

Leadtrend Technology Corporation and Subsidiaries

**Consolidated Financial Statements and Independent
Auditors' Review Report for the Nine Months Ended
September 30, 2025 and 2024**

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Leadtrend Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Leadtrend Technology Corporation and its subsidiaries as of September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, as well as the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and the related notes to the consolidated financial statements, including the summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the 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 Leadtrend Technology Corporation and its subsidiaries as of September 30, 2025 and 2024, its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chang, Ya-Yun and Chen, Ming-Hui.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 6, 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.

LEADTREND TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

(In thousands of New Taiwan Dollars)

Code	Assets	September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
	Current asset						
1100	Cash and cash equivalents (Note 6)	\$ 502,303	25	\$ 493,439	24	\$ 522,574	25
1110	Financial assets at fair value through profit or loss - current (Note 7)	100,225	5	103,975	5	91,053	4
1170	Notes and accounts receivable (Note 9)	219,138	11	236,825	11	267,630	13
130X	Inventories (Note 10)	645,941	33	709,100	34	697,713	33
1470	Other current assets (Note 15)	13,856	1	12,047	1	18,827	1
11XX	Total current assets	<u>1,481,463</u>	<u>75</u>	<u>1,555,386</u>	<u>75</u>	<u>1,597,797</u>	<u>76</u>
	Non-current assets						
1540	Financial assets at amortized cost- non-current (Note 8)	1,000	-	1,000	-	-	-
1600	Property, plant and equipment (Note 12)	442,739	23	462,119	22	467,529	22
1755	Right-of-use assets (Note 13)	24,331	1	34,656	2	13,534	1
1780	Intangible assets (Note 14)	8,283	1	7,130	-	8,588	1
1900	Other non-current assets (Note 15)	5,871	-	8,084	1	5,772	-
15XX	Total non-current assets	<u>482,224</u>	<u>25</u>	<u>512,989</u>	<u>25</u>	<u>495,423</u>	<u>24</u>
1XXX	Total assets	<u><u>\$1,963,687</u></u>	<u><u>100</u></u>	<u><u>\$2,068,375</u></u>	<u><u>100</u></u>	<u><u>\$2,093,220</u></u>	<u><u>100</u></u>
	Liabilities and Equity						
	Current liabilities						
2170	Accounts payable	\$ 121,266	6	\$ 108,662	5	\$ 165,988	8
2200	Remuneration payable to employees and directors (Note 22)	11,091	-	23,042	1	29,284	1
2230	Current income tax liabilities (Note 4 and 23)	4,377	-	8,682	-	8,619	1
2280	Lease liabilities - current (Note 13)	12,510	1	12,989	1	6,316	-
2320	Long-term borrowings -current portion (Note 16)	-	-	10,208	1	5,833	-
2399	Other current liabilities (Note 17)	<u>70,963</u>	<u>4</u>	<u>79,083</u>	<u>4</u>	<u>79,472</u>	<u>4</u>
21XX	Total current liabilities	<u>220,207</u>	<u>11</u>	<u>242,666</u>	<u>12</u>	<u>295,512</u>	<u>14</u>
	Non-current liability						
2540	Long-term borrowings (Note 16)	-	-	24,792	1	29,167	1
2570	Deferred tax liabilities	518	-	335	-	284	-
2580	Lease liabilities - non-current (Note 13)	11,924	1	21,652	1	7,215	-
2645	Deposits received	13,308	1	13,138	1	10,845	1
25XX	Total non-current liabilities	<u>25,750</u>	<u>2</u>	<u>59,917</u>	<u>3</u>	<u>47,511</u>	<u>2</u>
2XXX	Total liabilities	<u>245,957</u>	<u>13</u>	<u>302,583</u>	<u>15</u>	<u>343,023</u>	<u>16</u>
	Equity (Notes 19 and 20)						
	Share capital						
3110	Common stock	616,002	31	604,421	29	600,291	29
	Capital surplus						
3210	Share premium	235,817	12	250,212	12	240,702	11
3251	Donations received from shareholders	84,732	4	84,732	4	84,732	4
3273	Restricted stocks for employees	49,782	3	61,218	3	38,251	2
3280	Others	154	-	131	-	131	-
	Retained earnings						
3310	Legal reserve	229,360	12	218,171	11	218,171	11
3320	Special reserve	-	-	786	-	786	-
3350	Undistributed earnings	<u>534,437</u>	<u>27</u>	<u>581,831</u>	<u>28</u>	<u>571,135</u>	<u>27</u>
	Other equity						
3410	Exchange differences on translating the financial statements of foreign operations	(8,338)	(1)	9,971	-	13,884	1
3491	Unearned employee compensation	(<u>24,216</u>)	(<u>1</u>)	(<u>45,681</u>)	(<u>2</u>)	(<u>17,886</u>)	(<u>1</u>)
3XXX	Total equity	<u>1,717,730</u>	<u>87</u>	<u>1,765,792</u>	<u>85</u>	<u>1,750,197</u>	<u>84</u>
	Total liabilities and equity	<u><u>\$1,963,687</u></u>	<u><u>100</u></u>	<u><u>\$2,068,375</u></u>	<u><u>100</u></u>	<u><u>\$2,093,220</u></u>	<u><u>100</u></u>

