Stock Code:3033

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024

Address: 11F., No.308, Sec.1, Neihu Rd., Neihu Dist., Taipei City
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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Weikeng Industrial Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Weikeng Industrial Co., Ltd. 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 months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, " Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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 the 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.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Weikeng Industrial Co., Ltd. and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Au, Yiu-Kwan and Hsin, Yu-Ting.

KPMG

Taipei, Taiwan (Republic of China)
May 6, 2025

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2025, December 31, and March 31, 2024

(expressed in thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note (6)(a))	$ 2,864,865	7	2,985,318	7	2,404,601	6
1110	Current financial assets at fair value through profit or loss (note (6)(b))	841	-	799	-	774	-
1170	Notes and accounts receivable, net (note (6)(d))	18,503,710	42	17,744,616	42	14,827,742	38
1200	Other receivables (note (6)(d))	538,537	1	590,218	1	317,585	1
1300	Inventories, net (note (6)(e))	20,530,507	47	20,524,632	48	19,956,464	51
1470	Prepayments and other current assets	504,914	1	180,713	-	1,276,434	3
		42,943,374	98	42,026,296	98	38,783,600	99
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	88,809	-	88,833	-	77,262	-
1600	Property, plant and equipment (note (6)(f))	153,266	-	153,222	-	150,163	-
1755	Right-of-use assets (note (6)(g))	266,557	1	282,188	1	266,473	1
1780	Intangible assets	10,498	-	7,317	-	10,415	-
1840	Deferred tax assets	169,757	1	187,363	1	129,657	-
1900	Other non-current assets	83,128	-	85,885	-	80,022	-
		772,015	2	804,808	2	713,992	1
	Total assets	**$ 43,715,389**	**100**	**42,831,104**	**100**	**39,497,592**	**100**

		March 31, 2025		December 31, 2024		March 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note (6)(h))	$ 19,624,996	45	17,340,753	41	16,176,428	41
2120	Current financial liabilities at fair value through profit or loss (notes (6)(b) and (6)(i))	533	-	1,014	-	-	-
2130	Current contract liabilities (note (6)(q))	407,593	1	510,424	1	1,137,733	3
2170	Accounts payable	6,557,373	15	8,276,821	19	8,583,815	22
2200	Other payables	829,287	2	951,059	2	727,990	2
2216	Dividends payable	1,000,000	2	-	-	-	-
2230	Current tax liabilities	304,646	1	194,693	1	239,492	1
2280	Current lease liabilities (note (6)(j))	130,839	-	135,948	-	133,932	-
2300	Other current liabilities	547,452	1	507,673	1	460,484	1
2320	Bonds payable, current portion (note (6)(i))	515,971	1	575,289	1	-	-
		29,918,690	68	28,493,674	66	27,459,874	70
	Non-current liabilities:						
2500	Non-current financial liabilities at fair value through profit or loss (notes (6)(b) and (6)(i))	26,500	-	29,000	-	8,561	-
2530	Bonds payable (note (6)(i))	2,238,696	6	2,224,804	5	1,774,735	5
2570	Deferred tax liabilities	973,239	2	973,239	2	857,292	2
2580	Non-current lease liabilities (note (6)(j))	145,492	-	153,589	1	142,832	-
2640	Non-current net defined benefit liabilities	39,956	-	41,797	-	68,017	-
2670	Other non-current liabilities	193	-	193	-	193	-
		3,424,076	8	3,422,622	8	2,851,630	7
	Total liabilities	33,342,766	76	31,916,296	74	30,311,504	77
	Equity (note (6)(n)):						
3100	Common stock	4,766,941	11	4,742,934	11	4,280,715	10
3200	Capital surplus	2,577,379	6	2,539,836	6	1,526,125	4
	Retained earnings:						
3310	Legal reserve	1,383,563	3	1,383,563	3	1,304,638	3
3320	Special reserve	12,354	-	12,354	-	-	-
3350	Unappropriated earnings	1,186,418	3	1,863,670	5	1,836,033	5
		2,582,335	6	3,259,587	8	3,140,671	8
	Other equity interest:						
3410	Exchange differences on translation of foreign financial statements	537,842	1	464,301	1	330,407	1
3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(91,874)	-	(91,850)	-	(91,830)	-
		445,968	1	372,451	1	238,577	1
	Total equity	10,372,623	24	10,914,808	26	9,186,088	23
	Total liabilities and equity	**$ 43,715,389**	**100**	**42,831,104**	**100**	**39,497,592**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the three months ended March 31, 2025 and 2024

(expressed in thousands of New Taiwan Dollars, except for earnings per share)

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4100	**Net sales revenue (note (6)(q))**	$ 25,810,019	100	18,444,276	100
5000	**Cost of sales (note (6)(e))**	24,433,119	94	17,395,128	94
	Gross profit	1,376,900	6	1,049,148	6
	Operating expenses (notes (6)(j), (6)(l), (6)(r), (7) and (12)):				
6100	Selling expenses	535,217	2	455,100	3
6200	Administrative expenses	137,446	1	116,250	1
6450	Expected credit losses (reversal gains) (note (6)(d))	22,129	-	(7,335)	-
		694,792	3	564,015	4
	Net operating income	682,108	3	485,133	2
	Non-operating income and expenses:				
7100	Interest income	11,100	-	2,928	-
7010	Other income (note (7))	1,421	-	2,093	-
7230	Foreign currency exchange gains (losses), net (note (6)(s))	3,715	-	(24,915)	-
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss, net (note (6)(i))	2,915	-	5,507	-
7050	Finance costs (notes (6)(i) and (6)(j))	(262,986)	(1)	(255,383)	(1)
7590	Miscellaneous disbursements	(1)	-	(206)	-
		(243,836)	(1)	(269,976)	(1)
7900	**Profit before tax**	438,272	2	215,157	1
7950	**Less: Income tax expenses (note (6)(m))**	115,524	1	46,220	-
8200	**Profit**	322,748	1	168,937	1
	Other comprehensive income:				
8310	**Items that will not be reclassified to profit or loss**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(24)	-	(23)	-
8349	Less: Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
		(24)	-	(23)	-
8360	**Items that may be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	91,926	-	313,692	1
8399	Less: Income tax related to items that will be reclassified to profit or loss (note (6)(m))	18,385	-	62,738	-
		73,541	-	250,954	1
	Other comprehensive income	73,517	-	250,931	1
8500	**Comprehensive income**	**$ 396,265**	**1**	**419,868**	**2**
	Earnings per ordinary share (expressed in New Taiwan dollars) (note (6)(p))				
9750	**Basic earnings per share**	**$**	**0.68**		**0.39**
9850	**Diluted earnings per share**	**$**	**0.59**		**0.34**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the three months ended March 31, 2025 and 2024

(expressed in thousands of New Taiwan Dollars)

			Retained earnings			Other equity interest		
	Common stock	**Capital surplus**	**Legal reserve**	**Special reserve**	**Unappropriated earnings**	**Exchange differences on translation of foreign financial statements**	**Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income**	**Total equity**
Balance at January 1, 2024	$ 4,280,715	1,526,125	1,304,638	-	1,667,096	79,453	(91,807)	8,766,220
Profit for the three months ended March 31, 2024	-	-	-	-	168,937	-	-	168,937
Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	250,954	(23)	250,931
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	168,937	250,954	(23)	419,868
Balance at March 31, 2024	**$ 4,280,715**	**1,526,125**	**1,304,638**	**-**	**1,836,033**	**330,407**	**(91,830)**	**9,186,088**
Balance at January 1,2025	$ 4,742,934	2,539,836	1,383,563	12,354	1,863,670	464,301	(91,850)	10,914,808
Appropriation and distribution of retained earnings:								
Cash dividends	-	-	-	-	(1,000,000)	-	-	(1,000,000)
	-	-	-	-	(1,000,000)	-	-	(1,000,000)
Profit for the three months ended March 31, 2025	-	-	-	-	322,748	-	-	322,748
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	73,541	(24)	73,517
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	322,748	73,541	(24)	396,265
Conversion of convertible bonds	24,007	37,543	-	-	-	-	-	61,550
Balance at March 31, 2025	**$ 4,766,941**	**2,577,379**	**1,383,563**	**12,354**	**1,186,418**	**537,842**	**(91,874)**	**10,372,623**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the three months ended March 31, 2025 and 2024

