

Comtrend Corporation and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Comtrend Corporation

Introduction

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

Scope of Review

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

Conclusion

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

The engagement partners on the reviews resulting in this independent auditors' review report are Tza-Li Gung and Chao-Yu Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 2, 2025

Notice to Readers

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

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

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 913,363	45	\$ 845,885	37	\$ 524,366	21
Financial assets at fair value through other comprehensive income - current (Note 7)	90,640	5	121,952	5	62,830	3
Contract assets - current (Note 22)	1,443	-	3,054	-	1,227	-
Trade receivables (Notes 9 and 22)	390,153	19	514,184	22	213,101	9
Other receivables (Notes 9 and 28)	2,107	-	2,647	-	809	-
Current tax assets	2,178	-	1,887	-	3,768	-
Inventories (Note 10)	211,448	10	423,014	18	1,169,187	48
Other current assets (Note 14)	12,418	1	12,005	1	52,850	2
Total current assets	<u>1,623,750</u>	<u>80</u>	<u>1,924,628</u>	<u>83</u>	<u>2,028,138</u>	<u>83</u>
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current (Note 8)	31,066	2	13,030	1	31,324	1
Property, plant and equipment (Notes 12 and 29)	272,975	14	273,611	12	274,814	12
Right-of-use assets (Note 13)	29,670	1	25,676	1	36,294	2
Intangible assets	912	-	1,169	-	1,939	-
Deferred tax assets	58,100	3	64,459	3	49,860	2
Net defined benefit assets - non-current (Note 20)	5,269	-	5,143	-	4,214	-
Other non-current assets (Note 14)	2,984	-	3,304	-	4,491	-
Total non-current assets	<u>400,976</u>	<u>20</u>	<u>386,392</u>	<u>17</u>	<u>402,936</u>	<u>17</u>
TOTAL	<u>\$ 2,024,726</u>	<u>100</u>	<u>\$ 2,311,020</u>	<u>100</u>	<u>\$ 2,431,074</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 15)	\$ -	-	\$ -	-	\$ 256,728	11
Contract liabilities - current (Note 22)	29,644	1	10,288	1	12,488	1
Notes payable and trade payables (Note 17)	49,896	2	314,528	14	1,075,422	44
Trade payables to related parties (Note 28)	7,387	-	29,139	1	6,821	-
Other payables (Notes 18 and 28)	129,532	6	124,228	5	72,989	3
Current tax liabilities	122,199	6	119,952	5	-	-
Provisions - current (Note 19)	46,875	2	44,242	2	10,530	-
Lease liabilities - current (Note 13)	10,099	1	8,007	-	13,621	1
Current portion of long-term borrowings (Notes 16 and 29)	10,024	1	9,151	-	-	-
Other current liabilities (Note 18)	9,719	1	10,253	1	11,321	-
Total current liabilities	<u>415,375</u>	<u>20</u>	<u>669,788</u>	<u>29</u>	<u>1,459,920</u>	<u>60</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 16 and 29)	188,324	9	190,849	8	200,000	8
Deferred tax liabilities	6,191	1	3,442	-	1,805	-
Lease liabilities - non-current (Note 13)	20,460	1	18,465	1	23,063	1
Total non-current liabilities	<u>214,975</u>	<u>11</u>	<u>212,756</u>	<u>9</u>	<u>224,868</u>	<u>9</u>
Total liabilities	<u>630,350</u>	<u>31</u>	<u>882,544</u>	<u>38</u>	<u>1,684,788</u>	<u>69</u>
EQUITY (Note 21)						
Share capital						
Ordinary shares	586,655	29	586,655	25	586,655	24
Capital surplus	251,154	12	251,154	11	350,157	15
Retained earnings (accumulated deficits)						
Legal reserve	-	-	-	-	85,435	3
Unappropriated earnings (accumulated deficits)	479,536	24	486,833	21	(320,573)	(13)
Total retained earnings (accumulated deficits)	479,536	24	486,833	21	(235,138)	(10)
Other equity						
Exchange differences on translation of financial statements of foreign operations	26,823	1	22,314	1	22,214	1
Unrealized gain on financial assets at fair value through other comprehensive income	50,208	3	81,520	4	22,398	1
Total other equity	77,031	4	103,834	5	44,612	2
Total equity	<u>1,394,376</u>	<u>69</u>	<u>1,428,476</u>	<u>62</u>	<u>746,286</u>	<u>31</u>
TOTAL	<u>\$ 2,024,726</u>	<u>100</u>	<u>\$ 2,311,020</u>	<u>100</u>	<u>\$ 2,431,074</u>	<u>100</u>

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

COMTREND CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Note 22)	\$ 382,992	100	\$ 283,323	100
OPERATING COSTS (Notes 10, 23 and 28)	(248,152)	(65)	(287,572)	(102)
GROSS PROFIT (LOSS)	134,840	35	(4,249)	(2)
OPERATING EXPENSES (Notes 9, 23 and 28)				
Selling and marketing expenses	(64,394)	(17)	(81,204)	(29)
General and administrative expenses	(28,333)	(7)	(24,283)	(8)
Research and development expenses	(29,054)	(7)	(34,353)	(12)
Expected credit loss	(29,353)	(8)	(20,229)	(7)
Total operating expenses	(151,134)	(39)	(160,069)	(56)
LOSS FROM OPERATIONS	(16,294)	(4)	(164,318)	(58)
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 28)				
Other gains and losses	18,104	5	13,296	5
Finance costs	(1,129)	(1)	(4,112)	(2)
Interest income	3,166	1	2,982	1
Total non-operating income and expenses	20,141	5	12,166	4
PROFIT (LOSS) BEFORE INCOME TAX	3,847	1	(152,152)	(54)
INCOME TAX (EXPENSE) BENEFIT (Note 24)	(11,144)	(3)	16,017	6
NET LOSS FOR THE PERIOD	(7,297)	(2)	(136,135)	(48)

(Continued)

COMTREND CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	\$ (31,312)	(8)	\$ (3,296)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	4,509	1	1,284	—
Other comprehensive loss for the period, net of income tax	(26,803)	(7)	(2,012)	(1)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>\$ (34,100)</u>	<u>(9)</u>	<u>\$ (138,147)</u>	<u>(49)</u>
LOSS PER SHARE (Note 25)				
Basic	\$ (0.12)		\$ (2.32)	