The notes below are an integral part of these consolidated financial statements.

**LEADTREND TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND
2024**

(In thousands of New Taiwan Dollars, except earnings per share)

Code		Three months ended September 30,				Nine months ended September 30,			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues (Note 21)	\$ 326,840	100	\$ 428,712	100	\$1,014,777	100	\$1,118,481	100
5110	Operating costs (Notes 10, 18 and 22)	227,780	70	266,104	62	661,994	65	694,245	62
5900	Operating margin	99,060	30	162,608	38	352,783	35	424,236	38
	Operating expenses (Notes 18 and 22)								
6100	Selling expenses	15,226	5	15,254	4	44,379	5	50,337	5
6200	Administrative expenses	26,122	8	27,331	6	83,049	8	87,877	8
6300	Research and development expenses	66,919	20	72,527	17	202,416	20	205,848	18
6000	Total operating expenses	108,267	33	115,112	27	329,844	33	344,062	31
6900	Net operating income	(9,207)	(3)	47,496	11	22,939	2	80,174	7
	Non-operating income and expenses (Note 22)								
7100	Interest income	1,870	1	1,417	-	5,368	1	4,571	1
7010	Other Income	1,460	-	923	-	3,440	-	3,909	-
7020	Other gains and losses	9,266	3	2,407	1	(6,283)	(1)	11,795	1
7050	Finance costs	(145)	-	(124)	-	(540)	-	(401)	-
7000	Total non-operating income and expenses	12,451	4	4,623	1	1,985	-	19,874	2
7900	Net profit before income tax	3,244	1	52,119	12	24,924	2	100,048	9
7950	Income tax expense (benefit) (Notes 4 and 23)	(1,741)	(1)	5,978	1	2,386	-	(1,145)	-
8200	Net profit for the period	4,985	2	46,141	11	22,538	2	101,193	9
	Other Comprehensive Income and loss								
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translating the financial statements of foreign operations (Note 19)	16,743	5	6,298	1	(18,309)	(2)	14,670	1
8500	Total comprehensive Income (loss)	\$ 21,728	7	\$ 52,439	12	\$ 4,229	-	\$ 115,863	10
	Earnings per share (NTD, Note 24)								
9750	Basic earnings per share	\$ 0.08		\$ 0.76		\$ 0.37		\$ 1.67	
9850	Diluted earnings per share	\$ 0.08		\$ 0.76		\$ 0.37		\$ 1.65	

The notes below are an integral part of these consolidated financial statements.

LEADTREND TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(In thousands of New Taiwan Dollars, unless stated otherwise)