(expressed in thousands of New Taiwan Dollars)

	For the three months ended March 31, 2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	$ 438,272	215,157
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	43,049	43,002
Amortization expenses	2,198	1,965
Expected credit losses (reversal gains)	22,129	(7,335)
Net gains on financial assets and liabilities at fair value through profit or loss	(2,915)	(5,507)
Interest expenses	262,986	255,383
Interest income	(11,100)	(2,928)
Others	1	(410)
	316,348	284,170
Changes in operating assets and liabilities:		
Increase in notes and accounts receivable	(781,223)	(1,233,441)
Decrease in other receivables	52,739	69,771
(Increase) decrease in inventories	(5,875)	560,535
Increase in prepayments and other current assets	(209,800)	(199,717)
	(944,159)	(802,852)
Decrease in accounts payable	(69,066)	(1,009,033)
Decrease in other payable	(127,166)	(131,115)
(Decrease) increase in contract liabilities and other current liabilities	(63,052)	62,748
Decrease in net defined benefit liabilities	(1,841)	(1,850)
	(261,125)	(1,079,250)
Total changes in operating assets and liabilities	(1,205,284)	(1,882,102)
Total adjustments	(888,936)	(1,597,932)
Cash flows used in operations	(450,664)	(1,382,775)
Interest received	10,967	2,788
Interest paid	(241,215)	(236,419)
Income taxes paid	(6,087)	(2,943)
Net cash flows used in operating activities	(686,999)	(1,619,349)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(3,822)	(6,167)
Disposal of property, plant and equipment	161	-
Increase in refundable deposits	(112,562)	(119,436)
Acquisition of intangible assets	(5,297)	(5,454)
Increase in other prepayments	-	(613)
Net cash flows used in investing activities	(121,520)	(131,670)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	633,861	1,474,355
Payments of lease liabilities	(37,463)	(40,002)
Net cash flows from financing activities	596,398	1,434,353
Effect of exchange rate changes on cash and cash equivalents	91,668	310,535
Net decrease in cash and cash equivalents	(120,453)	(6,131)
Cash and cash equivalents at the beginning of period	2,985,318	2,410,732
Cash and cash equivalents at the end of period	**$ 2,864,865**	**2,404,601**

See accompanying notes to consolidated financial statements.

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2025 and 2024

(expressed in thousands of New Taiwan Dollars, unless otherwise specified)

(1) Company history

Weikeng Industrial Co., Ltd. (the "Company") was incorporated in Taiwan as a company limited by shares in January 1977 and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company' s registered office is 11F, No.308 Sec. 1, Neihu Rd., Neihu Dist., Taipei City. The major activities of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") are the purchase and sale of electronic components and computer peripherals, technical service, and the import-export trade business. Please refer to note (4)(b) for related information. The Company's common shares were listed on the Taiwan Stock Exchange (TSE).

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the Board of Directors on May 6, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 "Lack of Exchangeability"

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

(Continued)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
Annual Improvements to IFRS Accounting Standards—Volume 11	The amendments set out: 1. IFRS 1 " First-time Adoption of International Financial Reporting Standards": The amendments address a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments. 2. IFRS 7 " Financial Instruments: Disclosures": The amendments address a potential confusion in IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued. 3. IFRS 9 "Financial Instruments": ● Derecognition of a lease liability The IASB' s amendment states that if a lease liability is derecognized, then the derecognition will be accounted for under IFRS 9, (i.e. the difference between the carrying amount and the consideration paid is recognized in profit or loss). However, when a lease liability is modified, the modification will be accounted for under IFRS 16 Leases. ● Transaction price The amendments require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15 Revenue from Contracts with Customers. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.	January 1, 2026

(Continued)

Standards or Interpretations	Content of amendment	Effective date per IASB
	4. IFRS 10 " Consolidated Financial Statements": The amendments clarify the determination of a 'de facto agent'. 5. IAS 7 "Statement of Cash Flows": The amendments address a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method'.	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by the FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2024.

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of Consolidation

(i) List of subsidiaries in the consolidated financial statements:

			Shareholding		
Name of Investor	**Name of Subsidiary**	**Nature of operation**	**March 31, 2025**	**December 31, 2024**	**March 31, 2024**
The Company	Weikeng International Co., Ltd. (WKI)	Electronic components computer peripherals products distribution and technical support	100 %	100 %	100 %
〃	Weikeng Technology Co., Ltd. (WKZ)	Electronic components and technical support	100 %	100 %	100 %
〃	Weikeng Technology Pte. Ltd. (WTP)	〃	100 %	100 %	100 %
WKI	Weikeng International (Shanghai) Co., Ltd. (WKS)	Electronic components computer peripherals products distribution and technical support	100 %	100 %	100 %
〃	Weitech International Co., Ltd. (Weitech)	Import and export trade of electronic components	100 %	100 %	100 %
WKS	SiUltra Electronic Technology (Shanghai) Co., Ltd. (SiU)	Electronic technology development and technical advisory	100 %	100 %	100 %

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 " Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to note (6) of the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	$ 170	169	394
Checking accounts and demand deposits	2,864,695	2,985,149	2,372,207
Time deposits	-	-	32,000
	$ 2,864,865	**2,985,318**	**2,404,601**

Please refer to note (6)(s) for the exchange rate, interest rate risk and sensitivity analysis of the financial assets of the Group.

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Financial assets and liabilities at fair value through profit or loss

(i) The details of the financial assets and liabilities at fair value through profit or loss were as follows:

		March 31, 2025	December 31, 2024	March 31, 2024
Current financial assets at fair value through profit or loss:				
Non-derivative financial assets				
Stocks listed on domestic markets	$	841	799	774
Current financial liabilities at fair value through profit or loss:				
Convertible bonds – embedded derivatives	$	533	1,014	-
Non-current financial liabilities at fair value through profit or loss:				
Convertible bonds – embedded derivatives	$	26,500	29,000	8,561

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any financial assets at fair value through profit or loss as collateral for its loans.

Please refer to note (6)(s) for credit risk and currency risk of financial assets of the Group.

(c) Non-current financial assets at fair value through other comprehensive income

		March 31, 2025	December 31, 2024	March 31, 2024
Debt investments at fair value through other comprehensive income:				
Overseas unlisted convertible promissory note	$	9,056	9,056	9,056
Equity investments at fair value through other comprehensive income:				
Domestic emerging market stocks		170	194	214
Domestic unlisted stocks		72,125	72,125	60,534
Overseas unlisted stocks		7,458	7,458	7,458
	$	88,809	88,833	77,262

(i) Debt investments at fair value through other comprehensive income

The Group has made an assessment that the debt invesment were held within a business model whose objective was achieved by both collecting contractual cash flows and selling financial assets. Therefore, they have been classified as financial assets at fair value through other comprehensive income.

(Continued)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
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(ii) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategy and not for trading purposes.

There were no disposals of strategic investments, nor were there any transfers of any cumulative gain or loss within equity relating to these investments in the three months ended March 31, 2025 and 2024.