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

(Concluded)

COMTREND CORPORATION AND SUBSIDIARIES

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

	Share Capital (Note 21)	Retained Earnings (Accumulated Deficits) (Note 21)					Other Equity (Note 7)			
		Ordinary Shares	Capital Surplus (Note 21)	Legal Reserve	Unappropriated Earnings (Accumulated Deficits)	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	
BALANCE ON JANUARY 1, 2024		\$ 586,655	\$ 350,157	\$ 85,435	\$ (184,438)	\$ (99,003)	\$ 20,930	\$ 25,694	\$ 46,624	\$ 884,433
Net loss for the three months ended March 31, 2024		-	-	-	(136,135)	(136,135)	-	-	-	(136,135)
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax		-	-	-	-	-	1,284	(3,296)	(2,012)	(2,012)
Total comprehensive income (loss) for the three months ended March 31, 2024		-	-	-	(136,135)	(136,135)	1,284	(3,296)	(2,012)	(138,147)
BALANCE ON MARCH 31, 2024		\$ 586,655	\$ 350,157	\$ 85,435	\$ (320,573)	\$ (235,138)	\$ 22,214	\$ 22,398	\$ 44,612	\$ 746,286
BALANCE ON JANUARY 1, 2025		\$ 586,655	\$ 251,154	\$ -	\$ 486,833	\$ 486,833	\$ 22,314	\$ 81,520	\$ 103,834	\$ 1,428,476
Net loss for the three months ended March 31, 2025		-	-	-	(7,297)	(7,297)	-	-	-	(7,297)
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax		-	-	-	-	-	4,509	(31,312)	(26,803)	(26,803)
Total comprehensive income (loss) for the three months ended March 31, 2025		-	-	-	(7,297)	(7,297)	4,509	(31,312)	(26,803)	(34,100)
BALANCE ON MARCH 31, 2025		\$ 586,655	\$ 251,154	\$ -	\$ 479,536	\$ 479,536	\$ 26,823	\$ 50,208	\$ 77,031	\$ 1,394,376

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

COMTREND CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ 3,847	\$ (152,152)
Adjustments for:		
Depreciation expense	7,531	12,338
Amortization expenses	257	272
Expected credit loss recognized on trade receivables	29,353	20,229
Finance costs	1,129	4,112
Interest income	(3,166)	(2,982)
Write-down of inventories	-	94,889
Reversal of write-down of inventories	(37,122)	-
Gain on changes in lease	(43)	-
Net changes in operating assets and liabilities		
Contract assets	1,611	(67)
Trade receivables	94,666	(53,916)
Other receivables	299	10,041
Inventories	247,795	(707,061)
Other current assets	(413)	(34,024)
Net defined benefit assets	(126)	(123)
Contract liabilities	19,356	7,488
Notes payable and trade payables (including related parties)	(286,384)	748,441
Other payables	5,304	9,360
Provisions	2,633	1,760
Other current liabilities	<u>(534)</u>	<u>5,325</u>
Cash generated from (used in) operations	85,993	(36,070)
Interest received	3,166	2,982
Dividends received	241	-
Interest paid	(1,008)	(3,949)
Income tax (paid) refunded	<u>(80)</u>	<u>607</u>
Net cash generated from (used in) operating activities	<u>88,312</u>	<u>(36,430)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(18,036)	(9,808)
Payments for property, plant and equipment	(3,826)	(3,580)
Decrease in refundable deposits	<u>320</u>	<u>327</u>
Net cash used in investing activities	<u>(21,542)</u>	<u>(13,061)</u>

(Continued)

COMTREND CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ -	\$ 79,116
Repayment of long-term borrowings	(1,652)	-
Repayment of the principal portion of lease liabilities	<u>(3,054)</u>	<u>(3,611)</u>
Net cash (used in) generated from financing activities	<u>(4,706)</u>	<u>75,505</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>5,414</u>	<u>5,639</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,478	31,653
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>845,885</u>	<u>492,713</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 913,363</u>	<u>\$ 524,366</u>

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

(Concluded)

COMTREND CORPORATION AND SUBSIDIARIES

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

1. ORGANIZATION AND OPERATIONS

- a. Comtrend Corporation (“Comtrend”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (ROC) on April 7, 1990. Comtrend engages in the research, manufacturing, marketing and maintaining of cable and wireless transmission equipment, multiplexers, digital subscriber lines and loop carrier systems, synchronous optical network equipment and synchronous cable accessories.

Comtrend’s shares have been listed on the Taipei Exchange (TPEx) since September 2020.

- b. Comtrend’s parent is Edimax Technology Co., Ltd. (“Edimax”), which held 33.49% of ordinary shares of Comtrend as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.
- c. The consolidated financial statements are presented in Comtrend’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by Comtrend’s board of directors on May 2, 2025.

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

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

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on accounting policies of Comtrend Corporation and its subsidiaries (collectively, the “Group”).

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

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

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group's consolidated financial position and financial performance.

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

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

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Comtrend and the entities controlled by Comtrend (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by Comtrend.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

See Note 11 and Table 4 for detailed information of subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

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

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Except for the Group's assessment that the US reciprocal tariffs did not have significant impacts, the material accounting judgments and key sources of estimation uncertainty used in the preparation of these interim consolidated financial statements are the same as those used in the preparation of the Group's consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 382	\$ 301	\$ 321
Checking accounts and demand deposits	499,363	597,995	350,477
Cash equivalents			
Time deposits with original maturities within 3 months	<u>413,618</u>	<u>247,589</u>	<u>173,568</u>
	<u><u>\$ 913,363</u></u>	<u><u>\$ 845,885</u></u>	<u><u>\$ 524,366</u></u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	March 31, 2025	December 31, 2024	March 31, 2024
<u><u>Current</u></u>			
Domestic listed shares			
Ordinary shares - Edimax	<u>90,640</u>	<u>121,952</u>	<u>62,830</u>

