

English Translation of Consolidated Financial Statements and a Report Originally Issued in Chinese

Ticker: 3715

**DYNAMIC HOLDING CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REVIEW REPORT OF INDEPENDENT ACCOUNTANTS
AS OF MARCH 31, 2025 AND 2024
AND FOR THE THREE-MONTH PERIODS THEN ENDED**

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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.

English Translation of Consolidated Financial Statements and a Report Originally Issued in Chinese

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REVIEW REPORT OF INDEPENDENT AUDITORS

To: The Board of Directors
Dynamic Holding Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Dynamic Holding Co., LTD. (the “Company”) and its subsidiaries as of March 31, 2025 and 2024, the related consolidated statements of comprehensive income for the three-month periods then ended, the related consolidated statements of changes in equity and cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including the summary of significant 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

We conducted our reviews in accordance with TWSRE2410, “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 auditing standards generally accepted in 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 the Company and its subsidiaries as of March 31, 2025 and 2024, and their consolidated financial performance for the three-month periods then ended and cash flows for the three-month periods then ended, 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.

Lo, Hsiao Chin

Chang, Chih Ming

Ernst & Young
April 28th, 2025
Taipei, Taiwan,
Republic of China

English Translation of Consolidated Financial Statements Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

As of March 31, 2025, December 31, 2024 and March 31, 2024
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of March 31, 2025		As of December 31, 2024		As of March 31, 2024	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
11xx	Current assets							
1100	Cash and cash equivalents	6(1)	\$3,580,743	11	\$2,849,250	9	\$4,172,009	17
1136	Financial assets measured at amortized cost	6(2), 8	-	-	-	-	22,203	-
1150	Notes receivable, net	6(3), 8	540,389	2	408,424	1	361,672	2
1170	Accounts receivable, net	6(4)	4,947,368	15	5,252,665	17	4,542,944	19
1200	Other receivables		155,656	-	171,679	2	121,774	-
1310	Inventories, net	6(5)	3,641,748	11	3,226,752	10	2,405,251	10
1410	Prepayments		696,546	2	749,882	2	484,624	2
1470	Other current assets		33,117	-	28,044	-	18,721	-
	Total current assets		<u>13,595,567</u>	<u>41</u>	<u>12,686,696</u>	<u>41</u>	<u>12,129,198</u>	<u>50</u>
15xx	Non-current assets							
1600	Property, plant and equipment	6(6), 8, 9	16,504,346	50	15,475,105	50	11,167,932	46
1755	Right-of-use assets	6(18), 8	400,900	1	398,381	1	402,486	2
1780	Intangible assets	6(7)	73,501	-	78,857	-	44,480	-
1840	Deferred tax assets	4	226,181	1	107,191	1	115,744	-
1900	Other non-current assets	6(8)	53,100	-	27,709	-	13,734	-
1915	Prepayment for equipment	6(6)	<u>2,220,735</u>	<u>7</u>	<u>2,128,395</u>	<u>7</u>	<u>498,602</u>	<u>2</u>
	Total non-current assets		<u>19,478,763</u>	<u>59</u>	<u>18,215,638</u>	<u>59</u>	<u>12,242,978</u>	<u>50</u>
	Total Assets		<u>\$33,074,330</u>	<u>100</u>	<u>\$30,902,334</u>	<u>100</u>	<u>\$24,372,176</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)

As of March 31, 2025, December 31, 2024 and March 31, 2024

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of March 31, 2025		As of December 31, 2024		As of March 31, 2024	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
21xx	Current liabilities							
2100	Short-term loans	6(9), 8	\$7,790,715	24	\$7,988,526	26	\$5,533,022	23
2130	Contract liabilities	6(16)	3,021	-	850	-	8,448	-
2150	Notes payable		4,626	-	189	-	-	-
2170	Accounts payable		3,839,169	12	3,852,344	13	3,112,536	13
2200	Other payables	6(10)	5,294,496	16	5,092,349	16	2,343,374	9
2230	Current tax liabilities	4	75,455	-	74,720	-	47,572	-
2280	Lease liabilities	6(18)	2,744	-	2,719	-	3,031	-
2300	Other current liabilities		58,084	-	41,739	-	36,539	-
2322	Current portion of long-term loans	6(11), 8	234,487	1	141,343	1	423,034	2
2365	Refund liabilities	6(12)	373,114	1	376,538	1	338,873	1
	Total current liabilities		<u>17,675,911</u>	<u>54</u>	<u>17,571,317</u>	<u>57</u>	<u>11,846,429</u>	<u>48</u>
25xx	Non-current liabilities							
2540	Long-term loans	6(11), 8	5,530,103	17	3,562,179	12	4,070,181	17
2570	Deferred tax liabilities	4	1,048,452	3	974,456	3	754,685	3
2580	Lease liabilities	6(18)	2,097	-	2,776	-	4,038	-
2630	Long-term deferred revenue	6(13)	629,915	2	634,997	2	647,119	3
2645	Guarantee deposits		92,958	-	76,272	-	81,481	-
	Total non-current liabilities		<u>7,303,525</u>	<u>22</u>	<u>5,250,680</u>	<u>17</u>	<u>5,557,504</u>	<u>23</u>
	Total liabilities		<u>24,979,436</u>	<u>76</u>	<u>22,821,997</u>	<u>74</u>	<u>17,403,933</u>	<u>71</u>
31xx	Equity attributable to shareholders of the parent							
3100	Capital	6(15)						
3110	Common stock		2,776,746	8	2,776,746	9	2,776,746	12
3200	Capital surplus	6(15)	2,987,714	9	2,987,714	10	2,981,296	12
3300	Retained earnings	6(15)						
3310	Legal reserve		116,549	-	116,549	-	16,209	-
3320	Special reserve		389,953	1	389,953	1	324,242	1
3350	Accumulated profit or loss		1,359,246	4	1,510,001	5	907,893	4
3400	Other components of equity		261,345	1	106,440	-	(206,362)	(1)
36xx	Non-controlling interests	6(15)	<u>203,341</u>	<u>1</u>	<u>192,934</u>	<u>1</u>	<u>168,219</u>	<u>1</u>
	Total equity		<u>8,094,894</u>	<u>24</u>	<u>8,080,337</u>	<u>26</u>	<u>6,968,243</u>	<u>29</u>
	Total liabilities and equity		<u>\$33,074,330</u>	<u>100</u>	<u>\$30,902,334</u>	<u>100</u>	<u>\$24,372,176</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three-Month Periods Ended March 31, 2025 and 2024
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	For the Three-Month Periods Ended March 31			
			2025		2024	
			Amount	%	Amount	%
4000	Operating revenues	6(16)	\$4,556,122	100	\$4,170,871	100
5000	Operating costs	6(5)	(3,691,074)	(81)	(3,225,150)	(77)
5900	Gross profit		865,048	19	945,721	23
6000	Operating expenses					
6100	Sales and marketing expenses		(113,615)	(2)	(132,687)	(3)
6200	General and administrative expenses		(287,610)	(6)	(239,115)	(6)
6300	Research and development expenses		(210,198)	(5)	(170,753)	(4)
6450	Expected credit gains (losses)	6(17)	11,317	-	(10,496)	-
	Operating expenses total		(600,106)	(13)	(553,051)	(13)
6900	Operating income		264,942	6	392,670	10
7000	Non-operating income and expenses	6(20)				
7100	Interest income		2,757	-	11,206	-
7010	Other income		91,752	2	52,063	1
7020	Other gains and losses		28,896	1	60,450	1
7050	Finance costs		(130,692)	(3)	(106,030)	(2)
	Non-operating income and expenses total		(7,287)	-	17,689	-
7900	Income from continuing operations before income tax		257,655	6	410,359	10
7950	Income tax expense	4, 6(22)	15,113	-	(120,678)	(3)
8200	Net income		272,768	6	289,681	7
8300	Other comprehensive income (loss)	6(21)				
8360	May be reclassified to profit or loss in subsequent periods					
8361	Exchange differences arising on translation of foreign operations		158,301	3	187,810	5
	Total other comprehensive income (loss), net of tax		158,301	3	187,810	5
8500	Total comprehensive income (loss)		\$431,069	9	\$477,491	12
8600	Net income attributable to:					
8610	Shareholders of the parent		\$265,757	6	\$282,580	7
8620	Non-controlling interests		7,011	-	7,101	-
			\$272,768	6	\$289,681	7
8700	Total comprehensive income attributable to:					
8710	Shareholders of the parent		\$420,662	9	\$466,171	12
8720	Non-controlling interests		10,407	-	11,320	-
			\$431,069	9	\$477,491	12
9750	Earnings per share - basic (in NT\$)	6(23)	\$0.96		\$1.02	
9850	Earnings per share - diluted (in NT\$)	6(23)	\$0.96		\$1.02	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Three-Month Periods Ended March 31, 2025 and 2024

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent							Non-controlling Interests	Total equity		
		Capital	Capital surplus	Retained Earnings			Other Components of equity	Exchange differences arising on translation of foreign operations				
				Legal reserve	Special reserve	Accumulated profit or loss						
3100	3200	3310	3320	3350		3410		31XX	36XX	3XXX		
A1	Balance as of Jan. 1, 2024	\$2,776,746	\$2,981,296	\$16,209	\$324,242	\$1,041,825		\$(389,953)	\$6,750,365	\$156,899	\$6,907,264	
	Appropriation and distribution of 2023 earnings						(416,512)			(416,512)		
B5	Cash dividends-common shares					282,580			282,580		(416,512)	
D1	Net income for the period Jan. 1 to Mar. 31, 2024						183,591		183,591	7,101	289,681	
D3	Other comprehensive income (loss) of the period Jan. 1 to Mar. 31, 2024							183,591	183,591	4,219	187,810	
D5	Total comprehensive income (loss)	-	-	-	-	282,580		183,591	466,171	11,320	477,491	
Z1	Balance as of Mar. 31, 2024	<u>\$2,776,746</u>	<u>\$2,981,296</u>	<u>\$16,209</u>	<u>\$324,242</u>	<u>\$907,893</u>		<u>\$(206,362)</u>	<u>\$6,800,024</u>	<u>\$168,219</u>	<u>\$6,968,243</u>	
A1	Balance as of Jan. 1, 2025	\$2,776,746	\$2,987,714	\$116,549	\$389,953	\$1,510,001		\$106,440	\$7,887,403	\$192,934	\$8,080,337	
	Appropriation and distribution of 2024 earnings						(416,512)			(416,512)		
B5	Cash dividends-common shares					265,757			265,757		(416,512)	
D1	Net income for the period Jan. 1 to Mar. 31, 2025							154,905	154,905	7,011	272,768	
D3	Other comprehensive income (loss) of the period Jan. 1 to Mar. 31, 2025							154,905	154,905	3,396	158,301	
D5	Total comprehensive income (loss)	-	-	-	-	265,757		154,905	420,662	10,407	431,069	
Z1	Balance as of Mar. 31, 2025	<u>\$2,776,746</u>	<u>\$2,987,714</u>	<u>\$116,549</u>	<u>\$389,953</u>	<u>\$1,359,246</u>		<u>\$261,345</u>	<u>\$7,891,553</u>	<u>\$203,341</u>	<u>\$8,094,894</u>	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three-Month Periods Ended March 31, 2025 and 2024

