shenzhen) Co., Ltd.	AHI Electronics Warehouse (Shanghai) Co., Ltd.	3	Purchases	1,336	(Note5)	0.11 %

Note1: The numbers filled in represent:

(1) The company is "0".

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

Note2: The following lists the three types of intercompany transactions (one transaction between parent company and subsidiary or between subsidiaries could be disclosed only once.)

(1) Transactions from parent company to subsidiary is "1".

(2) Transactions from subsidiary to parent company is "2".

(3) Transactions between subsidiaries is "3".

Note3: The percentage is divided by:

(1) Consolidated total assets if the transaction account belongs to balance sheet.

(2) Consolidated net revenue if the transaction account belongs to comprehensive income statement.

Note4: The terms and collection period of operating income to the above related parties are 60-150 days; while the terms for third party are 30-150 days.

Note5: The terms and payment period of purchase to the above related parties are 30-90 days; while the terms for third party are 30-105 days.

Note6: This table includes significant transactions for amounts over 0.1% of consolidated net revenue or consolidated total assets.

Table 4: Names, locations and related information of investees (not including information on investments in Mainland China)

(In Thousands of NTD/ Foreign currency)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance at The End of Period			Net Income (Losses) of Investee	Share of Profits (Losses) of Investee	Remark
				Ending balance	Beginning balance	Shares	Percentage of Ownership	Carrying Amount			
Audix Corporation	Audix Hi-tech Investment Co., Ltd.	Hong Kong	Electronic component trading and investment business, etc.	\$392,624	\$392,624	-	100%	\$5,606,741	\$96,474	\$96,474	Subsidiary (Note1)
Audix Corporation	Toyo Kuni Electronics Co., Ltd.	Hong Kong	Trading and agency of electronic components, etc.	356,990	356,990	-	100%	939,647	13,695	13,695	Subsidiary (Note1)
Audix Corporation	Audix Technology Corporation	Taiwan	Safety standard test certification and electromagnetic compatibility test certification, and construction of anechoic chamber, etc.	170,000	170,000	20,000,000	100%	450,279	20,267	20,267	Subsidiary (Note1)
Audix Corporation	Wavegis Technology CO., LTD.	Taiwan	Electrical and electronic product manufacturing, communication and information system planning, integration, application and construction, etc.	21,750	21,750	2,887,786	38.16%	42,238	3,562	1,210 (Note2)	Associate

Note1: Profits and losses resulting from intercompany transactions was eliminated in the consolidated statement.

Note2: It is the "Share of profit (loss) of associates and joint ventures" deducting the amortization of the difference between the investment cost and the net value of the acquired equity of \$150 thousand.