The Group invested in ordinary shares of Edimax (classified as equity instruments as at FVTOCI) per their strategic purpose as they expect to profit from the fluctuations in the share price.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	\$ 31,066	\$ 13,030	\$ 31,324

9. TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 441,675	\$ 536,341	\$ 233,475
Less: Allowance for impairment loss	<u>(51,522)</u>	<u>(22,157)</u>	<u>(20,374)</u>
	\$ 390,153	\$ 514,184	\$ 213,101
<u>Other receivables</u>			
Others	\$ 2,107	\$ 2,647	\$ 809

The average credit period of sales of goods is 22-180 days. No interest was charged on trade receivables for the first 22-180 days from the date of the invoice. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

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

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position and economic condition of the industry in which the customer operates. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

March 31, 2025

	Not Past Due	1 to 30 Days	31 to 90 Days	91 to 120 Days	121 to 180 Days	Over 181 Days	Total
Expected credit loss rate	1.31%	2.54%	21.98%	66.59%	36.47%	100%	
Gross carrying amount	\$ 301,057	\$ 7,054	\$ 78,986	\$ 33,154	\$ 21,182	\$ 242	\$ 441,675
Loss allowance (Lifetime ECLs)	<u>(3,940)</u>	<u>(179)</u>	<u>(17,359)</u>	<u>(22,076)</u>	<u>(7,726)</u>	<u>(242)</u>	<u>(51,522)</u>
Amortized cost	<u>\$ 297,117</u>	<u>\$ 6,875</u>	<u>\$ 61,627</u>	<u>\$ 11,078</u>	<u>\$ 13,456</u>	<u>\$ -</u>	<u>\$ 390,153</u>

December 31, 2024

	Not Past Due	1 to 30 Days	31 to 90 Days	91 to 120 Days	121 to 180 Days	Over 181 Days	Total
Expected credit loss rate	0.13%	0.30%	10.89%	-	100%	100%	
Gross carrying amount	\$ 205,124	\$ 161,024	\$ 166,970	\$ -	\$ 2,693	\$ 530	\$ 536,341
Loss allowance (Lifetime ECLs)	<u>(263)</u>	<u>(488)</u>	<u>(18,183)</u>	<u>-</u>	<u>(2,693)</u>	<u>(530)</u>	<u>(22,157)</u>
Amortized cost	<u>\$ 204,861</u>	<u>\$ 160,536</u>	<u>\$ 148,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,184</u>

March 31, 2024

	None signs of Default by Client						Signs of Default by Client	Total
	Not Past Due	1 to 30 Days	31 to 90 Days	91 to 120 Days	121 to 180 Days	Over 181 Days		
Expected credit loss rate	0.16%	0.16%	-	-	-	-	100.00%	
Gross carrying amount	\$ 166,054	\$ 26,851	\$ 20,512	\$ -	\$ -	\$ -	\$ 20,058	\$ 233,475
Loss allowance (Lifetime ECLs)	<u>(273)</u>	<u>(43)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,058)</u>	<u>(20,374)</u>
Amortized cost	<u>\$ 165,781</u>	<u>\$ 26,808</u>	<u>\$ 20,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,101</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ 22,157	\$ 136
Add: Net remeasurement of loss allowance	29,353	20,229
Foreign exchange gains and losses	<u>12</u>	<u>9</u>
Balance on March 31	<u>\$ 51,522</u>	<u>\$ 20,374</u>

10. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 17,897	\$ 24,447	\$ 238,143
Work in progress and semi-finished goods	6,885	8,371	8,012
Finished goods	69,581	50,937	50,666
Inventories in transit	113,928	331,142	872,366
Merchandise	<u>3,157</u>	<u>8,117</u>	<u>-</u>
	<u>\$ 211,448</u>	<u>\$ 423,014</u>	<u>\$ 1,169,187</u>

The cost of goods sold for the three months ended March 31, 2025 and 2024 included inventory (reversal) write-downs of \$(37,122) thousand and \$94,889 thousand, respectively.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Location	Proportion of Ownership (%)			Remark
				March 31, 2025	December 31, 2024	March 31, 2024	
Comtrend	Comtrend Corporation, USA ("CUSA")	Cable & cableless transmission equipment wholesale, retail sale, and international trade, etc.	USA	100.00	100.00	100.00	
Comtrend	Comtrend Technology (Netherlands) B.V. ("CTBV")	Cable & cableless transmission equipment wholesale, retail sale, and international trade, etc.	Netherlands	100.00	100.00	100.00	
Comtrend	Comtrend Technology (INDIA) Private Limited ("INDIA")	Cable & cableless transmission equipment wholesale, retail sale, and international trade, etc.	India	100.00	100.00	-	Note
CTBV	Comtrend Iberia S.L. ("Iberia")	Cable & cableless transmission equipment wholesale, retail sale, and international trade, etc.	Spain	100.00	100.00	100.00	
CTBV	Comtrend Central Europe S.R.O. ("CCE")	Cable & cableless transmission equipment wholesale, retail sale, and international trade, etc.	Czech Republic	100.00	100.00	100.00	

Note: INDIA was established in September 2024 in India, primarily engaged in cable & cableless transmission equipment wholesale, retail sale, international trade, etc.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Machinery Equipment	Computer and Communication Equipment	Office Equipment	Transportation Equipment	Other Equipment	Total
<u>Cost</u>								
Balance on January 1, 2024	\$ 190,052	\$ 67,047	\$ 22,406	\$ 40,630	\$ 1,618	\$ 4,150	\$ 141,736	\$ 467,639
Additions	-	-	852	2,046	-	-	682	3,580
Disposals	-	-	-	(61)	-	-	-	(61)
Effects of foreign currency exchange differences	-	-	194	-	3	-	6	203
Balance on March 31, 2024	<u>\$ 190,052</u>	<u>\$ 67,047</u>	<u>\$ 23,452</u>	<u>\$ 42,615</u>	<u>\$ 1,621</u>	<u>\$ 4,150</u>	<u>\$ 142,424</u>	<u>\$ 471,361</u>

(Continued)