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the Three-Month Periods Ended March 31		Code	Items	For the Three-Month Periods Ended March 31	
		2025	2024			2025	2024
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$257,655	\$410,359	B00040	Disposal (acquisition) of financial assets measured at amortized cost	-	6,843
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(1,282,499)	(1,510,052)
A20010	Income and expense adjustments:			B02800	Proceeds from disposal of property, plant and equipment	15,950	2,167
A20100	Depreciation (including right-of-use assets)	408,761	288,810	B03700	Decrease (increase) in refundable deposits	(1,468)	(3,481)
A20200	Amortization	6,512	3,834	B04500	Acquisition of intangible assets	(171)	(224)
A20300	Expected credit losses (gain)	(11,317)	10,496	B05350	Acquisition of right-of-use assets	-	(204)
A20400	Net loss of financial liabilities at fair value through profit or loss	-	807	B06700	Increase in other non-current assets	(24,953)	-
A20900	Interest expense	130,692	106,030	B09900	Increase (decrease) in long-term deferred revenue	-	43,745
A21200	Interest income	(2,757)	(11,206)	BBBB	Net cash provided by (used in) investing activities	(1,293,141)	(1,461,206)
A22500	Gain on disposal of property, plant and equipment	-	(988)				
A29900	Gain on government grants	(13,803)	(11,439)	CCCC	Cash flows from financing activities:		
A30000	Changes in operating assets and liabilities:			C00100	Increase in (repayment of) short-term loans	(197,811)	1,626,069
A31130	Notes receivable	(131,965)	(20,144)	C01600	Increase in long-term loans	2,001,786	-
A31150	Accounts receivable	316,618	(105,500)	C01700	Repayment of long-term loans	-	(33,827)
A31180	Other receivables	16,023	(23,876)	C03000	Increase (decrease) in guarantee deposits	16,686	(59,956)
A31200	Inventories	(414,996)	(144,869)	C04020	Payments of lease liabilities	(698)	(1,271)
A31230	Prepayments	53,336	(74,547)	CCCC	Net cash provided by (used in) financing activities	1,819,963	1,531,015
A31240	Other current assets	(5,073)	(7,086)				
A32125	Contract liabilities	2,171	(14,684)	DDDD	Effect of exchange rate changes on cash and cash equivalents	(79,699)	263,189
A32130	Notes payable	4,437	(168)				
A32150	Accounts payable	(13,175)	120,976	EEEE	Net increase (decrease) in cash and cash equivalents	731,493	797,147
A32180	Other payables	(182,301)	85,355	E00100	Cash and cash equivalents at beginning of period	2,849,250	3,374,862
A32230	Other current liabilities	16,345	(3,636)	E00200	Cash and cash equivalents at end of period	\$3,580,743	\$4,172,009
A32990	Refund liabilities	(3,424)	10,788				
A32000	Cash generated from operations	433,739	619,312				
A33100	Interest received	2,757	11,206				
A33300	Interest paid	(120,049)	(105,833)				
A33500	Income tax paid	(32,077)	(60,536)				
AAAA	Net cash provided by (used in) operating activities	284,370	464,149				

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

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS THEN ENDED MARCH 31, 2025 AND 2024
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

Dynamic Holding Co., Ltd. (hereinafter referred to as “the Company”) was approved and established on August 25, 2022, and listed for trading on the Taiwan Stock Exchange.

Dynamic Electronics (Taoyuan) Co., Ltd. (hereinafter referred to as “Dynamic Electronics (Taoyuan)”) applied for the establishment of Dynamic Holding Co., Ltd. by the board of directors on March 31, 2022, and the shareholders’ meeting on May 20, 2022, to acquire 100% equity of Dynamic Electronics (Taoyuan). The share swap is to exchange 1 common share of Dynamic Electronics (Taoyuan) for 1 common share of the Company and has been completed on August 25, 2022. On the same day, Dynamic Electronics (Taoyuan) became a 100% subsidiary of the Company and terminated the stock listing and public offering. The Company’s common stock was listed and traded under the stock code “3715” from the same day. The aforementioned share swap was an organizational restructuring under common control. The Company was actually the continuation of Dynamic Electronics (Taoyuan) Co., Ltd., and the parent company only financial statements for the comparative period were prepared as if the entities had been combined from the beginning.

The main activities of the Company and its subsidiaries (“the Group”) are mainly the manufacturing and processing of various electronic components, the design of microcomputers and peripheral equipment, the manufacturing and processing of integrated circuits and substrates, the manufacturing and processing of various circuit boards, the quotation, bidding, and distribution of products from domestic and foreign manufacturers as an agent, and the import and export trading business of the aforementioned products. The Company’s registered office and the main business location is at 6F., No. 50, Minquan Rd., Luzhu Dist., Taoyuan City 338, 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”) were authorized to be issued in accordance with a resolution of the Board of Directors’ meeting held on April 28, 2025.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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) As of the date of Group’s financial statements were authorized for disclosure, the Q&A related to the early application to certain amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" issued by the FSC has not yet been adopted by the Group.

In the Q&A, the enterprise is allowed to apply to the application guidance of Section 4.1 (Classification of Financial Assets) only in advance on January 1, 2025; and should also apply to the provisions of IFRS 7, paragraphs 20B, 20C and 20D. The fact of early adoption of this amendment should be disclosed in the financial report.

(3) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period 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

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Items	New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
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 gain 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.

(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 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 follows:

(a) Improve the comparability of 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 analyzing entities' performance and make it easier to compare entities.

(b) 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.

(c) 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

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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:

- (a) 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.
- (b) 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.
- (c) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (d) 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

(a) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

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(b) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(c) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(d) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(e) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(f) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

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

The amendments include:

(a) Clarify the application of the ‘own-use’ requirements.

(b) Permit hedge accounting if these contracts are used as hedging instruments.

(c) Add new disclosure requirements to enable investors to understand the effect of these contracts on a Group’s financial performance and cash flows.

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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 (C), 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 conformity 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.

Except for the following 4(3) to 4(5), the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2024. For more details, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2024.

(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 presented in thousands of New Taiwan Dollars (“NT\$”) unless otherwise specified.

(3) Basis of consolidation

The same principles of consolidation in the consolidated financial statements have been applied in the consolidated financial statements for the year ended December 31, 2024. For the principles of consolidation, please refer to Note 4(3) of the consolidated financial statements for the year ended December 31, 2024.

The consolidated entities are listed as follows:

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Investor	Subsidiary	Main businesses	Percentage of Ownership (%)		
			Mar. 31,	Dec. 31,	Mar. 31,
			2025	2024	2024
The Company	Dynamic Electronics (Taoyuan) Co., Ltd.	Investing activities	100.00%	100.00%	100.00%
The Company	CHIANAN TECHNOLOGY CO., LTD.	Mock-up manufacture	70.00%	70.00%	70.00%
The Company	CHENG CHONG TECHNOLOGY CO., LTD.	Mock-up manufacture	70.00%	70.00%	70.00%
Dynamic Electronics (Taoyuan) Co., Ltd.	WINTEK (MAURITIUS) CO., LTD.	Investing activities	100.00%	100.00%	100.00%
WINTEK (MAURITIUS) CO., LTD.	Dynamic Electronics Holding Pte. Ltd.	Investing activities	100.00%	100.00%	100.00%
Dynamic Electronics Holding Pte. Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Manufacturing and selling of PCB	97.8541%	97.8541%	97.8541%
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Manufacturing and selling of PCB	100.00%	100.00%	100.00%
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic PCB Electronics Co., Ltd. (Note 1)	PCB and business which relates to import and export	-%	-%	100.00%

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Investor	Subsidiary	Main businesses	Percentage of Ownership (%)		
			Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd. (Seychelles)	PCB and business which relates to import and export	100.00%	100.00%	100.00%
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Overseas Investment Holding Pte. Ltd. (referred to: Dynamic Overseas Investment)	Management and Operation Business	100.00%	100.00%	100.00%
Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology Manufacturing (Thailand) Co., Ltd	Manufacturing and selling of PCB (referred to: Dynamic Technology (Thailand))	0.01%	0.01%	0.01%
Dynamic Electronics Overseas Investment Holding Pte. Ltd. (referred to: Dynamic Overseas Investment)	Dynamic Technology Manufacturing (Thailand) Co., Ltd	Manufacturing and selling of PCB (referred to: Dynamic Technology (Thailand))	99.99%	99.99%	99.99%

Note 1: Dynamic PCB Electronics Co., Ltd. completed its dissolution process on October 3, 2024.

(4) Post-employment benefits

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

(5) Income tax

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 estimate of the annual average effective tax rate only includes current income tax expense. Deferred income tax is consistent with the annual financial report and is recognized and measured in accordance with the requirements of IAS 12 “Income Tax”. When a change in tax rate occurs during the period, the effects of the change in tax rate on deferred income tax will be recognized in profit and loss, other comprehensive profit and loss or directly in equity.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group’s consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The main sources of significant accounting judgments, estimates and assumptions is consistent with the 2024 consolidated financial report of Dynamic Holding and its subsidiaries, please refer to Note 5 of Dynamic Holding and its subsidiaries’ 2024 consolidated financial statements for the information.

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6. Contents of significant accounts

(1) Cash and cash equivalents

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Cash on hand	\$1,586	\$1,565	\$1,077
Checking and savings	3,499,157	2,767,685	3,685,816
Fixed-term deposits (Note)	80,000	80,000	485,116
Total	\$3,580,743	\$2,849,250	\$4,172,009

Note: The contract will expire within 3 months, and it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

(2) Financial assets measured at amortized cost

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Restricted deposits – current	\$-	\$-	\$20,795
Fixed-term deposits	-	-	1,408
Total	\$-	\$-	\$22,203
Current	\$-	\$-	\$22,203
Non-current	\$-	\$-	\$-

The Group transacts with financial institutions with good credit rating. Consequently, there is no significant credit risk.