(iii) The investee company, Winsheng Material Technology Co., Ltd. (Winsheng Material), which was recognized as non-current financial assets at fair value through other comprehensive income, issued new shares for cash in the fourth quarter of 2024. The Group purchased newly issued shares of Winsheng Material amounting to $11,591, leading to an increase of the Group’s shareholding in Winsheng Material from 1,400 thousand shares to 1,690 thousand shares.

(iv) For credit risk and market risk, please refer to note (6)(s).

(v) As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any financial assets at fair value through other comprehensive income as collateral for its loans.

(d) Notes and accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	$ 327,245	277,541	205,711
Accounts receivable-measured as amortized cost	14,941,108	15,743,150	11,998,558
Accounts receivable-fair value through other comprehensive income	3,408,921	1,874,167	2,763,828
	18,677,274	17,894,858	14,968,097
Less: Loss allowance	(173,564)	(150,242)	(140,355)
	$ 18,503,710	**17,744,616**	**14,827,742**

The Group has assessed a portion of its accounts receivable that was held within a business model whose objective is achieved by selling financial assets; therefore, such accounts receivable was measured at fair value through other comprehensive income.

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics of the customer's ability to pay all due amounts in accordance with contract terms, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The Group's loss allowance of notes and accounts receivable were determined as follows:

(Continued)

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(i) The Company

	March 31, 2025			
Credit rating	**Carrying amount**	**Expected credit loss rate**	**Loss allowance**	**Credit impaired**
Listed company (assessed by group)				
Level A	$ 6,045,842	0.53%	31,952	No
Level B	1,054,711	1.28%	13,504	No
Unlisted company	1,260,202	1.71%	21,487	No
	$ 8,360,755		66,943	

	December 31, 2024			
Credit rating	**Carrying amount**	**Expected credit loss rate**	**Loss allowance**	**Credit impaired**
Listed company (assessed by group)				
Level A	$ 6,554,204	0.53%	34,698	No
Level B	1,043,616	1.08%	11,296	No
Unlisted company	1,049,858	1.13%	11,872	No
	$ 8,647,678		57,866	

	March 31, 2024			
Credit rating	**Carrying amount**	**Expected credit loss rate**	**Loss allowance**	**Credit impaired**
Listed company (assessed by group)				
Level A	$ 5,380,411	0.51%	27,680	No
Level B	1,068,225	1.34%	14,326	No
Unlisted company	1,383,723	1.01%	13,915	No
	$ 7,832,359		55,921	

The aging analysis of the Company's notes and accounts receivable was determined as follows:

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Not past due	$ 8,360,755	8,623,763	7,803,885
Overdue 90 days or less	-	23,915	28,474
	$ 8,360,755	8,647,678	7,832,359

(Continued)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Subsidiaries

	March 31, 2025		
	Carrying amount	Expected credit loss rate	Loss allowance
Not past due	$ 9,591,128	0.05%	4,951
Overdue 90 days or less	663,932	6.06%	40,211
Overdue 91 to 180 days	667	100%	667
Overdue 181 days or more	60,792	100%	60,792
	$ 10,316,519		106,621

	December 31, 2024		
	Carrying amount	Expected credit loss rate	Loss allowance
Not past due	$ 8,587,059	0.02%	1,545
Overdue 90 days or less	593,844	4.51%	26,759
Overdue 91 to 180 days	7,395	70.18%	5,190
Overdue 181 days or more	58,882	100%	58,882
	$ 9,247,180		92,376

	March 31, 2024		
	Carrying amount	Expected credit loss rate	Loss allowance
Not past due	$ 6,433,208	0.01%	690
Overdue 90 days or less	651,814	5.25%	34,237
Overdue 91 to 180 days	2,384	49.29%	1,175
Overdue 181 days or more	48,332	100%	48,332
	$ 7,135,738		84,434

For the three months ended March 31, 2025 and 2024, the movements in the allowance for notes and accounts receivable of the Group were as follows:

	For the three months ended March 31,	
	2025	2024
Balance at January 1	$ 150,242	143,963
Impairment losses recognized (reversal gains)	22,129	(7,335)
Effect of changes in foreign exchange rates	1,193	3,727
Balance at March 31	$ 173,564	140,355

(Continued)

The Group entered into accounts receivable factoring agreements with banks. According to the factoring agreement, the Group does not bear the loss if the account debtor does not have the ability to make payments upon the transfer of the accounts receivable factoring. The Group has not provided other guarantees except for the promissory notes, which have the same amount with the factoring, used as the guarantee for the sales return and discount. The Group received the proceeds from the discounted accounts receivable determined by agreements on the selling date. Interest is calculated and paid based on the duration and interest rate of the agreement, and the remaining amounts are received when the accounts receivable are paid by the customers. In addition, the Group has to pay a service charge based on a certain rate.

The Group derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement by them. The amounts receivable from the financial institutions were recognized as “other receivables” upon the derecognition of those accounts receivable.

As of March 31, 2025, December 31 and March 31, 2024, the information of accounts receivable sold without recourse was as follows:

March 31, 2025

Purchaser	Amount Derecognized	Amount Paid	Advanced Unpaid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
Financial institutions	$ 4,665,658	4,207,452	-	458,206	2.70%~5.70%	None

December 31, 2024

Purchaser	Amount Derecognized	Amount Paid	Advanced Unpaid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
Financial institutions	$ 5,158,647	4,668,628	-	490,019	5.29%~6.68%	None

March 31, 2024

Purchaser	Amount Derecognized	Amount Paid	Advanced Unpaid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
Financial institutions	$ 2,819,527	2,537,504	-	282,023	6.04%~6.68%	None

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any receivables as collaterals for its loans.

Please refer to note (6)(s) for further credit risk information.

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
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(e) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise inventories	$ 19,632,143	18,231,684	17,849,464
Goods in transit	898,364	2,292,948	2,107,000
	$ 20,530,507	20,524,632	19,956,464

The details of the cost of sales were as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Inventory that has been sold	$ 24,426,144	17,345,737
Inventory valuation loss and obsolescence	6,972	48,923
Loss on disposal of inventory	3	468
	$ 24,433,119	17,395,128

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any inventories as collaterals for its loans.

(f) Property, plant and equipment

	Land	Buildings and construction	Transportation equipment	Machinery equipment	Office and other facilities equipment	Total
Carrying amounts:						
Balance on January 1, 2025	$ 77,377	26,612	14,431	21,461	13,341	153,222
Balance on March 31, 2025	$ 77,377	26,396	13,644	19,861	15,988	153,266
Balance on January 1, 2024	$ 77,377	27,476	7,555	20,109	14,231	146,748
Balance on March 31, 2024	$ 77,377	27,260	10,812	19,171	15,543	150,163

The Group's property, plant and equipment have no significant additions, disposals, impairments or reversals during the three months ended March 31, 2025 and 2024. Information on depreciation for the period is disclosed in note (12)(a). For other related information, please refer to note (6)(f) of the 2024 annual consolidated financial statements.

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(g) Right-of-use assets

		Buildings	Transportation equipment	Total
Carrying amount:				
Balance on January 1, 2025	$	**275,972**	**6,216**	**282,188**
Balance on March 31, 2025	$	**260,879**	**5,678**	**266,557**
Balance on January 1, 2024	$	**281,328**	**4,892**	**286,220**
Balance on March 31, 2024	$	**258,823**	**7,650**	**266,473**

There were no significant additions, disposal, or recognition and reversal of impairment losses of buildings and transportation equipments that are held as right-of-use assets during the three months ended March 31, 2025 and 2024. Please refer to note (6)(g) of the 2024 annual consolidated financial statements for other related information.