	Land	Building	Machinery Equipment	Computer and Communication Equipment	Office Equipment	Transportation Equipment	Other Equipment	Total
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2024	\$ -	\$ 6,095	\$ 20,627	\$ 34,875 (61) 936	\$ 974	\$ 2,810	\$ 122,375	\$ 187,756 (61) 8,702
Disposals	-	-	243	96	-	157	6,508	
Depreciation expense	-	762						
Effects of foreign currency exchange differences	—	—	140	—	3	—	7	150
Balance on March 31, 2024	<u>\$ -</u>	<u>\$ 6,857</u>	<u>\$ 21,010</u>	<u>\$ 35,750</u>	<u>\$ 1,073</u>	<u>\$ 2,967</u>	<u>\$ 128,890</u>	<u>\$ 196,547</u>
Carrying amount on March 31, 2024	<u>\$ 190,052</u>	<u>\$ 60,190</u>	<u>\$ 2,442</u>	<u>\$ 6,865</u>	<u>\$ 548</u>	<u>\$ 1,183</u>	<u>\$ 13,534</u>	<u>\$ 274,814</u>
<u>Cost</u>								
Balance on January 1, 2025	\$ 190,052	\$ 92,036	\$ 23,207	\$ 42,903 170 (26)	\$ 2,947	\$ 4,400 1,000	\$ 125,789 1,403	\$ 481,334 3,826 (26)
Additions	-	324	929	-	-	-	-	
Disposals	-	-	-	-	-	-	-	
Effects of foreign currency exchange differences	—	—	84	—	1	—	2	87
Balance on March 31, 2025	<u>\$ 190,052</u>	<u>\$ 92,360</u>	<u>\$ 24,220</u>	<u>\$ 43,047</u>	<u>\$ 2,948</u>	<u>\$ 5,400</u>	<u>\$ 127,194</u>	<u>\$ 485,221</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2025	\$ -	\$ 23,505	\$ 21,572	\$ 37,599 (26) 1,020	\$ 1,745	\$ 2,957	\$ 120,345	\$ 207,723 (26) 4,473
Disposals	-	-	312	143	-	220	1,312	
Depreciation expense	-	1,466						
Effects of foreign currency exchange differences	—	—	71	—	2	—	3	76
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 24,971</u>	<u>\$ 21,955</u>	<u>\$ 38,593</u>	<u>\$ 1,890</u>	<u>\$ 3,177</u>	<u>\$ 121,660</u>	<u>\$ 212,246</u>
Carrying amount on March 31, 2025	<u>\$ 190,052</u>	<u>\$ 67,389</u>	<u>\$ 2,265</u>	<u>\$ 4,454</u>	<u>\$ 1,058</u>	<u>\$ 2,223</u>	<u>\$ 5,534</u>	<u>\$ 272,975</u>

(Concluded)

- No impairment loss or reversal of impairment loss was recognized for the three months ended March 31, 2025 and 2024.
- Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 29.
- The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	3-21 years
Machinery equipment	2-13 years
Computer and communication equipment	1-5 years
Office equipment	3-5 years
Transportation equipment	5 years
Other equipment	1-5 years

13. LEASE ARRANGEMENTS

- Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Buildings	\$ 29,166	\$ 25,317	\$ 35,465
Transportation equipment	<u>504</u>	<u>359</u>	<u>829</u>
	<u>\$ 29,670</u>	<u>\$ 25,676</u>	<u>\$ 36,294</u>

	For the Three Months Ended March 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 6,696</u>	<u>\$ _____-</u>
Depreciation charge for right-of-use assets		
Buildings	<u>\$ 2,809</u>	<u>\$ 3,385</u>
Transportation equipment	<u>249</u>	<u>251</u>
	<u><u>\$ 3,058</u></u>	<u><u>\$ 3,636</u></u>

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

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Current	<u>\$ 10,099</u>	<u>\$ 8,007</u>	<u>\$ 13,621</u>
Non-current	<u>\$ 20,460</u>	<u>\$ 18,465</u>	<u>\$ 23,063</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	1.36%-1.985%	1.36%-1.985%	1.36%-1.75%
Transportation equipment	1.36%-1.985%	1.25%-1.75%	1.25%-1.36%

c. Material lease-in activities and terms

The Group leases certain transportation equipment for transport purposes with lease terms of 1 to 5 years.

The Group also leases buildings for use as offices and warehouses with lease terms of 2 to 5 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to low-value asset leases	<u>\$ 855</u>	<u>\$ 715</u>
Total cash outflow for leases	<u><u>\$ (4,030)</u></u>	<u><u>\$ (4,489)</u></u>

The Group's leases of certain office equipment, transportation equipment and parking spaces qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Prepaid expenses	\$ 10,249	\$ 5,398	\$ 8,696
Input VAT and tax deduction	1,750	653	35,905
Prepayments	399	5,934	8,177
Others	<u>20</u>	<u>20</u>	<u>72</u>
	<u>\$ 12,418</u>	<u>\$ 12,005</u>	<u>\$ 52,850</u>
<u>Non-current</u>			
Refundable deposits	<u>\$ 2,984</u>	<u>\$ 3,304</u>	<u>\$ 4,491</u>

15. SHORT-TERM BORROWINGS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Unsecured borrowings</u>			
Bank loans	\$ _____-	\$ _____-	\$ 256,728

The range of effective interest rates on bank loans was 2.00%-6.76%.

16. LONG-TERM BORROWINGS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings</u>			
Bank loans	\$ 198,348	\$ 200,000	\$ 200,000
Less: Current portion	<u>(10,024)</u>	<u>(9,151)</u>	<u>_____ -</u>
Long-term borrowings	<u>\$ 188,324</u>	<u>\$ 190,849</u>	<u>\$ 200,000</u>

The bank borrowings are secured by the Group's land and buildings; refer to Note 29 for additional information. The maturity date is January 14, 2042, and the grace period is three years. The effective annual interest rate from January 14, 2022 to January 14, 2025 is 1.25%-1.985%, and the effective annual interest rate from January 15, 2025 to January 14, 2042 is 1.985%. The purpose of the borrowings is to purchase land and buildings for operations.

17. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2025	December 31, 2024	March 31, 2024
Notes payable	\$ -	\$ 7	\$ 28
Trade payables	<u>49,896</u>	<u>314,521</u>	<u>1,075,394</u>
	<u>49,896</u>	<u>314,528</u>	<u>1,075,422</u>

The Group's payment terms of notes payable and trade payables take financial risk into consideration in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Other payables			
Payables for compensation of employees and remuneration of directors	\$ 57,603	\$ 57,202	\$ -
Payables for salaries	38,257	26,148	36,600
Payables for professional service fees	6,467	5,866	6,379
Payables for royalties	2,946	2,910	1,650
Payables for freight and customs fees	1,327	4,967	7,287
Others	<u>22,932</u>	<u>27,135</u>	<u>21,073</u>
	<u>129,532</u>	<u>124,228</u>	<u>72,989</u>
Other liabilities			
Refund liabilities	\$ 8,246	\$ 8,628	\$ 10,006
Others	<u>1,473</u>	<u>1,625</u>	<u>1,315</u>
	<u>9,719</u>	<u>10,253</u>	<u>11,321</u>

19. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Warranties	\$ 46,875	\$ 44,242	\$ 10,530

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under contracts for the sale of goods.

20. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2025 and 2024, the pension expenses of defined benefit plans both were \$0 thousand, and these were calculated based on the actuarially determined pension cost rate on December 31, 2024 and 2023, respectively.

21. EQUITY

a. Share capital

	March 31, 2025	December 31, 2024	March 31, 2024
Shares authorized (in thousands of shares)	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>
Shares authorized (in thousands of N.T. dollars)	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>
Shares issued and fully paid (in thousands of shares)	<u>58,666</u>	<u>58,666</u>	<u>58,666</u>
Shares issued (in thousands of N.T. dollars)	<u>\$ 586,655</u>	<u>\$ 586,655</u>	<u>\$ 586,655</u>

The fully paid ordinary shares, which have a par value of \$10, carry one vote per share and a right to dividends.

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Premium from issuance of ordinary shares	\$ 251,154	\$ 251,154	\$ 346,078
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition	<u>—</u>	<u>—</u>	<u>4,079</u>
	<u>\$ 251,154</u>	<u>\$ 251,154</u>	<u>\$ 350,157</u>

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where Comtrend made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by Comtrend's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 23 (g).

Comtrend determines the dividend distribution based on the considerations of the investment environment, capital demand, financial structure, earnings, domestic and international competition and shareholders' interest for future development plans. Under the dividends policy of Comtrend, no less than 10% of the undistributed retained earnings should be distributed as dividends to shareholders unless undistributed retained earnings is less than 40% of the outstanding ordinary shares. The dividends can be distributed in shares or cash, but the cash dividends should not be less than 10% of total dividends distributed.

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

The appropriations of earnings for the year ended December 31, 2024, which was proposed by the board of directors in their meeting on March 18, 2025, was as follows:

	2024
Legal reserve	<u>\$ 48,683</u>
Cash dividends	<u>\$ 73,332</u>
Share dividend	<u>\$ 73,332</u>
Cash dividends per share (NT\$)	\$ 1.25
Share dividends per share (NT\$)	\$ 1.25

The offset deficit for the year ended December 31, 2023, which was resolved by the shareholders in their meeting on June 12, 2024, was as follows:

	2023
Deficit offset using legal reserve	<u>\$ 85,435</u>
Deficit offset using capital surplus	<u>\$ 99,003</u>

The appropriation of earnings for 2024 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 20, 2025.

22. REVENUE

	For the Three Months Ended March 31	
	2025	2024
Revenue from the sale of goods	\$ 379,890	\$ 279,110
Revenue from the rendering of services	<u>3,102</u>	<u>4,213</u>
	<u><u>\$ 382,992</u></u>	<u><u>\$ 283,323</u></u>

Contract Balances

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Trade receivables (Note 9)	\$ 441,675	\$ 536,341	\$ 233,475	\$ 179,559
Contract assets - sale of goods	\$ 1,443	\$ 3,054	\$ 1,227	\$ 1,160
Contract liabilities - sale of goods	\$ 29,644	\$ 10,288	\$ 12,488	\$ 5,000

The changes in the balance of contract assets primarily result from the right-of return arising from repurchase agreements. The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

23. NET LOSS

a. Interest income

	For the Three Months Ended March 31	
	2025	2024
Bank deposits	\$ 3,166	\$ 2,982

b. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Net foreign exchange gain	\$ 16,969	\$ 11,926
Other gain	1,135	1,370

c. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on lease liabilities	\$ 121	\$ 163
Interest on bank loans	1,008	3,949

d. Impairment losses recognized (reversed)

	For the Three Months Ended March 31	
	2025	2024
Trade receivables	\$ 29,353	\$ 20,229
Inventories (included in operating costs)	\$(37,122)	\$ 94,889

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
Property, plant and equipment	\$ 4,473	\$ 8,702
Right-of-use assets	3,058	3,636
Intangible assets	<u>257</u>	<u>272</u>
	<u><u>\$ 7,788</u></u>	<u><u>\$ 12,610</u></u>
An analysis of depreciation by function		
Operating expenses	<u><u>\$ 7,531</u></u>	<u><u>\$ 12,338</u></u>
An analysis of amortization by function		
Operating expenses	<u><u>\$ 257</u></u>	<u><u>\$ 272</u></u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
Short-term benefits	\$ 82,198	\$ 84,084
Post-employment benefits		
Defined contribution plans	<u>2,741</u>	<u>2,670</u>
Total employee benefits expense	<u><u>\$ 84,939</u></u>	<u><u>\$ 86,754</u></u>
An analysis of employee benefits expense by function		
Operating expenses	<u><u>\$ 84,939</u></u>	<u><u>\$ 86,754</u></u>

g. Compensation of employees and remuneration of directors

According to Comtrend's Articles, Comtrend accrued compensation of employees and remuneration of directors at rates of no less than 5% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of Comtrend expect to resolve the amendments to Comtrend's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 10% of the compensation for employees as compensation distributions for non-executive employees. There was no employees' compensation and remuneration of directors estimated as Comtrend reported a net loss before tax for the three months ended March 31, 2024. The compensation of employees and the remuneration of directors for the three months ended March 31, 2025 are as follows:

Accrual rate

	For the Three Months Ended March 31, 2025
Compensation of employees	7.5%
Remuneration of directors	1.5%

Amount

**For the Three
Months Ended
March 31, 2025**

Compensation of employees	\$ 333
Remuneration of directors	\$ 67

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

The compensation of employees and remuneration of directors for the years ended December 31, 2024 which have been approved by Comtrend's board of directors on March 7, 2025, are as follows:

Accrual rate

**For the Year
Ended
December 31,
2024**

Compensation of employees	7.5%
Remuneration of directors	1.5%

Amount

**For the Year
Ended
December 31,
2024**

Compensation of employees	\$ 47,668
Remuneration of directors	9,534

There was no employees' compensation and remuneration of directors estimated as Comtrend reported a net loss before tax for the year ended December 31, 2023.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2024.