Please refer to Note 8 for more details on financial assets carried at amortized cost pledged as collaterals.

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(3) Notes receivable, net

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Notes receivable arising from operating activities	\$540,389	\$408,424	\$361,672
Less: loss allowance	-	-	-
Total	\$540,389	\$408,424	\$361,672

(A) The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(17) for more details on loss allowance and Note 12 for details on credit risk.

(B) The Group has signed sale contracts with recourse rights for some of its notes receivable with financial institutions. Although the Group has transferred its rights in the cash flow contract of the notes receivable, it still has to bear the credit risk of the irrecoverability of the notes receivable according to the contract, which does not meet the conditions for delisting financial assets. The transaction-related information is as follows:

Party for sale	Amount transferred	Amount advanced	Interest rate
<u>As of Mar. 31, 2025</u>			
Shanghai Pudong Development Bank and others (Note)	\$178,053	\$178,053	Negotiate by per transaction

Note: Including Shanghai Pudong Development Bank, China Minsheng Bank, China Everbright Bank, Bank of China, China CITIC Bank, Ping An Bank and Industrial Bank.

As of Dec. 31, 2024

China Construction Bank and Agricultural Bank of China	\$130,036	\$130,036	Negotiate by per transaction
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As of Mar. 31, 2024

Rural Commercial Bank and Agricultural Bank of China	\$219,997	\$219,997	Negotiate by per transaction
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Please refer to Note 8 for more details on notes receivable under pledge.

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(4) Accounts receivable, net

(A) Details of accounts receivable, net are as follows:

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Accounts receivable arising from operating activities	\$4,955,517	\$5,272,135	\$4,573,019
Less: loss allowance	<u>(8,149)</u>	<u>(19,470)</u>	<u>(30,075)</u>
Total	<u>\$4,947,368</u>	<u>\$5,252,665</u>	<u>\$4,542,944</u>

(B) Accounts receivable were not pledged.

(C) Accounts receivable are generally on 60 to 150 day terms. As of March 31, 2025, December 31, 2024, and March 31, 2024, the total carrying amount were NT\$4,955,517 thousand, NT\$5,272,135 thousand and NT\$4,573,019 thousand, respectively. Please refer to Note 6(17) 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 management.

(5) Inventories

(A) Details of inventories, net are as follows:

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Raw materials and supplies	\$427,508	\$339,189	\$258,306
Work in progress	848,089	818,236	514,306
Finished goods	<u>2,366,151</u>	<u>2,069,327</u>	<u>1,632,639</u>
Total	<u>\$3,641,748</u>	<u>\$3,226,752</u>	<u>\$2,405,251</u>

(B) The cost of inventories recognized in expenses amounted to NT\$3,691,074 thousand and NT\$3,225,150 thousand for the three-month periods ended March 31, 2025, and 2024. The following losses were included in cost of sales:

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For the three-month periods ended

March 31

Item	2025	2024
Inventory valuation losses (gains on recovery of inventory)	<u><u>\$(172)</u></u>	<u><u>\$8,900</u></u>

The Group recognized gains on recovery of inventory market decline because some of the inventories previously provided with market loss or obsolescence were disposed for the three-month periods ended March 31, 2025.

(C) Inventories were not pledged.

(6) Property, plant and equipment

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Owner occupied property, plant and equipment	<u><u>\$18,725,081</u></u>	<u><u>\$17,603,500</u></u>	<u><u>\$11,666,534</u></u>

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Lease improvement	Construction in progress and equipment to be examined (including prepayment for equipment)	Total
Cost:									
As of Jan. 1, 2025	\$349,807	\$11,305,581	\$11,893,551	\$37,779	\$132,527	\$593,570	\$8,820	\$2,269,847	\$26,591,482
Additions	-	-	71,124	-	-	-	-	1,171,970	1,243,094
Disposals	-	-	(19,789)	-	-	-	-	-	(19,789)
Other changes	-	38,827	985,834	-	1,601	(570)	-	(1,028,224)	(2,532)
Exchange differences	<u>7,959</u>	<u>192,938</u>	<u>181,398</u>	<u>582</u>	<u>2,286</u>	<u>9,028</u>	<u>-</u>	<u>48,360</u>	<u>442,551</u>
As of Mar. 31, 2025	<u><u>\$357,766</u></u>	<u><u>\$11,537,346</u></u>	<u><u>\$13,112,118</u></u>	<u><u>\$38,361</u></u>	<u><u>\$136,414</u></u>	<u><u>\$602,028</u></u>	<u><u>\$8,820</u></u>	<u><u>\$2,461,953</u></u>	<u><u>\$28,254,806</u></u>

	\$	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Lease improvement	Construction in progress and equipment to be examined (including prepayment for equipment)	Total
Cost:									
As of Jan. 1, 2024	\$-	\$7,096,433	\$9,555,568	\$28,672	\$70,524	\$463,033	\$8,820	\$1,325,663	\$18,548,713
Additions	-	3,487	3,626	1,077	137	4,135	-	907,270	919,732
Disposals	-	-	(121,552)	-	-	(2,184)	-	-	(123,736)
Other changes	317,052	65,024	89,011	-	-	4,381	-	(475,468)	-
Exchange differences	-	286,462	392,080	1,055	2,567	18,403	-	(264,465)	436,102
As of Mar. 31, 2024	<u><u>\$317,052</u></u>	<u><u>\$7,451,406</u></u>	<u><u>\$9,918,733</u></u>	<u><u>\$30,804</u></u>	<u><u>\$73,228</u></u>	<u><u>\$487,768</u></u>	<u><u>\$8,820</u></u>	<u><u>\$1,493,000</u></u>	<u><u>\$19,780,811</u></u>

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	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Lease improvement</u>	Construction in progress and equipment to be examined (including prepayment for equipment)	Total
Depreciation and impairment:									
As of Jan. 1, 2025	\$-	\$2,537,146	\$5,871,708	\$26,864	\$77,478	\$465,966	\$8,820	\$-	\$8,987,982
Depreciation	-	148,246	229,688	790	5,542	21,453	-	-	405,719
Disposals	-	-	(3,839)	-	-	-	-	-	(3,839)
Exchange differences	-	39,420	91,809	387	1,171	7,076	-	-	139,863
As of Mar. 31, 2025	<u>\$-</u>	<u>\$2,724,812</u>	<u>\$6,189,366</u>	<u>\$28,041</u>	<u>\$84,191</u>	<u>\$494,495</u>	<u>\$8,820</u>	<u>\$-</u>	<u>\$9,529,725</u>
Depreciation and impairment:									
As of Jan. 1, 2024	\$-	\$2,048,027	\$5,117,752	\$23,860	\$62,530	\$370,677	\$8,820	\$-	\$7,631,666
Depreciation	-	87,198	174,848	475	1,106	21,657	-	-	285,284
Disposals	-	-	(120,557)	-	-	(2,000)	-	-	(122,557)
Exchange differences	-	85,378	215,895	906	2,308	15,397	-	-	319,884
As of Mar. 31, 2024	<u>\$-</u>	<u>\$2,220,603</u>	<u>\$5,387,938</u>	<u>\$25,241</u>	<u>\$65,944</u>	<u>\$405,731</u>	<u>\$8,820</u>	<u>\$-</u>	<u>\$8,114,277</u>
Net carrying amount as of:									
Mar. 31, 2025	<u>\$357,766</u>	<u>\$8,812,534</u>	<u>\$6,922,752</u>	<u>\$10,320</u>	<u>\$52,223</u>	<u>\$107,533</u>	<u>\$-</u>	<u>\$2,461,953</u>	<u>\$18,725,081</u>
Dec. 31, 2024	<u>\$349,807</u>	<u>\$8,768,435</u>	<u>\$6,021,843</u>	<u>\$10,915</u>	<u>\$55,049</u>	<u>\$127,604</u>	<u>\$-</u>	<u>\$2,269,847</u>	<u>\$17,603,500</u>
Mar. 31, 2024	<u>\$317,052</u>	<u>\$5,230,803</u>	<u>\$4,530,795</u>	<u>\$5,563</u>	<u>\$7,284</u>	<u>\$82,037</u>	<u>\$-</u>	<u>\$1,493,000</u>	<u>\$11,666,534</u>

(A) Significant components of building include main building structure and additional expansion construction, which are depreciated over useful lives of 16~30 years and 20 years, respectively.

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

(7) Intangible assets

	<u>Computer software</u>	<u>Technology expertise</u>	<u>Goodwill</u>	<u>Other</u>	<u>Total</u>
Cost:					
As of January 1, 2025	\$94,007	\$13,487	\$62,244	\$4,330	\$174,068
Additions – acquired					
separately	171	-	-	-	171
Derecognized upon					
retirement	(5,292)	-	-	-	(5,292)
Exchange differences	1,564	192	-	99	1,855
As of March 31, 2025	<u>\$90,450</u>	<u>\$13,679</u>	<u>\$62,244</u>	<u>\$4,429</u>	<u>\$170,802</u>

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	Computer software	Technology expertise	Goodwill	Other	Total
As of January 1, 2024	\$42,794	\$10,556	\$62,244	\$-	\$115,594
Additions – acquired separately	224	-	-	-	224
Derecognized upon retirement	(2,430)	-	-	-	(2,430)
Exchange differences	1,452	427	-	-	1,879
As of March 31, 2024	<u>\$42,040</u>	<u>\$10,983</u>	<u>\$62,244</u>	<u>\$-</u>	<u>\$115,267</u>
Amortization and impairment:					
As of January 1, 2025	\$45,081	\$10,040	\$40,018	\$72	\$95,211
Amortization	5,722	681	-	109	6,512
Derecognized upon retirement	(5,292)	-	-	-	(5,292)
Exchange differences	708	159	-	3	870
As of March 31, 2025	<u>\$46,219</u>	<u>\$10,880</u>	<u>\$40,018</u>	<u>\$184</u>	<u>\$97,301</u>
As of January 1, 2024	\$30,534	\$7,390	\$30,018	\$-	\$67,942
Amortization	3,301	533	-	-	3,834
Derecognized upon retirement	(2,430)	-	-	-	(2,430)
Exchange differences	1,126	315	-	-	1,441
As of March 31, 2024	<u>\$32,531</u>	<u>\$8,238</u>	<u>\$30,018</u>	<u>\$-</u>	<u>\$70,787</u>
Net carrying amount as of:					
March 31, 2025	<u>\$44,231</u>	<u>\$2,799</u>	<u>\$22,226</u>	<u>\$4,245</u>	<u>\$73,501</u>
December 31, 2024	<u>\$48,926</u>	<u>\$3,447</u>	<u>\$22,226</u>	<u>\$4,258</u>	<u>\$78,857</u>
March 31, 2024	<u>\$9,509</u>	<u>\$2,745</u>	<u>\$32,226</u>	<u>\$-</u>	<u>\$44,480</u>