(h) Short-term borrowings

		March 31, 2025	December 31, 2024	March 31, 2024
Unsecured loans	$	18,437,607	16,152,771	15,148,603
Short-term notes and bills payable, net		1,187,389	1,187,982	1,027,825
	$	**19,624,996**	**17,340,753**	**16,176,428**
Unused short-term credit lines	$	**5,443,122**	**5,332,270**	**4,729,984**
Range of interest rates		**1.88%~5.51%**	**1.88%~6.49%**	**1.73%~6.78%**

(i) Issuance and repayment of borrowings

The Group's incremental amounts in loans for the three months ended March 31, 2025 and 2024 were $10,158,806 and $9,503,438, respectively, with maturities from April to December, 2025 and from April to November, 2024, respectively; and the repayments were $7,874,563 and $8,029,083, respectively.

(ii) For information on the Group's interest risk, foreign currency risk and liquidity risk, please refer to note (6)(s).

(iii) Supplier finance arrangements

The Group participates in a supplier finance arrangement. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment process.

The Group has derecognized the original accounts payable related to the arrangement, as a legal release obtained pursuant to the non-recourse clause and the extension of payment terms. These liabilities were reclassified as unsecured loans under short-term borrowings. As of March 31, 2025, the aforementioned supplier financing arrangement was classified as a current liability under short-term borrowings.

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	March 31, 2025
Accounts payable of which suppliers have received payment from the bank	$ 1,650,382
Range of payment due dates	
Accounts payables	60 days after invoice date
Short-term borrowings—supplier financing arrangement	within 180 days from invoice date

Non-cash changes

There were no significant non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

The payments to the bank are included within financing cash flows. For the three months ended March 31, 2025, the payments of $1,650,382, made by the bank to the Group's supplier were deemed as non-cash transactions.

There were no supplier financing arrangement for the three months ended March 31, 2024. For additional information about how these arrangements affect the Group's exposure to liquidity risk, please refer to note 6(t).

(i) Convertible bonds payable

(i) Non-guaranteed convertible bonds:

	March 31, 2025	December 31, 2024	March 31, 2024
Aggregate principal amount	$ 4,500,000	4,500,000	2,000,000
Bond discount	(278,333)	(296,407)	(86,265)
Cumulative repurchased amount	(1,700)	(1,700)	(1,700)
Cumulative converted amount	(1,465,300)	(1,401,800)	(137,300)
	2,754,667	2,800,093	1,774,735
Less: Convertible bonds payable – could be repaid with one year	515,971	575,289	-
Bonds payable at end of period	**$ 2,238,696**	**2,224,804**	**1,774,735**
Embedded derivative – put and call options			
Included in current financial liabilities at fair value through profit or loss	**$ 533**	**1,014**	**-**
Included in non-current financial assets at fair value through profit or loss	**$ 26,500**	**29,000**	**8,561**
Equity component – conversion options (included in capital surplus – conversion options)	**$ 289,696**	**293,325**	**106,369**

(Continued)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
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(ii) There were no issuances, repurchases and repayments of bonds payable for the three months ended March 31, 2025 and 2024. Please refer to note (6)(i) to the 2024 annual consolidated financial statements for the related informatiom.

(iii) The effective interest rate of the sixth convertible bonds was 1.51%. The interest expenses on convertible bonds for the three months ended March 31, 2025 and 2024, were $2,124 and $6,619, respectively.

(iv) The effective interest rate of the seventh convertible bond was 2.52%. The interest expense on convertible bonds for the three months ended March 31, 2025 was $13,892.

(v) The net gain or loss on the recognition of financial assets and liabilities for the three months ended March 31, 2025 and 2024, amounted to a gain of $2,873 and a gain of $5,583, respectively.

(j) Lease liabilities

The details of Group's lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	$ 130,839	135,948	133,932
Non-current	$ 145,492	153,589	142,832

For the maturity analysis, please refer to note (6)(s) of financial instruments.

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2025	2024
Interest expenses on lease liabilities	$ 2,784	1,885
Expenses relating to short-term leases	$ 1,185	1,392

The amounts recognized in the consolidated statements of cash flows were as follows:

	For the three months ended March 31,	
	2025	2024
Total cash outflow for leases	$ 41,432	43,279

(i) Real estate leases

The Group leases buildings for its office space, warehouses and dormitories. The leases of office space typically run for a period of 1 to 6 years, of warehouses for 1 to 3 years, and of dormitories for 1 to 3 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(Continued)

Some leases of office buildings contain extension or cancellation options exercisable by the Group before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. When the lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period will not be included within lease liabilities.

(ii) Other leases

The Group leases transportation equipment typically run for a period of 2 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Group leases office space, dormitories, transportation equipment and parking space with lease terms of one year. Since these leases are short term, the Group elected not to recognize its right-of-use assets and lease liabilities for these leases.

(k) Operating lease — as lessor

There were no significant leases contracts for the three months ended March 31, 2025 and 2024. Please refer to note (6)(k) of the 2024 annual consolidated financial statements for other related information.

(l) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material onetime events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

The Company makes defined benefit plan contributions to the pension fund account at the Bank of Taiwan that provides pensions for employees upon retirement. The plans entitle a retired employee to receive a payment based on years of service and average salary for the six months prior to retirement.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended March 31,	
	2025	**2024**
Operating expenses	$ 187	266

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(ii) Defined contribution plans

The Company and WKZ allocates 6% of each employee’s monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company and WKZ allocates a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The Company and WKZ expenses for the pension plan contributions to the Bureau of Labor Insurance amounted to $6,270 and $6,172 for the three months ended March 31, 2025 and 2024, respectively.

Other subsidiaries recognized the pension expense, basic endowment insurance expense, and social welfare expenses amounting to $22,607 and $19,836 for the three months ended March 31, 2025 and 2024, respectively.

(m) Income taxes

(i) Income tax expenses

The amounts of income tax for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,	
	2025	**2024**
Current tax expenses	$ 115,524	46,220

The amounts of income tax recognized in other comprehensive income for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,	
	2025	**2024**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	$ 18,385	62,738

(ii) Income tax assessment

The Company’ s and WKZ's income tax returns have been examined and approved by the R.O.C. tax authorities until year 2022, respectively.

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(iii) Global Minimum Tax

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation from January 1, 2025 and is liable for additional current taxes in relation to the Group's operations in Hong Kong and Singapore. This impact has been considered in determining the weighted-average annual income tax rate for the full financial year. The Group recognised a current tax expense of $0 related to the top-up tax as of March 31, 2025.

(n) Capital and other equities

As of March 31, 2025, December 31 and March 31, 2024, the total number of authorized ordinary shares were 600,000 thousand shares, with par value of TWD 10 per share. The total value of authorized ordinary shares amounted to $6,000,000. As of that date, 476,694 thousand shares, 474,293 thousand shares and 428,072 thousand shares of ordinary shares were issued, respectively. All issued shares were paid up upon issuance.

(i) Common stock

The Company issued 2,401 thousand and 0 thousand new ordinary shares, with a par value of NT$10 per share, amounting to $24,007 and $0, due to the conversion of convertible bonds for the three months ended March 31, 2025 and 2024, respectively. The relevant statutory registration procedures have been completed.

(ii) Capital surplus

Balances on capital surplus of the Company were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid in capital	$ 2,249,056	2,207,884	1,381,129
Treasury share transactions	37,662	37,662	37,662
Donation from shareholders	712	712	712
Convertible bonds – conversion options	289,696	293,325	106,369
Others	253	253	253
	$ 2,577,379	2,539,836	1,526,125

For the three months ended March 31, 2025 and 2024, the capital surplus deriving from those convertible bonds, which were converted to common stock, amounted to $37,543 and $0, respectively (including the capital surplus-conversion options transferred to the capital surplus additional paid-in capital of $3,629 and $0, respectively).