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2025	2024
Foreign exchange gains	\$ 21,748	\$ 17,383
Foreign exchange losses	<u>(4,779)</u>	<u>(5,457)</u>
	<u><u>\$ 16,969</u></u>	<u><u>\$ 11,926</u></u>

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax (expense) benefit recognized in profit or loss:

	For the Three Months Ended March 31	
	2025	2024
Current tax		
In respect of the current period	\$ (2,232)	\$ -
Adjustments for prior periods	196	-
Deferred tax		
In respect of the current period	<u>(9,108)</u>	<u>16,017</u>
Income tax (expense) benefit recognized in profit or loss	<u><u>\$ (11,144)</u></u>	<u><u>\$ 16,017</u></u>

b. Income tax assessments

The tax returns of Comtrend and its subsidiaries for the three months ended March 31, 2025 that have been assessed by the authorities are as follows:

	Year of Tax Assessment
Comtrend	2023
CUSA	2023
CTBV	2023
CCE	2024
Iberia	2023

25. LOSS PER SHARE

	Unit: NT\$ Per Share	
	For the Three Months Ended March 31	
	2025	2024
Basic loss per share	<u>\$ (0.12)</u>	<u>\$ (2.32)</u>

The loss and weighted average number of ordinary shares outstanding used in the computation of loss per share are as follows:

Net Loss for the Period

	For the Three Months Ended March 31	
	2025	2024
Net loss for the period	<u>\$ (7,297)</u>	<u>\$ (136,135)</u>

Weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Three Months Ended March 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic loss per share	<u>58,666</u>	<u>58,666</u>

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. Key management personnel of the Group review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued, and the amount of new debt issued or existing debt redeemed.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 90,640	\$ -	\$ -	\$ 90,640
Unlisted shares	<u>_____</u> -	<u>_____</u> -	<u>_____</u> -	<u>_____</u> -
	<u>\$ 90,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,640</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 121,952	\$ -	\$ -	\$ 121,952
Unlisted shares	<u>_____</u> -	<u>_____</u> -	<u>_____</u> -	<u>_____</u> -
	<u>\$ 121,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,952</u>

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 62,830	\$ -	\$ -	\$ 62,830
Unlisted shares	<u>_____</u> -	<u>_____</u> -	<u>_____</u> -	<u>_____</u> -
	<u>\$ 62,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,830</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

The fair values of unlisted equity securities - ROC and foreign were determined using the asset approach.

c. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 1,339,673	\$ 1,379,050	\$ 774,091
Financial assets at FVTOCI	90,640	121,952	62,830
<u>Financial liabilities</u>			
Amortized cost (2)	385,163	667,895	1,611,960

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables, other receivables, and refundable deposits.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, notes payable, trade payables (including related parties), other payables, current portion of long-term borrowings and long-term loans.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, notes and trade payables, borrowings, and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other prices (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

Several subsidiaries of Comtrend have sales and purchases denominated in foreign currencies, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Group is mainly exposed to the EUR and the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar and the Czech Koruna (CZK, the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and their adjusted translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase/a decrease in pre-tax profit (loss) associated with the New Taiwan dollar and the Czech Koruna strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar and the Czech Koruna against the relevant currency, there would be an equal and opposite impact on pre-tax profit (loss), and the balances below would be negative.

	EUR Impact		USD Impact	
	For the Three Months Ended		For the Three Months Ended	
	March 31	March 31	March 31	March 31
	2025	2024	2025	2024

Profit or loss \$ (557) (i) \$ (835) (i) \$ (5,802) (ii) \$ (1,220) (ii)

- i. This was mainly attributable to the exposure on outstanding receivables in EUR that were not hedged at the end of the reporting period.
- ii. This was mainly attributable to the exposure on outstanding bank deposits, receivables and payables in USD that were not hedged at the end of the reporting period.

The Group's sensitivity to foreign currency increased during the reporting period mainly due to the increase in the balance of bank deposits denominated in USD and decrease in the balance of accounts receivables denominated in EUR.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

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

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Financial assets	\$ 444,684	\$ 260,619	\$ 204,892
Financial liabilities	228,907	226,472	493,412
Cash flow interest rate risk			
Financial assets	499,363	597,995	350,477

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets, the analysis was prepared assuming the amount of the assets outstanding at the end of the reporting period was outstanding for the whole year. One basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1 basis point higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2025 would have increased/decreased by \$1,248 thousand and the pre-tax loss for the three months ended March 31, 2024 would have decreased/increased by \$876 thousand.

The Group's sensitivity to interest rates increased during the reporting period mainly due to the increase in variable rate bank deposits.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax other comprehensive income for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$906 thousand and \$628 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to other price risk increased during the reporting period mainly due to the increase in the fair value of listed equity securities.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
- b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or factored trade receivables and insurance, where appropriate, as a means of mitigating the risk of financial loss from defaults.

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

The Group's concentration of credit risk by geographical locations was mainly in the Asian regions, which accounted for 80.80% and 86.19% of the total trade receivables as of March 31, 2025 and December 31, 2024, respectively.