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Amortization of intangible assets is as follows:

	For the three-month periods ended	
	March 31	
	2025	2024
Operating costs	\$905	\$331
Operating expenses	5,607	3,503
Total	\$6,512	\$3,834

(8) Other non-current assets

Details of other non-current assets are as follows:

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Refundable deposits	\$22,549	\$21,081	\$6,527
Long-term prepaid expenses	30,551	6,628	7,207
Total	\$53,100	\$27,709	\$13,734

(9) Short-term loans

(A) Details of short-term loans are as follows:

	Interest rate (%)	As of		
		Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Unsecured bank loans	1.90%~6.50%	\$7,612,662	\$7,858,490	\$5,313,025
Secured bank loans	1.70%~4.45%	178,053	130,036	219,997
Total		\$7,790,715	\$7,988,526	\$5,533,022

(B) The Group's unused short-term lines of credits amounts to NT\$3,662,957 thousand, NT\$4,429,980 thousand and NT\$5,404,128 thousand as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

(C) Please refer to Note 8 for more details regarding certain partial notes payable for secured bank loans.

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(10) Other payables

Details of other payables are as follows:

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Accrued expenses	\$1,186,622	\$1,368,923	\$998,302
Dividends payable	416,512	-	416,512
Accrued interest	28,197	18,324	26,051
Payables to equipment suppliers	3,663,165	3,705,102	902,509
Total	\$5,294,496	\$5,092,349	\$2,343,374

(11) Long-term loans

(A) Details of long-term loans as of March 31, 2025, December 31, 2024, and March 31, 2024, are as follows:

Lenders	As of Mar. 31, 2025	Interest Rate (%)		Maturity and terms of repayment
		(Note2)	(Note2)	
Agricultural Bank of China – Kunshan Branch – Credit loans (Note1)	2,980,764	The benchmark interest rate of the Peoples' Bank of China for a period of over five years - LPR-0.2%		After the grace period expires, the following terms are defined as every six months since then. The principle is repayable in installments of equal amount for eight years.
Bank SinoPac Co., Ltd. – Unsecured bank loans	788,637	CNH HIBOR+100BP for six months		The first installment shall be paid upon 18 months after the first withdrawal, and thereafter every 6 months as a term, a total of 4 terms. 10% of the principal of the credit line for withdrawal should be repaid in the first term to the third term, 70% should be repaid in the fourth term.
Bank of Shanghai Co., Ltd. – Unsecured bank loans	901,182	Higher of 1MTAIFX or 3MTAIFX+80BP		The grace period is 12 months upon first usage. After the grace period expires, principal is repayable in installments of the equal amount for eight terms. Pay interest quarterly.

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Lenders	As of Mar. 31, 2025	Interest Rate (%)		Maturity and terms of repayment
		(Note2)		
Fubon Bank – Unsecured bank loans	122,584	LPR+45BP for one year		5% repayment of principal is made every six months from the date of each withdraw. 20% repayment in the 30th month and 60% repayment in the 36th month
Bank of Shanghai Co., Ltd. – Unsecured bank loans	370,066	Between LPR+43BP and 45BP for one year		Upon the sixth month after the date of the first withdraw, the loan principal is to be repaid in installments every six months. The repayment schedule is based on the total drawdown amount, with 1% of the loan principal repaid in each of the 1st to 3rd installments, 13.5% repaid in each of the 4th and 5th installments, and the remaining outstanding balance repaid in full in the 6th installment.
China Everbright Bank – Unsecured bank loans	601,357	LPR+20BP for one year		The loan principal is to be repaid in four installments. A fixed amount of \$100,000 will be repaid in each of the 1st to 3rd installments every six-month, and the remaining loan balance will be repaid in full in the 4th installment.
Less: Current portion of long-term loans		<u>(234,487)</u>		
Non-current portion of long-term loans		<u>\$5,530,103</u>		

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Lenders	As of Dec. 31, 2024	Interest Rate (%)		Maturity and terms of repayment
		(Note2)		
Agricultural Bank of China – Kunshan Branch – Credit loans (Note1)	2,938,878	The benchmark interest rate of the Peoples' Bank of China for a period of over five years - LPR-0.2%		After the grace period expires, the following terms are defined as every six months since then. The principle is repayable in installments of equal amount for eight years.
Bank SinoPac Co., Ltd. – Unsecured bank loans	470,482	CNH HIBOR+100BP for six months		The first installment shall be paid upon 18 months after the first withdrawal, and thereafter every 6 months as a term, a total of 4 terms. 10% of the principal of the credit line for withdrawal should be repaid in the first term to the third term, 70% should be repaid in the fourth term.
Bank of Shanghai Co., Ltd. – Unsecured bank loans	294,162	Higher of 1MTAIFX or 3MTAIFX+80BP		The grace period is 12 months upon first usage. After the grace period expires, principal is repayable in installments of the equal amount for eight terms. Pay interest quarterly.
Less: Current portion of long-term loans	<u>(141,343)</u>			
Non-current portion of long-term loans	<u>\$3,562,179</u>			

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Lenders	As of Mar. 31, 2024	Interest Rate (%)		Maturity and terms of repayment
		(Note2)		
Bank of Shanghai Co., Ltd.—	\$101,480	RMB variable interest rate HIBOR 3M+0.9%		The grace period is 12 months upon first usage. After the grace period expires, principal is repayable in installments of the equal amount for eight terms. Pay interest quarterly.
Zhongli Branch—				
Unsecured bank loans				
Agricultural Bank of China—	2,999,738	The benchmark interest rate of the People's Bank of China for a period of over five years - LPR-0.2%		After the grace period expires, the following terms are defined as every six months since then. The principle is repayable in installments of equal amount for eight years.
Kunshan Branch—				
Credit loans				
(Note1)				
Bank of Shanghai Co., Ltd.—	1,391,997	TAIFX3+163BP to 165BP for three months		The first instalment shall be paid upon 24 months after the first withdrawal, and thereafter Every 6 months as a term, a total of 3 terms. 15% of the principal of the credit line for withdrawal should be repaid in the first term and in the second term, 70% of the principal of the credit line for withdrawal should be repaid in the third term.
Corporate Banking				
Business Credit				
Loans				
Less: Current portion				
of long-term loans	<u>(423,034)</u>			
Non-current portion				
of long-term loans	<u>\$4,070,181</u>			

Note 1: Please refer to Note 8 for more details regarding certain property, plant and equipment pledged for secured bank loans.

Note 2: Interest rates of long-term loans are as follows:

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Interest rate (%)	3.13%~5.39%	3.95%~5.69%	3.95%~7.19%

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(B) On November 22, 2022, the Group has entered into a 3-year agreement of syndicated loans in credit line of USD 60,000 thousand, with Shanghai Bank and 3 other banks for the purpose of settling the unpaid loan balance mentioned above and replenishing operating capital. The Group has repaid all of the bank loans ahead of schedule in June 2024.

(C) On June 12, 2024, the Group has entered into a 3-year agreement of syndicated loans in credit line of CNY 340,000 thousand, with Shanghai Bank for the purpose of repaying the unpaid loan balance mentioned above and replenishing mid-term operating capital. The Group has repaid all of the bank loans ahead of schedule in August 2024.

(12) Refund liabilities

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
	<u>\$373,114</u>	<u>\$376,538</u>	<u>\$338,873</u>
Refund liabilities			

(13) Long-term deferred revenue

Government grants

	For the three-month periods ended March 31	
	2025	2024
Beginning balance	\$634,997	\$589,994
Received during the period	-	43,745
Released to the statement of comprehensive income	(13,803)	(11,439)
Exchange differences	8,721	24,819
Ending Balance	<u>\$629,915</u>	<u>\$647,119</u>

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
	<u>\$629,915</u>	<u>\$634,997</u>	<u>\$647,119</u>
Non-current deferred revenue - related to assets			

Government grants have been received for purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to the grants.

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(14) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended March 31, 2025, and 2024 were NT\$336 thousand and NT\$329 thousand, respectively.

Additional pension expenses recognized for the executives commissioned by the Group amounted to NT\$57 thousand and NT\$55 thousand, for the three-month periods ended March 31, 2025, and 2024.

(15) Equities

(A) Common stock

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Company's authorized capital was NT\$4,000,000 thousand, and the issued share capital was NT\$2,776,746 thousand, each share at par value of NT\$10, divided into 277,674,584 shares.

(B) Capital surplus

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Additional paid-in capital	\$1,176,745	\$1,176,745	\$1,176,745
Conversion premium of convertible bonds	1,943	1,943	1,943
Treasury share transactions	34,946	34,946	34,946
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	68,088	68,088	61,670
Gain on sale of assets	155	155	155
Employee share option	6,528	6,528	6,528
Share options	77,687	77,687	77,687
Merger by share exchange	1,621,622	1,621,622	1,621,622
Total	\$2,987,714	\$2,987,714	\$2,981,296

According to the Company Act, the capital surplus shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made either in cash or in the form of share dividend to its shareholders in proportion to the number of shares being held by each of them.

(C) Retained earnings and dividend policies

(a) According to the Company's articles of association, when allocating the current year's earnings, if any, after having paid all taxes and dues, shall first set aside 10% of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply; the rest shall be set aside as special surplus or reversal according to laws or the regulations of the competent authority; if there is any remaining portion, the board of directors shall, along with the accumulated undistributed earnings, submit a surplus distribution proposal to the shareholders meeting for a resolution to distribute shareholder dividends. The Company may, in accordance with Articles 240 and 241 of the Company Act, authorize the board of directors to issue cash dividends and bonuses by special resolutions, and distribute in cash the above-mentioned dividends or capital reserve or/and legal reserve in compliance with the Company Act and shall report the distribution in the most recent shareholders' meeting.