In accordance with the Company Act, realized capital surplus can be utilized for issuing new shares or be distributed as cash dividends only after offsetting losses. The aforementioned capital surplus includes share premiums and donation gains. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus to be utilized for issuing new shares shall not exceed 10 percent of paid-in capital every year. Capital surplus increased by transferring from paid-in capital in excess of par value shall not be capitalized until the next fiscal year after the competent authority for company registrations approves registration of the capital increase.

(iii) Retained earnings

The Company's Article of Incorporation stipulate that the Company's earnings should first be estimated and retained to cover taxable contributions, losses, legal reserve, special reserve, or reversal of special reserve, and the remaining balance should be the distributable earnings for the current year; the Board of Directors may prepare a proposal for the distribution of earnings by combining the unappropriated earnings of the previous year. In accordance with the Company Act, if the distribution of earnings or reserves is to be made through the issuance of new shares, the Board of Directors shall prepare a proposal and submit it to the shareholders' meeting for resolution; if the distribution is to be made through the issuance of cash, the Board of Directors is authorized to report to the shareholders' meeting with the attendance of at least two-thirds of the directors and the resolution of a majority of the directors present. The Board of Directors shall determine the proportion of stock dividends and cash dividends to be distributed among the stockholders' dividends with reference to the Company's corporate profitability, future capital expenditure plans, expansion plans, capital planning, cash flow requirements, laws and regulations, and the degree of dilution of earnings per share, and shall prepare a resolution on the appropriation of earnings for submission to the shareholders' meeting for resolution, and the amount to be distributed shall be no less than 50 % of the Company's distributable earnings for the current year, and with the amount proposed to be distributed in cash dividends to be no less than 20% of the total amount of the dividends to be distributed to the shareholders.

1) Earnings distribution

The amounts for cash dividends of the Company’s earnings distribution for 2024 and 2023 decided by the meetings of directors held on March 6, 2025 and April 18, 2024 were as follows:

	2024		2023	
	Amount per share (in dollars)	**Total amount**	**Amount per share (in dollars)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash dividends	$ 2.10504300	**1,000,000**	1.89489000	**870,000**

(o) Share-based payment

Employee stock options

Based on the resolution made by the Board of Directors on May 6, 2024 and the issuance rules of employee stock options reported on the annual shareholders' meeting held on June 20, 2024, the Company will issue a total of 10,000 units employee stock options, with each unit having the right to subscribe 1,000 shares of the Company' s ordinary shares, and was reported to the Securities and Futures Bureau of the Financial Supervisory Commission on December 3, 2024. In light of the above matter, the Company proposes to either issue the options at once or several times, depending on the actual demand, within two years from the date of the effective notification obtained from the authorities, with the actual date of issuance to be determined by the Chairman of the Company. The Chairman of the Company has approved the issuance of 8,708 units of employee stock options on April 8, 2025.

The main issuance terms of the aforementioned employee stock options were as follows:

(i) Exercise Price: The exercise price shall be no less than 50% of the closing price of the company's common stock on the issuance date of the stock options. The actual exercise price shall be determined by the Board of Directors.

(ii) Rights Period:

1) The duration of the stock options is six years. The stock options and their rights may not be transferred, pledged, gifted, or otherwise disposed of, except in the case of inheritance. Upon expiration of the duration, any unexercised stock options will be deemed forfeited, and the option holders may no longer claim their rights.

2) Option holders may exercise their stock options according to the following schedule after two years from the grant date:

Vesting Period of Stock Options	Cumulative Exercisable Percentage
After 2 years	40%
After 3 years	60%
After 4 years	80%
After 5 years	100%

(iii) Fulfillment Method: The Company will issue new shares to fulfill the options.

(iv) Exercise Procedure: The Company will handle the capital change registration with the competent authority after the Board of Directors sets the record date for the issuance of new shares at least quarterly, in accordance with the employee stock option issuance and exercise regulations.

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(p) Earnings per share

The Group basic earnings per share and diluted earnings per share are calculated as follows:

(i) Basic earnings per share

1) Profit attributable to ordinary shareholders of the Company

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Profit attributable to ordinary shareholders of the Company	$ **322,748**	**168,937**

2) Weighted-average number of ordinary shares (thousands)

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Weighted-average number of ordinary shares	**474,604**	**428,072**

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
3) Basic earnings per share (TWD)	$ **0.68**	**0.39**

(ii) Diluted earnings per share

1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Profit attributable shareholders of the Company (basic)	$ 322,748	168,937
Convertible bonds payable	13,087	993
Profit attributable to ordinary shareholders of the Company (diluted)	$ **335,835**	**169,930**

2) Weighted-average number of ordinary shares (thousands, diluted)

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Weighted-average number of ordinary shares (basic)	474,604	428,072
Effect of convertible bonds	90,417	66,942
Effect of employee stock remuneration	3,645	2,826
Weighted-average number of ordinary shares (diluted) on March 31	**568,666**	**497,840**

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	For the three months ended March 31,	
	2025	**2024**
3) Diluted earnings per share (TWD)	$ **0.59**	**0.34**

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31,	
	2025	**2024**
Primary geographical markets:		
Taiwan	$ 3,573,345	2,762,786
China	20,737,867	14,620,808
Others	1,498,807	1,060,682
	$ **25,810,019**	**18,444,276**
Major products/services lines		
Chipset/memory components	$ 13,969,387	9,119,692
Mixed and other components	11,840,518	9,324,072
Others	114	512
	$ **25,810,019**	**18,444,276**

(ii) Contract balance

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Notes and accounts receivable (included related parties)	$ 18,677,274	17,894,858	14,968,097
Less: loss allowance	(173,564)	(150,242)	(140,355)
	$ **18,503,710**	**17,744,616**	**14,827,742**
Contract liabilities	$ **407,593**	**510,424**	**1,137,733**

For the details on accounts receivable and loss allowance, please refer to note (6)(d).

The amounts of revenue recognized for the three months ended March 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the periods were $238,685 and $209,191, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(r) Remuneration to employees and directors

The Company’s Articles of Incorporation require that earning shall first be offset against any deficit, then, 6% to 10% of profit before tax (before deducting remuneration to employees and directors) will be distributed as employee remuneration and a maximum of 2.5% will be allocated as directors’ remuneration. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements. Actual distribution should be determined in the Board of Directors’ meeting, with no less than two-thirds of directors present, and approved by more than half of the directors attending the meeting, then shall be report to the meeting of shareholders.

For the three months ended March 31, 2025 and 2024, the accrued remuneration of the Company’s employees were $36,244 and $18,892, as well as directors were $9,061 and $4,723, respectively. These amounts were calculated by using the Company’s profit before tax for the period before deducting the amount of the remuneration to employees and directors, multiplied by the distribution ratio of remuneration to employees and directors under the Company’s Articles of Incorporation, and expensed under operating expenses. If the Board of Directors resolved to distribute employees’ remuneration in the form of shares, the numbers of shares to be distributed were calculated based on the closing price of the Company’s ordinary shares one day before the date of the meeting of the Board of Directors.

The accrued remuneration of the Company’s employees was $127,717 and $91,731, as well as remuneration of directors was $31,929 and $22,933 for the years ended December 31, 2024 and 2023, respectively. There were no differences between the distributed amounts and the accrued amounts in the consolidated financial statements. Related information would be available at the Market Observation Post System website.

(s) Financial Instruments

Except for those mentioned below, there were no significant changes in the fair value of the Group's financial instruments and degree of exposure to credit risk. Please refer to the note (6)(s) of the consolidated financial statements for the year ended December 31, 2024.