Table 5: Informations on investments in Mainland China

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Investment method	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee Company	Director Indirect Percentage of Ownership	Recognized in this period Investment profit and loss	Carrying Amount as of March 31, 2025	Accumulated Inward Remittance of Earnings as of March 31, 2025	Remark
					Outflow	Inflow							
Yuka Precision (Wujiang) Co., Ltd.	Production of new electronic components, molds and their parts, technical consultation and technical services for software product development, etc.	\$332,050 (USD 10,000 thousand)	(Note 2)	\$-	\$-	\$-	\$-	\$2,315 (RMB 513 thousand)	50%	\$1,160 (RMB 257 thousand) (Note 3(3))	\$403,192 (RMB 88,168 thousand)	\$-	(Note 7)
Audix Technology (Shenzhen) Co., Ltd.	Inspection and testing services, etc.	\$69,731 (USD 2,100 thousand)	(Note 1)	-	-	-	-	5,000 (USD 152 thousand)	100%	5,000 (USD 152 thousand) (Note 3(3))	334,640 (USD 10,078 thousand)	250,618	(Note 4)
Audix Technology (Xiamen) Co., Ltd.	Manufacture and sales of transformers, coils, relays, anti-electromagnetic interference components, new electronic components, electronic special equipment and their spare parts, plastic molds and parts, etc.	\$994,822 (USD 29,960 thousand)	(Note 1)	147,264 (USD 4,435 thousand)	-	-	147,264 (USD 4,435 thousand)	64,642 (USD 1,965 thousand)	100%	64,642 (USD 1,965 thousand) (Note 3(2))	2,536,231 (USD 76,381 thousand)	1,949,491	(Note 4)
AHC Warehouse & Trading (Shenzhen) Co., Ltd.	Warehousing business, international trade, entrepot trade, intra-regional trade, and business market consultation, etc.	\$46,009 (HKD 10,780 thousand)	(Note 1)	-	-	-	-	4,967 (USD 151 thousand)	100%	4,967 (USD 151 thousand) (Note 3(3))	72,719 (USD 2,190 thousand)	-	(Note 5)
Audix Technology (Wujiang) Co., Ltd.	Production of new electronic components, new instrument components and materials and parts design and processing, software product development technical consultation and technical services, etc.	\$664,100 (USD 20,000 thousand)	(Note 1)	92,243 (USD 2,778 thousand)	-	-	92,243 (USD 2,778 thousand)	3,257 (USD 99 thousand)	100%	3,257 (USD 99 thousand) (Note 3(2))	766,106 (USD 23,072 thousand)	-	(Note 4)
Audix Testing & Measurement Co., Ltd.	Test of electronic and electrical products and related technical consulting services, etc.	\$13,719 (RMB 3,000 thousand)	(Note 2)	-	-	-	-	533 (RMB 118 thousand)	100%	533 (RMB 118 thousand) (Note 3(3))	25,069 (RMB 5,482 thousand)	-	(Note 6)
Audix Technology (Shanghai) Co., Ltd.	Design, production, microcontroller (microcomputer) electronic control board, engaged in integrated circuit block, electronic, motor, electrical product technology design, technical consultation and service, various types of engineering construction activities (except nuclear power plant construction and operation, water supply and drainage network), electronic special equipment, electronic measuring instruments and home-made products sales, etc.	\$69,731 (USD 2,100 thousand)	(Note 1)	-	-	-	-	1,086 (USD 33 thousand)	100%	1,086 (USD 33 thousand) (Note 3(3))	174,027 (USD 5,241 thousand)	20,055	(Note 4)
AHI Electronics Warehouse (Shanghai) Co., Ltd.	Sales of electronic components, etc.	\$58,109 (USD 1,750 thousand)	(Note 1)	-	-	-	-	1,546 (USD 47 thousand)	100%	1,546 (USD 47 thousand) (Note 3(3))	165,793 (USD 4,993 thousand)	-	(Note 5)

Accumulated Investment in Mainland China as of March 31, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit of Investment
\$239,508 ( USD 7,213 thousand )	\$1,916,261 ( USD 57,710 thousand )	\$3,536,956 (Note 8)

Note1: Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

Note2: Directly reinvesting in mainland companies by reinvesting in mainland companies. According to the regulations of the Investment Review Commission, the reinvestment behavior of investment enterprises in the mainland area does not need to apply to the Investment Review Commission. Therefore, such investment amounts are not included in the company's investment quota in mainland China calculate.

Note3: Investment income (loss) was recognised based on the financial statement audited by the parent company's independent auditors.

(i)The financial statements were reviewed by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.

(ii)The financial statements were reviewed by the auditors of the parent company.

(3)Others

Note4: It is reinvested through Audix Hi-tech Investment Co., Ltd.

Note5: It is reinvested through Toyo Kuni Electronics Co., Ltd.

Note6: It is invested through Audix Technology (Shenzhen) Co., Ltd.

Note7: It was reinvested through Audix Technology (Xiamen) Co., Ltd.

Note8: According to the regulations of the Investment Review Committee of the Ministry of Economic Affairs, the upper limit on investment in mainland China is determined by 60% of the company's consolidated net worth.

Note9: For subsidiaries included in the consolidated financial statement, the related profits or losses and the ending balance were eliminated in the consolidated financial statement.