(b) Dividend policy

The Company's dividend policy is based on the expansion of business scale, considering the Company's capital expenditure and operating turnover needs and the degree of dilution of earnings per share to moderately distribute stock dividends or cash dividends, but cash dividends are paid at a rate not lower than the current 10% of total annual dividends.

(c) According to the Company Act, the Company shall set aside legal reserve from earnings unless where the amount of legal reserve reaches 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 reserve 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 shareholders.

(d) Special reserve

The special surplus reserve shall be set aside at the time of the assignment of the distributable surplus, on the basis of the difference between the balance of the special surplus reserve at the time of the first IFRS application and the net amount of other equity deductions. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

Following the adoption of T-IFRS, 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, Dynamic Electronics (Taoyuan) shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, Dynamic Electronics (Taoyuan) can reverse the special reserve by proportion and transfer to retained earnings.

As of January 1, 2013, special reserve set aside for the first-time adoption of T-IFRS amounted to NT\$349,310 thousand. Furthermore, Dynamic Electronics (Taoyuan) has reversed special reserve in the amount of NT\$49,644 thousand to retained earnings during the year ended December 31, 2013, due to the use, disposal or reclassification of related assets. As of March 31, 2025, and 2024, special reserve set aside for the first-time adoption of T-IFRS reduced to NT\$299,666 thousand accordingly.

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(e) The appropriations of earnings for the years 2024 and 2023 were approved through the Board meeting and stockholders' meeting held on February 26, 2025, and May 16, 2024, respectively. The details of the distributions are as follows.

	Appropriation of earnings		Dividend per share (in NT\$)	
	2024	2023	2024	2023
Legal reserve	\$105,074	\$100,340		
Special reserve	(90,287)	65,711		
Cash dividend	416,512	416,512	\$1.5	\$1.5
Total	\$431,299	\$582,563		

Please refer to Note 6(19) 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	\$192,934	\$156,899
Profit attributable to	7,011	7,101
non-controlling interests		
Exchange differences arising from	3,396	4,219
translation of foreign operations		
Ending balance	\$203,341	\$168,219

(16) Operating revenues

	For the three-month periods ended March 31	
	2025	2024
Revenue from contracts with customers		
Sales of goods	\$4,551,890	\$4,169,781
Operating revenues	4,232	1,090
Total	\$4,556,122	\$4,170,871

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

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(A) Disaggregation of revenue

For the three-months period ended March 31, 2025

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$4,540,748	\$11,142	\$4,551,890
Other	4,232	-	4,232
Total	<u>\$4,544,980</u>	<u>\$11,142</u>	<u>\$4,556,122</u>

The timing for revenue
 recognition:

At a point in time	<u>\$4,544,980</u>	<u>\$11,142</u>	<u>\$4,556,122</u>
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For the three-months period ended March 31, 2024

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$4,157,624	\$12,157	\$4,169,781
Other	1,090	-	1,090
Total	<u>\$4,158,714</u>	<u>\$12,157</u>	<u>\$4,170,871</u>

The timing for revenue
 recognition:

At a point in time	<u>\$4,158,714</u>	<u>\$12,157</u>	<u>\$4,170,871</u>
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(B) Contract balances

(a) Contract liabilities – current

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Sale of goods	\$3,021	\$850	\$8,448

The significant changes in the Group's balances of contract liabilities for the three-month period as of March 31, 2025, are as follows:

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	<u>Sales of goods</u>
The opening balance transferred to revenue	\$850
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	(3,021)

The significant changes in the Group's balances of contract liabilities for the three-month period as of March 31, 2024, are as follows:

	<u>Sales of goods</u>
The opening balance transferred to revenue	\$10,507
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	(25,191)

(17) Expected credit losses (gains)

	For the three-month periods ended March 31	
	2025	2024
Operating expenses – Expected credit losses (gains)		
Accounts receivable	\$(11,317)	\$10,496

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

The Group measures the loss allowance of its trade receivables (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of March 31, 2025, December 31, 2024, and March 31, 2024, are as follows:

(A) The Group considers the grouping of trade receivables by counter parties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Details are as follows:

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As of March 31, 2025

	Not yet due (Note)	Past due					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$5,441,847	\$38,138	\$5,698	\$6,766	\$1,918	\$1,539	\$5,495,906
Loss ratio	-%	-%	-%	69%	100%	100%	
Lifetime expected credit losses	-	-	-	(4,692)	(1,918)	(1,539)	(8,149)
Carrying amount of trade receivables	\$5,441,847	\$38,138	\$5,698	\$2,074	\$-	\$-	\$5,487,757

As of December 31, 2024

	Not yet due (Note)	Past due					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$5,519,546	\$145,821	\$9,124	\$3,803	\$716	\$1,549	\$5,680,559
Loss ratio	-%	3%	100%	100%	100%	100%	
Lifetime expected credit losses	-	(4,278)	(9,124)	(3,803)	(716)	(1,549)	(19,470)
Carrying amount of trade receivables	\$5,519,546	\$141,543	\$-	\$-	\$-	\$-	\$5,661,089

As of March 31, 2024

	Not yet due (Note)	Past due					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$4,818,758	\$78,237	\$17,730	\$10,240	\$2,919	\$6,807	\$4,934,691
Loss ratio	-%	10%	13%	100%	100%	100%	
Lifetime expected credit losses	-	(7,824)	(2,285)	(10,240)	(2,919)	(6,807)	(30,075)
Carrying amount of trade receivables	\$4,818,758	\$70,413	\$15,445	\$-	\$-	\$-	\$4,904,616

Note: All the Group's notes receivable were not past due.

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(B) The movement in the provision for impairment of notes receivable and accounts receivable for the three-month periods ended March 31, 2025, and 2024, are as follows:

	Notes receivable	Accounts receivable
Beginning balance as of January 1, 2025	\$-	\$19,470
Addition/ (reversal) for the current period	-	(11,317)
Effect of exchange rate changes	-	(4)
Ending balance as of March 31, 2025	\$-	\$8,149

Beginning balance as of January 1, 2024	\$-	\$18,634
Addition/ (reversal) for the current period	-	10,496
Effect of exchange rate changes	-	945
Ending balance as of March 31, 2024	\$-	\$30,075

(18) Leases

(A) Group as a lessee

The Group leases various properties, including real estate including land, houses and buildings, also machinery and transportation equipment. The lease terms range from 2 to 50 years. The Group is not allowed to loan, sub-lease or sell without obtaining the consent from the lessors.

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

(a) Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

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	Land	Buildings	Machinery and equipment	Transportation equipment	Total
Cost:					
As of January 1, 2025	\$473,563	\$1,226	\$4,730	\$6,992	\$486,511
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange differences	6,749	17	67	16	6,849
As of March 31, 2025	<u>\$480,312</u>	<u>\$1,243</u>	<u>\$4,797</u>	<u>\$7,008</u>	<u>\$493,360</u>
 Cost:					
As of January 1, 2024	\$450,137	\$1,158	\$4,496	\$7,138	\$462,929
Additions	-	-	-	5,853	5,853
Disposals	-	-	-	(6,056)	(6,056)
Exchange differences	18,171	47	181	44	18,443
As of March 31, 2024	<u>\$468,308</u>	<u>\$1,205</u>	<u>\$4,677</u>	<u>\$6,979</u>	<u>\$481,169</u>
 Depreciation and impairment:					
As of January 1, 2025	\$80,763	\$306	\$4,730	\$2,331	\$88,130
Depreciation	2,346	152	-	544	3,042
Disposals	-	-	-	-	-
Exchange differences	1,207	8	67	6	1,288
As of March 31, 2025	<u>\$84,316</u>	<u>\$466</u>	<u>\$4,797</u>	<u>\$2,881</u>	<u>\$92,460</u>
 Depreciation and impairment:					
As of January 1, 2024	\$67,765	\$868	\$3,372	\$6,201	\$78,206
Depreciation	2,271	146	567	542	3,526
Disposals	-	-	-	(6,056)	(6,056)
Exchange differences	2,806	40	154	7	3,007
As of March 31, 2024	<u>\$72,842</u>	<u>\$1,054</u>	<u>\$4,093</u>	<u>\$694</u>	<u>\$78,683</u>
 Net carrying amount as of:					
March 31, 2025	<u>\$395,996</u>	<u>\$777</u>	<u>\$-</u>	<u>\$4,127</u>	<u>\$400,900</u>
December 31, 2024	<u>\$392,800</u>	<u>\$920</u>	<u>\$-</u>	<u>\$4,661</u>	<u>\$398,381</u>
March 31, 2024	<u>\$395,466</u>	<u>\$151</u>	<u>\$584</u>	<u>\$6,285</u>	<u>\$402,486</u>

Please refer to Note 8 for more details on right-of-use assets under pledge.

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b. Lease liabilities

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Lease liabilities	\$4,841	\$5,495	\$7,069
Current	\$2,744	\$2,719	\$3,031
Non-current	2,097	2,776	4,038
Total	<u>\$4,841</u>	<u>\$5,495</u>	<u>\$7,069</u>

Please refer to Note 6(20)(D) for the interest on lease liabilities recognized for the three-month periods ended March 31, 2025, and 2024; and 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) Income and costs relating to leasing activities

	For the three-month periods ended	
	March 31	
	2025	2024
The expenses relating to short-term leases	<u>\$31,795</u>	<u>\$5,694</u>

As of March 31, 2025, December 31, 2024, and March 31, 2024, the portfolio of short-term leases of the Group to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expenses disclosed above and the amount of its lease commitments is all NT\$0.

(c) Cash outflow relating to leasing activities

For the three-month periods ended March 31, 2025, and 2024, the Group's total cash outflows for leases amounting to NT\$32,493 thousand and NT\$6,965 thousand, respectively.

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(19) Summary of employee benefits, depreciation and amortization expenses by function is as follows:

Nature	Function	For the three-month periods ended March 31				
		2025			2024	
		Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses
Employee benefits expense						
Salaries		\$463,691	\$275,370	\$739,061	\$384,954	\$248,573
Labor and health insurance		535	499	1,034	329	468
Pension		67	326	393	71	313
Other employee benefits		160	447	607	164	14
Depreciation		340,158	68,603	408,761	255,296	33,514
Amortization		905	5,607	6,512	331	3,503
						3,834

According to the Articles of Incorporation, if there is profit in the year, no less than 0.1% shall be allocated as employee compensation and no more than 3% as director remuneration. However, when there are accumulated losses, the profit shall be used to cover the losses first. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto, a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the three-month periods ended March 31, 2025, and 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors to be not lower than 0.1% and not higher than 3% of profit of the current year, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the three-month period ended March 31, 2025, amounted to NT\$1,566 thousand and NT\$4,071 thousand, respectively; for the three-month period ended March 31, 2024, amounted to NT\$1,740 thousand and NT\$4,330 thousand, respectively.