(i) Credit risk

For credit risk exposure of notes and accounts receivable, please refer to note (6)(d).

The amount of other financial assets at amortized cost includes other receivables which had been impaired.

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Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying Amount	Contractual cash flows	Within a year	Over 1 year
March 31, 2025				
Non-derivative financial liabilities				
Unsecured loans	$ 18,437,607	(18,652,406)	(18,652,406)	-
Short-term bills payable	1,187,389	(1,190,000)	(1,190,000)	-
Lease liabilities	276,331	(292,851)	(142,685)	(150,166)
Accounts payable	6,557,373	(6,557,373)	(6,557,373)	-
Other payables	829,287	(829,287)	(829,287)	-
Dividends payable	1,000,000	(1,000,000)	(1,000,000)	-
Bonds payable (including current portion)	2,754,667	(3,033,000)	(533,000)	(2,500,000)
Derivative financial liabilities				
Convertible bonds payable – embedded derivatives	27,033	-	-	-
	$ 31,069,687	(31,554,917)	(28,904,751)	(2,650,166)
December 31, 2024				
Non-derivative financial liabilities				
Unsecured loans	$ 16,152,771	(16,338,603)	(16,338,603)	-
Short-term bills payable	1,187,982	(1,190,000)	(1,190,000)	-
Lease liabilities	289,537	(305,040)	(143,930)	(161,110)
Accounts payable	8,276,821	(8,276,821)	(8,276,821)	-
Other payables	951,059	(951,059)	(951,059)	-
Bonds payable (including current portion)	2,800,093	(3,096,500)	(596,500)	(2,500,000)
Derivative financial liabilities				
Convertible bonds payable – embedded derivatives	30,014	-	-	-
	$ 29,688,277	(30,158,023)	(27,496,913)	(2,661,110)
March 31, 2024				
Non-derivative financial liabilities				
Unsecured loans	$ 15,148,603	(15,349,490)	(15,349,490)	-
Short-term bills payable	1,027,825	(1,030,000)	(1,030,000)	-
Lease liabilities	276,764	(284,877)	(139,100)	(145,777)
Accounts payable	8,583,815	(8,583,815)	(8,583,815)	-
Other payables	727,990	(727,990)	(727,990)	-
Bonds payable (including current portion)	1,774,735	(1,861,000)	-	(1,861,000)
Derivative financial liabilities				
Convertible bonds payable – embedded derivatives	8,561	-	-	-
	$ 27,548,293	(27,837,172)	(25,830,395)	(2,006,777)

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amount.

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(iii) Market risk

1) Currency risk

The Group's significant financial assets and liabilities exposure to foreign currency risk was as follows:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign currency	**Exchange rate**	**TWD**	**Foreign currency**	**Exchange rate**	**TWD**	**Foreign currency**	**Exchange rate**	**TWD**
Financial assets									
Monetary items									
USD	$ 330,979	USD/TWD 33.100	10,955,405	368,072	USD/TWD 32.725	12,045,156	305,602	USD/TWD 32.000	9,779,264
Financial liabilities									
Monetary items									
USD	246,509	USD/TWD 33.100	8,159,448	283,556	USD/TWD 32.725	9,279,370	269,529	USD/TWD 32.000	8,624,928

2) Currency risk sensitivity analysis

The Group's monetary items exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A change of 5% in the exchange rate of TWD against foreign currency for the three months ended March 31, 2025 and 2024 would have increased (decreased) the net profit before tax as follows. The analysis is performed on the same basis for both periods.

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
USD (against the TWD)		
Appreciating 5%	$ 139,798	57,717
Depreciating 5%	(139,798)	(57,717)

3) Exchange gains and losses of monetary items

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months ended March 31, 2025 and 2024, the foreign exchange gain (loss), including both realized and unrealized, amounted to a gain of $3,715 and a loss of $24,915, respectively.

4) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount	
	March 31, 2025	**March 31, 2024**
Variable rate instruments:		
Financial assets	$ 1,982,490	1,802,911
Financial liabilities	(18,437,607)	(15,148,603)

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is based on the assumption that the amount of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 0.25% when reporting to management internally, which also represents the Group's management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, the Group's net profit before tax would have decreased or increased by $10,284 and $8,341 for the three months ended March 31, 2025 and 2024, respectively, which would be mainly resulting from demand deposits, and unsecured loans with variable interest rates.

(iv) Fair value

1) Categories and the fair value of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
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	March 31, 2025				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Stocks listed on domestic markets	$ 841	841	-	-	841
Financial assets at fair value through other comprehensive income					
Notes and accounts receivable, net	3,408,921	-	-	-	-
Emerging market stocks	170	170	-	-	170
Domestic and overseas unlisted stocks	79,583	-	-	79,583	79,583
Overseas unlisted convertible promissory note	9,056	-	-	9,056	9,056
Subtotal	3,497,730				
Financial assets measured at amortized cost					
Cash and cash equivalents	2,864,865	-	-	-	-
Notes and accounts receivable, net	15,094,789	-	-	-	-
Other receivables	478,491	-	-	-	-
Guarantee deposits	248,882	-	-	-	-
Subtotal	18,687,027				
	$ 22,185,598				
Financial liabilities at fair value through profit or loss					
Convertible bonds – embedded derivatives	$ 27,033	-	27,033	-	27,033
Financial liabilities measured at amortized cost					
Short term borrowings	19,624,996	-	-	-	-
Lease liabilities	276,331	-	-	-	-
Accounts payable	6,557,373	-	-	-	-
Other payables	829,287	-	-	-	-
Dividends payable	1,000,000	-	-	-	-
Bonds payable (including current portion)	2,754,667	-	2,742,207	-	2,742,207
Subtotal	31,042,654				
	$ 31,069,687				

(Continued)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Stocks listed on domestic markets	$ 799	799	-	-	799
Financial assets at fair value through other comprehensive income					
Notes and accounts receivable, net	1,874,167	-	-	-	-
Emerging market stocks	194	194	-	-	194
Domestic and overseas unlisted stocks	79,583	-	-	79,583	79,583
Overseas unlisted convertible promissory note	9,056	-	-	9,056	9,056
Subtotal	1,963,000				
Financial assets measured at amortized cost					
Cash and cash equivalents	2,985,318	-	-	-	-
Notes and accounts receivable, net	15,870,449	-	-	-	-
Other receivables	527,514	-	-	-	-
Guarantee deposits	136,320	-	-	-	-
Subtotal	19,519,601				
	$ 21,483,400				
Financial liabilities at fair value through profit or loss					
Convertible bonds – embedded derivatives	$ 30,014	-	30,014	-	30,014
Financial liabilities measured at amortized cost					
Short term borrowings	17,340,753	-	-	-	-
Lease liabilities	289,537	-	-	-	-
Accounts payable	8,276,821	-	-	-	-
Other payables	951,059	-	-	-	-
Bonds payable (including current portion)	2,800,093	-	2,777,522	-	2,777,522
Subtotal	29,658,263				
	$ 29,688,277				

(Continued)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2024				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Stocks listed on domestic markets	$ 774	774	-	-	774
Financial assets at fair value through other comprehensive income					
Notes and accounts receivable, net	2,763,828	-	-	-	-
Emerging market stocks	214	214	-	-	214
Domestic and overseas unlisted stocks	67,992	-	-	67,992	67,992
Overseas unlisted convertible promissory note	9,056	-	-	9,056	9,056
Subtotal	2,841,090				
Financial assets measured at amortized cost					
Cash and cash equivalents	2,404,601	-	-	-	-
Notes and accounts receivable, net	12,063,914	-	-	-	-
Other receivables	271,299	-	-	-	-
Guarantee deposits	238,203	-	-	-	-
Subtotal	14,978,017				
	$ 17,819,881				
Financial liabilities at fair value through profit or loss					
Convertible bonds – embedded derivatives	$ 8,561	-	8,561	-	8,561
Financial liabilities measured at amortized cost					
Short-term borrowings	16,176,428	-	-	-	-
Lease liabilities	276,764	-	-	-	-
Accounts payable	8,583,815	-	-	-	-
Other payables	727,990	-	-	-	-
Bonds payable (including current portion)	1,774,735	-	1,766,089	-	1,766,089
Subtotal	27,539,732				
	$ 27,548,293				

There were no transfers of financial instruments between any levels during the three months ended March 31, 2025 and 2024.