The Group's concentration of credit risk by geographical locations was mainly in the European and American regions, which accounted for 50.72% of the total trade receivables as of March 31, 2024.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

March 31, 2025

	On Demand or Less than		3 Months to			1-5 Years	5+ Years
	1 Month	1-3 Months	1 Year	1-5 Years			
<u>Non-derivative financial liabilities</u>							
Lease liabilities	\$ 891	\$ 1,782	\$ 7,891	\$ 20,928	\$ -	\$ -	\$ -
Long-term borrowings	-	-	-	55,483		164,137	
Notes payable and trade payables	22,262	26,721	8,300	-		-	
Other payables	27,709	18,608	72,870	10,345		-	
Current portion of long-term borrowings	1,156	2,312	10,403	-		-	
	<u>\$ 52,018</u>	<u>\$ 49,423</u>	<u>\$ 99,464</u>	<u>\$ 86,756</u>		<u>\$ 164,137</u>	

Additional information about the maturity analysis for long-term borrowings:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Long-term borrowings	<u>\$ 13,871</u>	<u>\$ 55,483</u>	<u>\$ 69,354</u>	<u>\$ 69,354</u>	<u>\$ 25,429</u>

December 31, 2024

	On Demand or Less than 1 Month	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Lease liabilities	\$ 1,099	\$ 1,760	\$ 4,553	\$ 19,934
Long-term borrowings	-	-	-	55,483
Notes payable and trade payables	217,501	115,706	10,460	-
Other payables	10,456	24,558	80,426	8,788
Current portion of long-term borrowings	<u>331</u>	<u>2,312</u>	<u>10,403</u>	<u>-</u>
	<u>\$ 229,387</u>	<u>\$ 144,336</u>	<u>\$ 105,842</u>	<u>\$ 84,205</u>
				<u>\$ 167,605</u>

Additional information about the maturity analysis for long-term borrowings:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Long-term borrowings	<u>\$ 13,046</u>	<u>\$ 55,483</u>	<u>\$ 69,354</u>	<u>\$ 69,354</u>	<u>\$ 28,897</u>

March 31, 2024

	On Demand or Less than 1 Month	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 193,611	\$ 39,769	\$ 24,279	\$ -
Lease liabilities	1,202	2,404	10,533	23,793
Long-term borrowings	292	583	4,353	55,483
Notes payable and trade payables	152,285	461,511	468,330	117
Other payables	<u>22,912</u>	<u>22,623</u>	<u>18,805</u>	<u>8,649</u>
	<u>\$ 370,302</u>	<u>\$ 526,890</u>	<u>\$ 526,300</u>	<u>\$ 88,042</u>
				<u>\$ 178,008</u>

Additional information about the maturity analysis for long-term borrowings:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Long-term borrowings	<u>\$ 5,228</u>	<u>\$ 55,483</u>	<u>\$ 69,354</u>	<u>\$ 69,354</u>	<u>\$ 39,300</u>

Bank loans with a repayment on demand clause were included in the time band in the above maturity analysis. As of March 31, 2025, December 31, 2024 and March 31, 2024, the aggregate undiscounted principal amounts of these bank loans amounted to \$198,348 thousand, \$200,000 thousand and \$456,728 thousand, respectively. Taking into account the Group's financial position, management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. Management believes that such bank loans will be repaid within twenty years after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to \$233,491 thousand, \$236,134 thousand and \$496,378 thousand, respectively.

b) Financing facilities

As of March 31, 2025, December 31, 2024 and March 31, 2024, unused financing facilities amounted to \$1,020,853 thousand, \$1,014,405 thousand and \$718,712 thousand, respectively.

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between Comtrend and its subsidiaries, which are related parties of Comtrend, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Edimax	The parent of Comtrend
ABS Telecom Inc.	Fellow company
Talent Vantage Limited (Talent)	Associate of the Company's parent

b. Purchases of goods

Related Party Category	For the Three Months Ended March 31	
	2025	2024
The Company's parent - Edimax	\$ 6,798	\$ 2,161
Associate of the Company's parent	<u>1,137</u>	<u>5,582</u>
	<u>\$ 7,935</u>	<u>\$ 7,743</u>

There was no significant difference between related parties and third parties regarding transaction terms of purchase prices and payment terms.

c. Receivables from related parties

Line Item	Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Other receivables	The Company's parent - Edimax	\$ 1,059	\$ 688	\$ 407

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2025 and 2024, and for the years ended December 31, 2024, no impairment loss was recognized for trade receivables from related parties.

d. Payables to related parties

Line Item	Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable	The Company's parent - Edimax Associate of the Company's parent - Talent	\$ 6,241 1,146	\$ 29,139 - \$ 29,139	\$ 2,639 4,182 \$ 6,821
		<u>\$ 7,387</u>	<u>\$ 29,139</u>	<u>\$ 6,821</u>
Other payables	The Company's parent Fellow company	\$ 7,840 24	\$ 5,600 15 \$ 5,615	\$ 568 - \$ 568
		<u>\$ 7,864</u>	<u>\$ 5,615</u>	<u>\$ 568</u>

The outstanding trade payables to related parties are unsecured.

e. Other transactions with related parties

Line Item	Related Party Category	For the Three Months Ended March 31	
		2025	2024
Operating expenses	The Company's parent Associate of the Company's parent	\$ 1,437 567	\$ 1,774 471
		<u>\$ 2,004</u>	<u>\$ 2,245</u>
Miscellaneous revenue	The Company's parent	<u>\$ 1,076</u>	<u>\$ 1,026</u>

f. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	<u>\$ 9,226</u>	<u>\$ 5,696</u>

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and on market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment	<u>\$ 246,099</u>	<u>\$ 246,860</u>	<u>\$ 249,145</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group as of March 31, 2024 were as follows:

Taipei Fubon Bank issued to the Taipei Customs Office a guarantee note for customs duties on the bonded warehouse of the Group; the stated amount of the note was \$2,000 thousand as of March 31, 2025.

31. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

March 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 19,715	33.21 (USD:NTD)	\$ 654,651
USD	183	0.92 (USD:EUR)	6,062
USD	1,020	23.08 (USD:CZK)	33,858
EUR	1,027	35.97 (EUR:NTD)	36,941
EUR	706	24.97 (EUR:CZK)	25,397

Financial liabilities

Monetary items			
USD	2,771	33.21 (USD:NTD)	92,024
USD	672	23.08 (USD:CZK)	22,312
EUR	185	24.97 (EUR:CZK)	6,650

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 21,566	32.79 (USD:NTD)	\$ 707,034
USD	197	0.96 (USD:EUR)	6,444
USD	758	24.24 (USD:CZK)	24,863
EUR	1,166	34.14 (EUR:NTD)	39,824
EUR	653	25.19 (EUR:CZK)	22,288

Financial liabilities

Monetary items			
USD	10,908	32.79 (USD:NTD)	357,605
USD	520	24.24 (USD:CZK)	17,060
EUR	218	25.19 (EUR:CZK)	7,441

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 41,054	32.00 (USD:NTD)	\$ 1,313,730
USD	692	23.41 (USD:CZK)	22,150
EUR	2,136	34.46 (EUR:NTD)	73,606
EUR	702	25.31 (EUR:CZK)	24,190
<u>Financial liabilities</u>			
Monetary items			
USD	37,739	32.00 (USD:NTD)	1,207,663
USD	268	23.41 (USD:CZK)	8,565
EUR	352	25.31 (EUR:CZK)	12,129

The Group is mainly exposed to the USD and the EUR. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency are disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Three Months Ended March 31			
	2025		2024	
	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
NTD	1 (NTD:NTD)	\$ 18,236	1 (NTD:NTD)	\$ 10,757
EUR	34.59 (EUR:NTD)	(1,267)	34.16 (EUR:NTD)	1,169
		<u>\$ 16,969</u>		<u>\$ 11,926</u>

32. SEPARATELY DISCLOSED ITEMS

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

- b. Information on investees (Table 4)
- c. Information on investments in mainland China:
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (None)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

	For the Three Months Ended March 31	
	2025	2024
Revenue from external customers	\$ 382,992	\$ 283,323
Inter-segment revenue	-	-
Segment revenue	382,992	283,323
Eliminations	-	-
Consolidated revenue	<u>\$ 382,992</u>	<u>\$ 283,323</u>

(Continued)

	For the Three Months Ended March 31	
	2025	2024
Segment loss	\$ (16,294)	\$ (164,318)
Non-operating income and expense	<u>20,141</u>	<u>12,166</u>
Profit (loss) before income tax from continuing operations	<u>\$ 3,847</u>	<u>\$ (152,152)</u> (Concluded)

Segment profit (loss) represents the profit before tax earned by each segment without allocation of interest income, exchange gains or losses, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1**COMTREND CORPORATION AND SUBSIDIARIES****SIGNIFICANT MARKETABLE SECURITIES HELD****MARCH 31, 2025**

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Comtrend	Share Edimax	Parent Company	Financial assets at FVTOCI - current	4,120	\$ 90,640	1.84	\$ 90,640	

Note: The amount of the significant marketable securities listed above is over NT\$5 million.

TABLE 2**COMTREND CORPORATION AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****MARCH 31, 2025****(In Thousands of New Taiwan Dollars)**

Group Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Comtrend	CUSA	Subsidiary	\$ 159,201	1.03	\$ 28,362	CUSA has actively arranged for the repayment to Comtrend	\$ -	\$ -

Note: The transactions with the related parties have been eliminated in the consolidated financial statements as of and for the three months ended March 31, 2025.

TABLE 3**COMTREND CORPORATION AND SUBSIDIARIES****INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	For the three months ended March 31, 2025						
0	Comtrend	CUSA CUSA CCE CCE CTBV	a a a a a	Sales revenue Accounts receivable Sales revenue Accounts receivable Accounts receivable	\$ 36,176 159,201 19,448 26,550 25,182	Normal Normal; collection period: 60-240 days Normal Normal; collection period: 60-180 days Normal; collection period: 60-180 days	9.45 7.86 5.08 1.31 1.24

Note 1: Investee companies are numbered as follows:

- a. Parent: 0
- b. Subsidiaries are numbered from 1 in ascending order.

Note 2: Relationships between counterparties are numbered as follows:

- a. Parent to subsidiary.
- b. Subsidiary to parent.
- c. Subsidiary to subsidiary.

Note 3: Percentage of consolidated operating revenue or consolidated total assets: If the account is a balance sheet account, it was calculated by dividing the ending balance with consolidated total assets; if the account is an income statement account, it was calculated by dividing the interim cumulative balance with the consolidated operating revenue.

Note 4: The transactions with the related parties have been eliminated in the consolidated financial statements as of and for the three months ended March 31, 2025.

Note 5: The amount of the significant transactions between related parties listed above is over NT\$5 million.

TABLE 4**COMTREND CORPORATION AND SUBSIDIARIES****INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	January 1, 2025	Number of Shares	%	Carrying Amount			
Comtrend	CUSA	USA	Wholesale, retail sale, and international trade, etc.	\$ 211,620	\$ 211,620	200,000	100.00	\$ (57,728)	\$ (20,862)	\$ (22,502)	Subsidiary (Note 1)
	CTBV	Netherlands	Wholesale, retail sale, and international trade, etc.	50,901	50,901	1,518,000	100.00	79,918	(3,688)	(3,887)	Subsidiary (Note 2)
	INDIA	India	Wholesale, retail sale, and international trade, etc.	17,397	17,397	4,500,000	100.00	15,703	(1,212)	(1,212)	Subsidiary
CTBV	CCE	Czech Republic	Wholesale, retail sale, and international trade, etc.	71,483	71,483	-	100.00	41,168	(546)	(546)	Sub-subsidiary
	Iberia	Spain	Wholesale, retail sale, and international trade, etc.	30,039	30,039	82,310	100.00	7,511	(3,218)	(3,218)	Sub-subsidiary

Note 1: The share of profits/losses of investees includes a net loss of \$20,862 thousand and the effect of unrealized gross profit of \$1,640 thousand on intercompany transactions.

Note 2: The share of profits/losses of investees includes a net loss of \$3,688 thousand and the effect of unrealized gross profit of \$199 thousand on intercompany transactions.

Note 3: The transactions with the related parties have been eliminated in the consolidated financial statements as of and for the three months ended March 31, 2025.