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On February 26, 2025, the board of directors of the company resolved to pay the employees' compensation and remuneration to directors and supervisors for 2024 amount NT\$6,862 thousand and NT\$16,455 thousand in cash respectively. There is no difference from the amount of the expense listed in the 2024 financial report.

On February 27, 2024, the board of directors of the company resolved to pay the employees' compensation and remuneration to directors and supervisors for 2023 amount NT\$6,897 thousand and NT\$15,385 thousand in cash respectively. There is no difference from the amount of the expense listed in the 2023 financial report.

(20) Non-operating income and expenses

(A) Interest income

	For the three-month periods ended	
	March 31	
	2025	2024
Interest income		
Financial assets measured at amortized cost	\$2,748	\$11,197
Deposit interest	9	9
Total	\$2,757	\$11,206

(B) Other income

	For the three-month periods ended	
	March 31	
	2025	2024
Other income – others		
	\$91,752	\$52,063

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(C) Other gains and losses

	For the three-month periods ended	
	March 31	
	2025	2024
Gain (loss) on disposal of property, plant and equipment	\$-	\$988
Foreign exchange gain (loss), net	31,686	61,675
Gain (loss) on financial assets and liabilities at fair value through profit or loss	-	(807)
Others losses – others	<u>(2,790)</u>	<u>(1,406)</u>
Total	<u>\$28,896</u>	<u>\$60,450</u>

(D) Finance costs

	For the three-month periods ended	
	March 31	
	2025	2024
Interest on bank loans	\$130,667	\$105,993
Interest on lease liabilities	25	37
Total	<u>\$130,692</u>	<u>\$106,030</u>

(21) Components of other comprehensive income (loss)

For the three-month period ended March 31, 2025

	Reclassification			Income tax	
	Arising during the period	during the period	Subtotal	benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent periods:					
Exchange differences arising on translation of foreign operations	<u>\$158,301</u>	<u>\$-</u>	<u>\$158,301</u>	<u>\$-</u>	<u>\$158,301</u>

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For the three-month period ended March 31, 2024

	Reclassification	Income tax			
	Arising during the period	during the period	Subtotal	benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent periods:					
Exchange differences arising on translation of foreign operations	\$187,810	\$-	\$187,810	\$-	\$187,810

(22) Income tax

(A) The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the three-month periods ended March 31	
	2025	2024
Current income tax expense:		
Current income tax charge	\$40,885	\$198,530
Adjustments in respect of current income tax of prior periods	(13,136)	-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(42,862)	(77,852)
Total income tax expense (income)	<u><u>\$(15,113)</u></u>	<u><u>\$120,678</u></u>

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(B) The assessment of income tax returns

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

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2022
Subsidiary - Dynamic Electronics (Taoyuan) Co., Ltd.	Assessed and approved up to 2022
Subsidiary - CHIANAN TECHNOLOGY CO., LTD.	Assessed and approved up to 2022
Subsidiary - CHENG CHONG TECHNOLOGY CO., LTD.	Assessed and approved up to 2022

(23) Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) 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.

	For the three-month periods ended March 31	
	2025	2024
(A) Basic earnings per share		
Net income available to common shareholders of the parent (in thousand NT\$)	<u><u>\$265,757</u></u>	<u><u>\$282,580</u></u>
Weighted average number of common stocks outstanding (in thousand shares)	<u><u>277,675</u></u>	<u><u>277,675</u></u>
Basic earnings per share (in NT\$)	<u><u>\$0.96</u></u>	<u><u>\$1.02</u></u>

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	For the three-month periods	
	ended March 31	
	2025	2024
(B) Diluted earnings per share		
Net income available to common shareholders of the parent (in thousand NT\$)	\$265,757	\$282,580
Weighted average number of common stocks outstanding (in thousand shares)	277,675	277,675
Effect of dilution:		
Employee bonus (compensation) - stock (in thousand shares)	104	82
Weighted average number of common stocks outstanding after dilution (in thousand shares)	<u>277,779</u>	<u>277,757</u>
Diluted earnings per share (in NT\$)	<u>\$0.96</u>	<u>\$1.02</u>

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

7. Related party transactions

Significant transactions with related parties

Key management personnel compensation

	For the three-month periods ended	
	March 31	
	2025	2024
Short-term employee benefits	\$3,636	\$5,569
Post-employment benefits	132	133
Total	<u>\$3,768</u>	<u>\$5,702</u>

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8. Assets pledged as collateral

As of March 31, 2025, December 31, 2024, and March 31, 2024, the assets pledged for the Group's loans are as follows:

Item	Book value	Purpose of pledge
<u>As of March 31, 2025</u>		
Property, plant and equipment – Buildings	\$2,719,572	Secured loans
Property, plant and equipment – Machinery and equipment	742,486	Secured loans
Property, plant and equipment – Other equipment	1,457	Secured loans
Right-of-use assets	370,558	Secured loans
Notes receivable	<u>178,053</u>	Secured loans
Total	<u>\$4,012,126</u>	
<u>As of December 31, 2024</u>		
Property, plant and equipment – Buildings	\$2,724,099	Secured loans
Property, plant and equipment – Machinery and equipment	776,859	Secured loans
Property, plant and equipment – Other equipment	1,437	Secured loans
Right-of-use assets	367,487	Secured loans
Notes receivable	<u>130,036</u>	Secured loans
Total	<u>\$3,999,918</u>	
<u>As of March 31, 2024</u>		
Property, plant and equipment – Buildings	\$2,751,801	Secured loans
Property, plant and equipment – Machinery and equipment	910,024	Secured loans
Property, plant and equipment – Office equipment	17,274	Secured loans
Property, plant and equipment – Other equipment	3,425	Secured loans
Construction in progress	75,932	Secured loans
Right-of-use assets	369,744	Secured loans
Financial assets measured at amortized cost	20,795	Secured loans
Notes receivable	<u>219,997</u>	Secured loans
Total	<u>\$4,368,992</u>	

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9. Significant contingencies and unrecognized contract commitments

As of March 31, 2025, the Group's outstanding contracts relating to purchased property, plant and equipment are as follows:

Type of Asset	Total Amount	Amount paid	Amount unpaid
Machinery and construction contracts	<u>\$3,244,445</u>	<u>\$1,910,126</u>	<u>\$1,334,319</u>

Amount paid was recorded under construction in progress and equipment to be examined (including prepayment for equipment).

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

Financial assets

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Financial assets measured at amortized cost:			
Cash and cash equivalents (excluding cash on hand)	\$3,579,157	\$2,847,685	\$4,170,932
Financial assets measured at amortized cost	-	-	22,203
Notes receivable	540,389	408,424	361,672
Accounts receivable	4,947,368	5,252,665	4,542,944
Other receivables	155,656	171,679	121,774
Refundable deposits	22,549	21,081	6,527
Total	\$9,245,119	\$8,701,534	\$9,226,052

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Financial liabilities

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Financial liabilities measured at amortized cost:			
Short-term loans	\$7,790,715	\$7,988,526	\$5,533,022
Payables	9,138,291	8,944,882	5,455,910
Long-term loans (including current portion with maturity less than 1 year)	5,764,590	3,703,522	4,493,215
Lease liabilities (including current portion with maturity less than 1 year)	4,841	5,495	7,069
Total	\$22,698,437	\$20,642,425	\$15,489,216

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. 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 the Group enters into significant transactions, the Board of Directors and Audit Committee must carry out due approval process 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 of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity 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.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. 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 at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency. The information of the sensitivity analyses is as follows:

When NTD strengthens/weakens against USD by 1%, the profit for the three-month periods ended March 31, 2025, and 2024 is decreased/increased by NT\$21,033 thousand and NT\$28,129 thousand, respectively.

When NTD strengthens/weakens against RMB by 1%, the profit for the three-month periods ended March 31, 2025, and 2024 is increased/decreased by NT\$139,928 thousand and NT\$94,974 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of 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 loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 0.1% of interest rate in a reporting period could cause the profit for the three-month periods ended March 31, 2025, and 2024 to decrease/increase by NT\$10,056 thousand and NT\$8,164 thousand, respectively.

Equity price risk

As of March 31, 2025, and 2024, the Group does not hold equity securities at fair value; therefore the Group is not subject to equity price risk.

(4) Credit risk management

Credit risk is the risk that 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 receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control 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 or insurance.

As of March 31, 2025, December 31, 2024, and March 31, 2024, accounts receivable from top ten customers represent 51.36%, 62.81% and 63.48% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

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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 is 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.

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).

(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, bank borrowings and finance leases. 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

	<u>< 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
<u>As of Mar. 31, 2025</u>					
Loans	\$7,928,966	\$3,812,281	\$2,247,459	\$-	\$13,988,706
Payables	9,138,291	-	-	-	9,138,291
Lease liabilities	2,774	2,082	21	-	4,877
<u>As of Dec. 31, 2024</u>					
Loans	\$8,406,447	\$1,836,751	\$1,768,897	\$342,062	\$12,354,157
Payables	8,944,882	-	-	-	8,944,882
Lease liabilities	2,751	2,698	203	-	5,652

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	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
<u>As of Mar. 31, 2024</u>					
Loans	\$6,289,455	\$2,108,442	\$1,302,478	\$1,165,387	\$10,865,762
Payables	5,455,910	-	-	-	5,455,910
Lease liabilities	3,118	3,822	-	-	6,940

(6) Reconciliation of liabilities arising from financing activities

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

	Short-term loans	Long-term loans	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of Jan. 1, 2025	\$7,988,526	\$3,703,522	\$76,272	\$5,495	\$11,773,815
Cash flows	(197,811)	2,001,786	16,686	(698)	1,819,963
Non-cash changes					
Interest expense	-	-	-	25	25
Foreign exchange movement	-	59,282	-	19	59,301
As of Mar. 31, 2025	<u>\$7,790,715</u>	<u>\$5,764,590</u>	<u>\$92,958</u>	<u>\$4,841</u>	<u>\$13,653,104</u>

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

	Short-term loans	Long-term loans	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of Jan. 1, 2024	\$3,906,953	\$4,349,069	\$141,437	\$2,574	\$8,400,033
Cash flows	1,626,069	(33,827)	(59,956)	(1,271)	1,531,015
Non-cash changes					
Lease modification	-	-	-	5,649	5,649
Interest expense	-	-	-	37	37
Foreign exchange movement	-	177,973	-	80	178,053
As of Mar. 31, 2024	<u>\$5,533,022</u>	<u>\$4,493,215</u>	<u>\$81,481</u>	<u>\$7,069</u>	<u>\$10,114,787</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, accounts receivables, accounts payable and other current 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).
- (d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities 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.)