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation technique of financial instruments measured at fair value

a) Non-derivative financial instruments

If the financial instrument has a public quoted price in an active market, the public quoted price will be determined as the fair value. The measurements on fair value of the financial instruments without an active market are determined using the valuation technique or the quoted market price of its counterparts. Fair value measured using the valuation technique can be extrapolated from similar financial instruments, discounted cash flow method, or other valuation techniques which include the model used in calculating the observable market data at the consolidated balance sheet date.

The Group holds the unquoted equity investments and debt instruments that do not have an active market. The fair value of unquoted equity instruments and debt instruments is estimated using the guideline company method. The main assumptions of the method are based on the guideline company's price to sales ratio, price to net worth ratio, and the discount for lack of market liquidity. The estimation has been adjusted by the effect resulting from the discount of the lack of market liquidity of the equity securities and debt investments.

b) Derivative financial instruments

Measurement of fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants. For instance, discount method or option pricing models. Fair value of forward currency exchange is usually determined by using the forward currency rate.

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4) Reconciliations of Level 3 fair values

	Fair value through other comprehensive income		
	Unquoted equity instruments	**Unquoted debt investments**	**Total**
Ending balance, March 31, 2025 (the same as the ending balance at January 1, 2025)	$ 79,583	9,056	88,639
Ending balance, March 31, 2024 (the same as the ending balance at January 1, 2024)	$ 67,992	9,056	77,048

5) Quantified information of significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value are classified as financial assets at fair value through other comprehensive income (including investments in equity securities and debt instruments).

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income	Guideline Company method	· Price-book ratio as of March 31, 2025, December 31 and March 31, 2024 were 1.48~1.66, 1.54~1.91 and 1.07~2.92, respectively.	· The higher the price-book ratio, the higher the fair value
		· Market liquidity discount rate as of March 31, 2025, December 31 and March 31, 2024 were 15.60%, 15.60% and 15.70%, respectively.	· The higher the market liquidity discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income	Net Asset Value Method	· Net asset value	· Not applicable

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(t) Financial risk management

There was no significant changes in the Group's financial risk management and policies as disclosed in the note (6)(t) of the consolidated financial statements for the year ended December 31, 2024.

The Group participates in a supplier finance arrangement with the principal purpose of facilitating efficient payment processing of supplier invoices. The arrangement allows the Group to centralise payments of trade payables to the bank rather than paying each supplier individually.

(u) Capital management

The Group's objectives, policies and processes of capital management are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2024. In addition, there were no significant differences between the summary quantitative data of the items of capital management in the consolidated financial statements and those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to note (6)(u) of the consolidated financial statements for the year ended December 31, 2024 for further details.

(v) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the three months ended March 31, 2025 and 2024, were as follows:

(i) For the acquisition of right-of-use assets from leases, please refer to note (6)(g).

(ii) The reconciliations of liabilities arising from financing activities were as follows:

			Non-cash changes			
	January 1, 2025	**Cash flows**	**Acquisition**	**Reduction**	**Foreign exchange movement**	**March 31, 2025**
Short-term borrowings	$ 17,340,753	633,861	1,650,382	-	-	19,624,996
Deposits received	193	-	-	-	-	193
Lease liabilities	289,537	(37,463)	21,666	-	2,591	276,331
Bonds payable	2,800,093	-	-	(45,426)	-	2,754,667
Total liabilities from financing activities	**$ 20,430,576**	**596,398**	**1,672,048**	**(45,426)**	**2,591**	**22,656,187**

			Non-cash changes			
	January 1, 2024	**Cash flows**	**Acquisition**	**Reduction**	**Foreign exchange movement**	**March 31, 2024**
Short-term borrowings	$ 14,702,073	1,474,355	-	-	-	16,176,428
Deposits received	193	-	-	-	-	193
Lease liabilities	297,171	(40,002)	22,422	(10,364)	7,537	276,764
Bonds payable	1,768,116	-	6,619	-	-	1,774,735
Total liabilities from financing activities	**$ 16,767,553**	**1,434,353**	**29,041**	**(10,364)**	**7,537**	**18,228,120**

(Continued)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions

(a) Name of related parties and their relationships with related parties

The following are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

Related-party	Relationship
Weiji Investment Co., Ltd.	The same chairman
Genlog Industrial Co., Ltd.(Note 1)	Substantial related-party

Note 1: Guangluo Industrial Co., Ltd. completed its liquidation process on September 27, 2024

(b) Significant transactions with related parties

(i) Consultancy fees from related Parties

Other related parties were commissioned to provide consulting services to the Group. The amounts were as follows:

	For the three months ended March 31,	
	2025	**2024**
Other related parties	**$ 50**	**50**

(ii) Lease

The Group leased a portion of its building to its subsidiaries and related parties for office use purpose. The rentals collected monthly. The details were as follows:

	For the three months ended March 31,	
	2025	**2024**
Other related parties	**$ 43**	**46**

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31,	
	2025	**2024**
Short-term employee benefits	$ 56,777	38,026
Post-employment benefits	190	172
	$ 56,967	**38,198**

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(8) Assets Pledged as security: None.

(9) Significant commitments and contingencies:

The balances of L/Cs for deferred payment of import value added tax and the purchase of merchandise were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
	$ 409,100	404,975	397,000

(10) Losses due to major disasters: None.

(11) Subsequent events:

The Chairman of the Company approved the issuance of 8,708 units of employee stock options on April 8, 2025. Each unit of the employee stock option can be exercised to subscribe 1,000 shares of the Company's common stock. The issuance date is set as April 8, 2025, and the exercise price is NT$15 per share, in accordance with the issuance regulations.

(12) Other:

(a) A summary of employee benefits, depreciation and amortization by function, is as follows:

	For the three months ended March 31,	
By function	2025	2024
By item	Operating expenses	Operating expenses
Employee benefits		
Salary	359,452	312,378
Labor and health insurance	32,481	30,106
Pension	29,064	26,274
Remuneration of directors	15,521	4,723
Others	17,066	17,707
Depreciation	43,049	43,002
Amortization	2,198	1,965

(b) Seasonality of operations:

The Group’s operation were not affected by seasonality or cyclically factors.