(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(B) Fair value of financial instruments measured at amortized cost

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

(C) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The Group does not have any derivative financial instruments as of March 31, 2025, December 31, 2024, and March 31, 2024.

(9) Fair value measurement hierarchy

(A) Fair value measurement hierarchy

All assets 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.

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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 does not have assets that are measured at fair value on a recurring and non-recurring basis.

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is as follows (in thousand dollars):

As of					
March 31, 2025			March 31, 2024		
	Foreign		Foreign		Foreign
	Foreign	exchange	Foreign	exchange	Foreign
	currencies	rate	currencies	rate	currencies
		NTD		NTD	
<u>Financial assets</u>					
Monetary items:					
USD	<u><u>\$147,025</u></u>	33.21	<u><u>\$4,881,966</u></u>	<u><u>\$137,973</u></u>	32.00
RMB	<u><u>\$836,240</u></u>	4.63	<u><u>\$3,868,297</u></u>	<u><u>\$856,714</u></u>	4.51
<u>Financial liabilities</u>					
Monetary items:					
USD	<u><u>\$83,679</u></u>	33.21	<u><u>\$2,778,709</u></u>	<u><u>\$50,864</u></u>	32.00
RMB	<u><u>\$3,862,185</u></u>	4.63	<u><u>\$17,861,077</u></u>	<u><u>\$2,962,167</u></u>	4.51

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As of					
December 31, 2024					
Foreign currencies	Foreign exchange rate	NTD			
Financial assets					
Monetary items:					
USD	\$152,567	32.78	\$5,000,776		
RMB	\$693,982	4.56	\$3,164,387		
Financial liabilities					
Monetary items:					
USD	\$35,919	32.75	\$1,176,270		
RMB	\$3,897,536	4.56	\$17,743,142		

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

Since there were varieties of foreign currency transactions of the Group, the Group was unable to disclose foreign exchange gain (loss) towards each foreign currency with significant impact. The Group recognized exchange gain (loss) amounted to NT\$31,686 thousand and NT\$61,675 thousand for the three-month periods ended March 31, 2025, and 2024, respectively.

(11) 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 shareholder 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.

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13. Other disclosures

(1) Information on significant transactions:

(A) Financing provided to others: None.

(B) Endorsement/Guarantee provided to others: Please refer to Attachment 1.

(C) Securities held as of March 31, 2025 (excluding subsidiaries, associates and joint ventures): None.

(D) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20% of capital stock: None.

(E) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock: None.

(F) Significant intercompany transactions between the parent with subsidiaries or among subsidiaries: Please refer to Attachment 6.

(2) Information on investees:

(A) If an investor controls operating, investing and financial decisions of an investee or an investor has the ability to exercise the ability to exercise significant influence over operating and financial policies of an investee, the related information for the investee is disclosed (not including investment in Mainland China): Please refer to Attachment 2.

(B) An investor controls operating; investing and financial decisions of an investee, the related information Note 13(1) for the investee shall be disclosed as below:

(a) Financing provided to others: Please refer to Attachment 3.

(b) Endorsement/Guarantee provided to others: None.

(c) Securities held as of March 31, 2025 (excluding subsidiaries, associates and joint ventures): None.

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (d) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20% of capital stock: Please refer to Attachment 4.
- (e) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock: Please refer to Attachment 5.

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Information on investments in Mainland China:

(A) Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China:

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Mar. 31, 2025	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of Mar. 31, 2025	Accumulated Inward Remittance of Earnings as of Mar. 31, 2025	Accumulated Outflow of Investment from Taiwan as of Mar. 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
Dynamic Electronics (Kunshan) Co., Ltd.	Manufacturing and selling of PCB	\$2,656,400 (Note 2, 3, and 6)	(Note 10)	\$2,260,265	\$-	\$-	\$2,260,265	\$142,605 (Note 2)	97.8541%	\$132,283 (Note 2, 4, 5, and 11)	\$3,169,516 (Note 2, 4, and 11)	\$2,002,461 (Note 2)	\$2,260,265	\$-	
Dynamic Electronics Co., Ltd. (Huangshi)	Manufacturing and selling of PCB	\$1,934,191 (Note 2, 7, 8, and 9)	(Note 1)	\$504,167	\$-	\$-	\$504,167	\$366,179 (Note 2)	97.8541%	\$351,953 (Note 2, 4, 5, and 11)	\$8,928,375 (Note 2, 4, and 11)	\$-	\$504,167	\$3,397,582	\$4,734,932

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Note 1: Investment in Mainland China through WINTEK (MAURITIUS) CO., LTD. and Dynamic Holding Pte. Ltd., companies established in the third area.

Note 2: Foreign currencies were converted into New Taiwan dollars based on exchanged rate of balance sheet date.

Note 3: Total amount of paid-in capital is USD 80,000 thousand.

Note 4: The investment income (loss) recognized under equity method and by calculation was based on audited financial statements.

Note 5: WINTEK (MAURITIUS) CO., LTD. recognized investment income (loss) and book value by Dynamic Electronics (Kunshan) Co. Ltd. and Dynamic Electronics Co., Ltd., (Huangshi) through Dynamic Electronics Holding Pte. Ltd.

Note 6: The difference between investments remitted from Taiwan in amount of USD 69,500 thousand and the received paid-in capital of USD 80,000 thousand was cash capital increase of USD 10,500 thousand made by WINTEK (MAURITIUS) CO., LTD.

Note 7: The difference between investments remitted from Taiwan in amount of USD 16,060 thousand and the paid-in capital of USD 50,000 thousand is an indirect investment of USD 33,940 thousand made by WINTEK (MAURITIUS) CO., LTD. by using cash dividends received from Dynamic Electronics (Kunshan) Co. Ltd.

Note 8: Dynamic Electronics Co., Ltd. (Huangshi) passed the resolution of the board of directors on August 4, 2022, to reduce the capital of USD 73,000 thousand, which was booked under capital surplus. In addition, on September 2, 2022, the board of directors approved a cash capital increase of RMB 35,000 thousand of which RMB 8,888 thousand (equivalent to USD 1,250 thousand) was booked as capital, and the remaining RMB 26,112 thousand was booked as capital surplus.

Note 9: Total amount of paid-in capital is USD 58,250 thousand.

Note 10: The Company previously indirectly invested in its China subsidiary, Dynamic Electronics (Kunshan) Co. Ltd., through Dynamic Electronics Holding Pte. Ltd. The Company now indirectly invests in Dynamic Electronics (Kunshan) Co. Ltd., through Dynamic Electronics Co., Ltd. (Huangshi).

Note 11: Transactions between consolidated entities are eliminated in the consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(B) Significant transactions with investees in Mainland China:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, please refer to attachment 6 for details.

14. Segment information

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

PCB segment: The segment is primarily responsible for the manufacturing of PCBs and selling them to electronic producers.

Mock-up segment: This segment is responsible for mock-up manufacturing and sales to electronic product manufacturers.

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

The Group's operating segments adopts the same accounting policies as the ones in Note 4. 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 accounting policies consistent with those in the consolidated financial statements.

The transfer pricing between operating segments is based on conventional transactions similar to external third parties.

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 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
 (Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	PCB Segment	Mock-up Segment	Sub-total
<u>For the three-month period</u>			
<u>ended March 31, 2025</u>			
Revenues			
External customers	\$4,544,980	\$11,142	\$4,556,122
Interest income	2,757	-	2,757
Total	<u>\$4,547,737</u>	<u>\$11,142</u>	<u>\$4,558,879</u>
Segment income (loss)	<u>\$274,982</u>	<u>\$(2,214)</u>	<u>\$272,768</u>
<u>For the three-month period</u>			
<u>ended March 31, 2024</u>			
Revenues			
External customers	\$4,158,714	\$12,157	\$4,170,871
Interest income	11,206	-	11,206
Total	<u>\$4,169,920</u>	<u>\$12,157</u>	<u>\$4,182,077</u>
Segment income (loss)	<u>\$290,366</u>	<u>\$(685)</u>	<u>\$289,681</u>

Details of operational asset-related information as of March 31, 2025, December 31, 2024, and March 31, 2024, are as follows:

	PCB Segment	Mock-up Segment	Sub-total
Segment assets as of Mar. 31, 2025	<u>\$33,038,210</u>	<u>\$36,120</u>	<u>\$33,074,330</u>
Segment assets as of Dec. 31, 2024	<u>\$30,862,983</u>	<u>\$39,351</u>	<u>\$30,902,334</u>
Segment assets as of Mar. 31, 2024	<u>\$24,331,101</u>	<u>\$41,075</u>	<u>\$24,372,176</u>

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Endorsement/Guarantee Provided to Others

For the Three-Month Period Ended March 31, 2025

Attachment 1

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed (Note 3)	Endorsement provided by parent company to subsidiaries	Endorsement provided by subsidiaries to parent company	Endorsement provided to entities in China
	Name	Name	Relationship (Note2)										
0	Dynamic Holding Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	2	\$7,891,553	\$3,133,315	\$1,634,325	\$861,165	\$-	20.71%	\$7,891,553	Y	N	Y
0	Dynamic Holding Co., Ltd.	Dynamic Technology Manufacturing (Thailand) Co., Ltd.	2	\$7,891,553	\$5,837,803	\$5,837,803	\$2,139,337	\$-	73.98%	\$7,891,553	Y	N	N

Note 1: Dynamic Holding Co., Ltd. and subsidiaries are coded as follows:

1. Dynamic Holding Co., Ltd. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90 percent or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company whose co-investment relationship is endorsed by all shareholders in proportion to their shareholding ratio.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: According to the procedures of Endorsement and Guarantee, the external endorsement or guarantee provided by the Company and its subsidiaries shall not exceed 120% of the current net value of the Company.

Also, the limitation of endorsement or guarantee provided for any single entity shall not exceed the current net value of the Company.

If the total amount of endorsements and guarantees provided by the Company and its subsidiaries reaches 50% or more of the current net value of the Company,

the necessity and reasonableness of such endorsements and guarantees shall be explained at the shareholders' meeting.