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES
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(13) Other disclosures items:

(a) Information on significant transaction:

The following were the information on significant transactions required by the " Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the three months ended March 31, 2025:

(i) Lending to other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
0	The Company	WKI	Other receivable	Y	1,000,000	1,000,000	959,900	5.50%	Short-term financing	-	Operating demand	-		-	2,074,525	4,149,049	Note 3

Note 1：The total amount of funds loaned to others by the Company shall not exceed 40% of the net worth of the Company's latest financial statement.
Note 2：When a short-term financing facility with the Company is necessary, the total amount for lending to any company shall not exceed 20% of the net worth of the Company's latest financial statement.
Note 3：The transaction had been eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

(In thousands of new Taiwan dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (note 2)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company (note 2)	Endorsements/ guarantees to third parties on behalf of companies in Mainland China (note 2)
		Name	Relationship with the Company										
0	The Company	WKI	100% owned subsidiary	15,558,935	9,939,130	9,939,130	7,683,204	-	95.82 %	31,117,869	Y	N	N
〃	〃	WTP	100% owned subsidiary	15,558,935	1,274,350	1,274,350	-	-	12.29 %	31,117,869	Y	N	N
〃	〃	WKS	100% owned subsidiary	15,558,935	2,417,324	2,417,324	1,829,877	-	23.30 %	31,117,869	Y	N	Y

Note 1：The total amount of the guarantee provided by the Company shall not exceed three hundred percent (300%) of the higher amount between the Company's capital amount and net worth. However, for any individual entity whose voting shares are 50% or more owned, directly or indirectly, by the Company shall not exceed fifty percent (50%) of the maximum amount for guarantee on recent audited or reviewed financial statements.
Note 2：For those entities as the guarantor to the subsidiary, subsidiary as the guarantor to the company, or the guarantor that located in China, were filled in "Y".

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(iii) Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(Shares/units (thousands))

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	EBM Technologies Inc.	-	Current financial assets mandatorily measured at fair value through profit or loss	34	841	- %	841	
〃	Clientron Corp.	-	Non-current financial assets at fair value through other comprehensive income	15	170	0.02 %	170	
〃	Paradigm I Venture Capital Company (Paradigm I)	-	〃	750	7,458	6.79 %	7,458	
〃	Paradigm Venture Capital Corporation (PVC Corp.)	-	〃	230	2,301	10.49 %	2,301	
〃	InnoBridge Venture Fund I, L.P. (InnoBridge)	-	〃	-	-	9.90 %	-	
〃	Shin Kong Global Venture Capital Corp. (SKGVC)	-	〃	720	7,200	12.00 %	7,200	
〃	Vision Wide Technology Co., Ltd. (VTEC)	-	〃	800	9,033	1.57 %	9,033	
〃	Winsheng Material Technology Co., Ltd. (Winsheng Material)	-	〃	1,690	53,591	5.08 %	53,591	
〃	SiTune Corporation Convertible Promissory Note (SiTune)	-	〃	-	9,056	- %	9,056	

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

(In thousands)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchases/ (Sales)	Amount	Percentage of total purchases/ (sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
WKI	WKS	Subsidiary	(Sales)	(1,292,674) (USD(39,313))	(10.95)%	OA60	No significant difference with other customers	No significant difference with other customers	501,779 (USD15,159)	7.02 %	
WKS	WKI	Parent company	Purchases	1,292,674 (USD39,313)	34.78 %	OA60	No significant difference with other suppliers	No significant difference with other suppliers	(501,779) (USD(15,159))	(22.40) %	

Note: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

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(v) Receivables from related parties with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

(In thousands)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note)	Allowance for bad debts	Note
					Amount	Action taken			
The Company	WKI	100% owned subsidiary	Other receivable 1,228,904 (USD37,127)	Note 2	-	-	USD2,101	-	The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.
WKI	WKS	Subsidiary	Accounts receivable 501,779 (USD15,159)	13.87	-	-	USD2,139	-	〃
WKS	WKI	Parent company	Accounts receivable 157,114 (USD4,747)	0.82	-	-	USD0	-	〃

Note1: Information as of April 29, 2025.

Note 2: Other receivables arising from lending fund and credit and service management revenue received from subsidiaries.

(vi) Business relationships and significant intercompany transactions:

(In Thousands)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	WKI	1	Management and Credit Service Revenue	118,972	The price is set by percentage of the contract and the receivable is received quarterly.	0.46%
〃	〃	〃	〃	Other Receivable	1,228,904	The price is set by percentage of the contract and the receivables depend on funding demand and received quarterly.	2.81%
1	WKI	WKS	3	Sales Revenue	1,292,674	The price is marked up based on operating cost, and the receivables depend on funding demand and OA60.	5.01%
〃	〃	〃	〃	Accounts Receivable	501,779	〃	1.15%
2	WKS	WKI	〃	Accounts Receivable	157,114	The price is set by percentage of the contract, OA30.	0.36%

Note 1: The numbers filled in as follows:
1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:
1 represents the transactions from the parent company to its subsidiaries.
2 represents the transactions from the subsidiaries to the parent company.
3 represents the transactions between subsidiaries.

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(b) Information on investments:

The following are the information on investees for the three months ended March 31, 2025 (excluding information on investments in Mainland China):

(In thousands)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: March 31, 2025	Original investment amount: December 31, 2024	Highest: Shares (In Thousands)	Highest: Percentage of Ownership	Highest: Carrying amount	Net income (losses) of investee	Investment income (losses) of investor	Note
The Company	WKI	Hong Kong	Electronic components computer peripherals products distribution and technical support	$ 1,620,445	1,620,445	552,450	100%	$ 7,485,097	45,632	$ 45,632	Subsidiary
〃	WKZ	Taiwan	Electronic components and technical support	12,983	12,983	1,589	100%	28,133	328	328	〃
〃	WTP	Singapore	〃	293,327	293,327	12,413	100%	489,016	(462)	(462)	〃
	Total			$ 1,926,755	1,926,755			$ 8,002,246		$ 45,498	
WKI	Weitech	Hong Kong	Import and export trade of electronic components	0.41 (HKD0.1)	0.41 (HKD0.1)	-	100%	3,500 (USD106)	72 (USD2)	72 (USD2)	〃

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In thousands)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows: Outflow (Note 3)	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of March 31, 2025	Net income (losses) of the investee (Note 2)	Percentage of ownership	Investment income (losses) of investor (Note 2)	Book value (Note 3)	Accumulated remittance of earnings in current period
WKS	Electronic components computer peripherals products distribution and technical support	786,647 (USD25,000)	Note 1, 4	304,594 (USD9,800)	-	-	304,594 (USD9,800)	(51,147) (USD(1,556))	100%	(51,147) (USD(1,556))	543,081 (USD16,407)	-
SiU	Electronic technology development and technical advisory	5,067 (CNY1,000)	Note 1, 5	-	-	-	-	(2,150) (USD(65))	100%	(2,150) (USD(65))	5,608 (USD169)	-

(ii) Upper limit on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA (note 3)	Upper Limit on Investment
304,594 (USD9,800)	827,500 (USD25,000)	6,223,574

Note 1: Investment in Mainland China was through a company in the third area.

Note 2: The investment gains and losses of the current period are recognized according to the financial statements, which have been reviewed by the Company’s independent auditors, and were translated into New Taiwan Dollars at the average exchange rates.

Note 3: The currency was translated into New Taiwan Dollars at the exchange rate of USD 1 to TWD 33.100 at the end of reporting period.

Note 4: The difference was due to Weikeng International Co. Ltd.'s investment of USD15,200 thousand on Weikeng International (Shanghai) Co. Ltd. using its own funds.

Note 5: The difference was due to Weikeng International (Shanghai) Co. Ltd.'s investment of CNY1,000 thousand on SiUltra Electronic Technology (Shanghai) Co., Ltd. using its own funds.

(Continued)

(iii) Significant transactions:

Please refer to Information on significant transactions for the information on significant direct or indirect transactions, which were eliminated in the preparation of consolidated financial statements, between the Group and the investee companies in Mainland China for the three months ended March 31, 2025.

(14) Segment information:

The Group has only one operating segment, which is the electronic components segment, of which, the major activities are the purchase and sales of electronic components and computer peripherals, technical service, as well as the import/export trade business. The Group's details and reconciliations of operating segment are consistent with the consolidated financial statements. Please refer to the consolidated statements of comprehensive income and the consolidated balance sheets for the segment profit and assets, respectively.