The current net value shall be based on the most recent audited or reviewed financial statements.

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Investees over Which the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)

As of March 31, 2025

Attachment 2

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Address	Main Business and Product	Original Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of March 31, 2025	As of December 31, 2024	Shares	%	Carrying Value			
Dynamic Holding Co., Ltd.	Dynamic Electronics (Taoyuan) Co., Ltd.	33846 6F., No. 50, Minquan Rd., Luzhu Dist., Taoyuan City, Taiwan	Investing activities	\$6,148,342	\$6,148,342	367,197,240	100.00%	\$8,036,490	\$281,054	\$281,054	Note
Dynamic Holding Co., Ltd.	CHIANAN TECHNOLOGY CO., LTD.	24257 2F, No. 649, Zhongzheng Road, Xinzhuang District, New Taipei City, Taiwan	Mock-up manufacture	\$16,428	\$16,428	7	70.00%	\$3,413	\$(3,023)	\$(2,116)	Note
Dynamic Holding Co., Ltd.	CHENG CHONG TECHNOLOGY CO., LTD	24260 17F, No. 545, Longan Road, Xinzhuang District, New Taipei City, Taiwan	Mock-up manufacture	\$33,533	\$33,533	7	70.00%	\$36,416	\$809	\$566	Note
Dynamic Electronics (Taoyuan) Co., Ltd.	WINTEK (MAURITIUS) CO., LTD.	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	Investing activities	\$2,788,141	\$2,788,141	8,596,000	100.00%	\$8,933,196	\$349,323	\$349,323	Note
WINTEK (MAURITIUS) CO., LTD.	Dynamic Electronics Holding Pte. Ltd.	151 CHIN SWEE ROAD #01-39 MANHATTAN HOUSE SINGAPORE(169876)	Investing activities	\$1,564,061	\$1,564,061	142,067,000	100.00%	USD 268,991	USD 10,591	USD 10,591	Note
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd. (Seychelles)	Office 1, 1st Floor, DEKK Complex, Plaisance, Mahé, Republic of Seychelles	PCB and business which relates to import and export	\$82,967	\$82,967	50,000	100.00%	CNY 397,685	CNY 53,432	CNY 53,432	Note
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Overseas Investment	151 CHIN SWEE ROAD #01-46 MANHATTAN HOUSE SINGAPORE(169876)	Management operations services	\$3,788,900	\$3,788,900	119,250,000	100.00%	CNY 723,786	(CNY 80,669)	(CNY 80,669)	Note
Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	99 Village No. 6, Si Maha Phot Subdistrict, Si Maha Phot District Prachin Buri Thailand 25140	Manufacture and sale of PCB	\$-	\$-	2	0.01%	USD 0	USD (11,081)	USD 0	Note
Dynamic Overseas Investment	Dynamic Technology (Thailand)	99 Village No. 6, Si Maha Phot Subdistrict, Si Maha Phot District Prachin Buri Thailand 25140	Manufacture and sale of PCB	\$3,779,224	\$3,779,224	41,999,998	99.99%	USD 97,196	(USD 11,081)	(USD 11,081)	Note

Note: Transactions are eliminated when preparing the consolidated financial statements.

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Financing Provided to Others

For the Three-Month Period Ended March 31, 2025

Attachment 3

(In Thousands of New Taiwan Dollars)

NO. (Note1)	Lender	Counter-party	Financial accounting account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 2)	Amount of sales to (purchases from) counter- party	Reason for financing	Loss Allowance	Collateral		Limit of financing amount for individual counter- party	Limit of total financing amount
													Item	Value		
1	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Other receivables -related parties	Yes	\$1,182,480	\$1,182,480	\$1,182,480	3.1-3.45%	2	\$-	Business turnover	\$-	-	\$-	\$1,999,962 (Note 3)	\$1,999,962 (Note 3)
2	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology Manufacturing (Thailand) Co., Ltd.	Other receivables -related parties	Yes	\$563,635	\$563,635	\$563,635	0%-5.81%	2	\$-	Business turnover	\$-	-	\$-	\$1,103,769 (Note 4)	\$1,103,769 (Note 4)

Note 1: Dynamic Holding Co., Ltd. and subsidiaries are coded as follows:

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

Note 2: Nature of financing is coded as follows:

1. Need for operating is coded "1".
2. Need for short term financing is coded "2".

Note 3: Limit of total financing amount shall not exceed 60% of Dynamic Electronics (Kunshan) Co., Ltd.'s net assets of value as of March 31, 2025. Limit of financing amount for individual counter-party shall not exceed 60% of the its net assets value as of March 31, 2025.

Note 4: Limit of total financing amount shall not exceed 60% of Dynamic Electronics Co., Ltd. (Seychelles)'s net assets of value as of March 31, 2025. Limit of financing amount for individual counter-party shall not exceed 60% of the its net assets value as of March 31, 2025.

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Related Party Transactions for Purchases and Sales Amounts exceeding the lower of NT\$100 Million or 20% of Capital Stock

For the Three-Month Period Ended March 31, 2025

Attachment 4

(In Thousands of Foreign Currency)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes / Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	Sales	RMB 230,363	66.26%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 60~150 days after monthly closing.	Accounts receivable RMB 352,064	63.36%	Note
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Sales	RMB 20,031	5.76%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 60~150 days after monthly closing.	Accounts receivable RMB 30,933	5.57%	Note
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Purchases	RMB 173,024	64.41%	90 days after monthly closing.	Specs of goods purchased are different from others. Cannot be reasonably compared.	Non relative parties are 90~120 days after monthly closing.	Accounts payable RMB 70,271	30.06%	Note
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchases	RMB 20,031	4.34%	90 days after monthly closing.	Specs of goods purchased are different from others. Cannot be reasonably compared.	Non relative parties are 90~120 days after monthly closing.	Accounts payable RMB 30,933	4.61%	Note
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Sales	RMB 173,024	22.27%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 120 days after monthly closing.	Accounts receivable RMB 70,271	8.94%	Note
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	Sales	RMB 452,414	58.22%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 120 days after monthly closing.	Accounts receivable RMB 452,436	57.54%	Note
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Technology Manufacturing (Thailand) Co., Ltd.	Subsidiary	Purchases	RMB 57,444	12.45%	90 days after monthly closing.	Specs of goods purchased are different from others. Cannot be reasonably compared.	Non relative parties are 90~120 days after monthly closing.	Accounts payable RMB 59,112	8.82%	Note
Dynamic Electronics Co., Ltd (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Purchases	USD 63,043	66.25%	90 days after monthly closing.	Not comparable.	No non-related parties to be compared with.	Accounts payable USD 63,029	56.07%	Note
Dynamic Electronics Co., Ltd (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchases	USD 32,096	33.73%	90 days after monthly closing.	Not comparable.	No non-related parties to be compared with.	Accounts payable USD 49,046	43.63%	Note
Dynamic Technology Manufacturing (Thailand) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Sales	THB 271,848	87.69%	90 days after monthly closing.	Not comparable.	No non-related parties to be compared with.	Accounts receivable THB 279,251	92.15%	Note

Note: Transactions are eliminated when preparing the consolidated financial statements.

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Receivables from Related Parties with Amounts exceeding the lower of NT\$100 Million or 20% of Capital Stock

As of March 31, 2025

Attachment 5

(In Thousands of Foreign Currency)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	RMB 352,064 (Note1 and 2)	2.53	\$-	-	RMB 80,370	\$-
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	RMB 30,933 (Note1 and 2)	2.47	\$-	-	RMB 11,030	\$-
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	RMB 452,436 (Note1 and 2)	4.03	\$-	-	RMB 124,874	\$-
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	RMB 70,271 (Note1 and 2)	4.71	\$-	-	RMB 70,271	\$-
Dynamic Technology Manufacturing (Thailand) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	THB 279,251 (Note1 and 2)	7.79	\$-	-	THB 215,511	\$-

Note1: Accounts receivable.

Note2: Transactions are eliminated when preparing the consolidated financial statements.

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Intercompany Relationships and Significant Intercompany Transactions

Attachment 6

(In Thousands of Foreign Currency / New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction				Percentage to Consolidated Net Revenue or Total Assets (Note 3)
				Financial Statement Account	Amount	Terms		
<u>For the Three-Month Period Ended March 31, 2025</u>								
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	3	Purchases	USD 32,096	90 days after monthly closing		23.39%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	3	Accounts payable	USD 49,046	90 days after monthly closing		4.92%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	3	Purchases	USD 63,043	90 days after monthly closing		45.95%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts payable	USD 63,029	90 days after monthly closing		6.33%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Overseas Investment	3	Other managing expenses	USD 11	-		0.01%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Purchases	USD 23	90 days after monthly closing		0.02%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Accounts payable	USD 332	90 days after monthly closing		0.03%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other R&D expenses	USD 309	-		0.23%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other receivables (financing)	USD 17,000	-		1.71%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other interest income	USD 144	-		0.10%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Purchases	RMB 173,024	90 days after monthly closing		17.57%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts payable	RMB 70,271	90 days after monthly closing		0.98%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other receivables	RMB 11,252	-		0.16%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other receivables (financing)	RMB 260,000	-		3.64%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other interest income	RMB 2,146	-		0.22%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts receivable	RMB 30,933	90 days after monthly closing		0.43%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Sales	RMB 20,031	90 days after monthly closing		2.03%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Technology (Thailand)	3	Purchases	RMB 5,200	90 days after monthly closing		0.53%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Technology (Thailand)	3	Accounts payable	RMB 5,202	90 days after monthly closing		0.07%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Technology (Thailand)	3	Other receivables	RMB 4,170	-		0.06%
3	Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Technology (Thailand)	3	Purchases	RMB 57,444	90 days after monthly closing		5.86%
3	Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Technology (Thailand)	3	Accounts payable	RMB 59,112	90 days after monthly closing		0.83%
3	Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Technology (Thailand)	3	Accounts receivable	RMB 46	90 days after monthly closing		-
3	Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Technology (Thailand)	3	Sales	RMB 41	90 days after monthly closing		-

Note 1: Dynamic Holding Co., Ltd. and subsidiaries are coded as follows:

1. Dynamic Holding Co., Ltd. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows :

1. Investor to investee
2. Investee to investor.
3. Investee to investee.

Note 3: The percentage base with respect to the total consolidated revenue-weighted average (about income statement accounts) or total assets (about balance sheet accounts).

Note 4: Foreign currencies were converted into New Taiwan dollars based on exchanged rate of balance sheet date.