Code	Share capital - common stock			Capital surplus				Retained earnings				Other equity		
	Shares (In thousands)	Amount	Share premium	Donations received from shareholders	Restricted stocks for employees	Others	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unearned employee compensation	Total equity	
A1	Balance at January 1, 2024	58,918	\$ 589,178	\$ 254,672	\$ 84,732	\$ 50,306	\$ 125	\$ 215,284	\$ -	\$ 485,253	\$ 700,537	(\$ 786)	(\$ 35,803)	\$ 1,642,961
B1	Distribution of retained earnings for 2023	-	-	-	-	-	-	2,887	-	(2,887)	-	-	-	-
B3	Legal reserve	-	-	-	-	-	-	-	786	(786)	-	-	-	-
B9	Special reserve	-	-	-	-	-	-	-	-	(11,638)	(11,638)	-	-	-
	Stock dividends to shareholders—\$0.2 per share	1,164	11,638	-	-	-	-	-	-	-	-	-	-	-
	Total distribution of retained earnings	1,164	11,638	-	-	-	-	2,887	786	(15,311)	(11,638)	-	-	-
C15	Capital surplus used for distribution of cash dividends—\$0.4 per share	-	-	(23,275)	-	-	-	-	-	-	-	-	-	(23,275)
C17	Changes in other capital surplus	-	-	-	-	-	6	-	-	-	-	-	-	6
D1	Net profit for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	101,193	101,193	-	-	101,193
D3	Other comprehensive (income) loss for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	-	-	14,670	-	14,670
D5	Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	101,193	101,193	14,670	-	115,863
N1	Acquired restricted stocks for employees	-	-	9,305	-	(9,305)	-	-	-	-	-	-	-	-
N1	Canceled restricted stocks for employees	(53)	(525)	-	-	525	-	-	-	-	-	-	-	-
N1	Compensation cost of the restricted stocks for employees	-	-	-	-	(3,275)	-	-	-	-	-	-	17,917	14,642
Z1	Balance at September 30, 2024	60,029	\$ 600,291	\$ 240,702	\$ 84,732	\$ 38,251	\$ 131	\$ 218,171	\$ 786	\$ 571,135	\$ 790,092	\$ 13,884	(\$ 17,886)	\$ 1,750,197
A1	Balance at January 1, 2025	60,442	\$ 604,421	\$ 250,212	\$ 84,732	\$ 61,218	\$ 131	\$ 218,171	\$ 786	\$ 581,831	\$ 800,788	\$ 9,971	(\$ 45,681)	\$ 1,765,792
B1	Distribution of retained earnings for 2024	-	-	-	-	-	-	11,189	-	(11,189)	-	-	-	-
B17	Legal reserve	-	-	-	-	-	-	-	786	(786)	-	-	-	-
B5	Special reserve	-	-	-	-	-	-	-	-	(47,623)	(47,623)	-	-	(47,623)
B9	Cash dividends to shareholders—\$0.8 per share	-	-	-	-	-	-	-	-	(11,906)	(11,906)	-	-	-
	Stock dividends to shareholders—\$0.2 per share	1,191	11,906	-	-	-	-	-	11,189	(786)	(69,932)	(59,529)	-	-
	Total distribution of retained earnings	1,191	11,906	-	-	-	-	-	-	-	-	-	-	(47,623)
C15	Capital surplus used for distribution of cash dividends—\$0.4 per share	-	-	(23,812)	-	-	-	-	-	-	-	-	-	(23,812)
C17	Changes in other capital surplus	-	-	-	-	-	23	-	-	-	-	-	-	23
D1	Net profit for the nine months ended September 30, 2025	-	-	-	-	-	-	-	-	22,538	22,538	-	-	22,538
D3	Other comprehensive (income) loss for the nine months ended September 30, 2025	-	-	-	-	-	-	-	-	-	-	(18,309)	-	(18,309)
D5	Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	-	-	-	22,538	22,538	(18,309)	-	4,229
N1	Acquired restricted stocks for employees	-	-	9,417	-	(9,417)	-	-	-	-	-	-	-	-
N1	Canceled restricted stocks for employees	(33)	(325)	-	-	325	-	-	-	-	-	-	-	-
N1	Compensation cost of the restricted stocks for employees	-	-	-	-	(2,344)	-	-	-	-	-	-	21,465	19,121
Z1	Balance at September 30, 2025	61,600	\$ 616,002	\$ 235,817	\$ 84,732	\$ 49,782	\$ 154	\$ 229,360	\$ -	\$ 534,437	\$ 763,797	(\$ 8,338)	(\$ 24,216)	\$ 1,717,730

The notes below are an integral part of these consolidated financial statements.

LEADTREND TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(In thousands of New Taiwan Dollars)

Code		Nine months ended September 30,	
		2025	2024
	Cash flows from operating activities		
A10000	Net profit before income tax	\$ 24,924	\$ 100,048
A20010	Adjustments for:		
A20100	Depreciation expenses	53,916	57,121
A20200	Amortization expenses	5,574	5,028
A20400	Net gain on financial assets or liabilities at fair value through profit or loss	(1,068)	(1,151)
A20900	Finance costs	540	401
A21200	Interest income	(5,368)	(4,571)
A21900	Compensation cost of the restricted stocks for employees	19,121	14,642
A22500	Loss on disposal of property, plant and equipment	1	8
A23700	Write-down of inventories	(3,174)	3,705
A24100	Unrealized foreign exchange gain (loss)	4,860	(6,731)
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts receivable	17,610	(72,923)
A31200	Inventories	66,333	(93,663)
A31240	Other current assets	(1,347)	3,302
A32150	Accounts payable	12,755	58,221
A32180	Remuneration payable to employees and directors	(11,951)	10,069
A32230	Other current liabilities	(6,607)	936
A33000	Cash flow generated from operations	176,119	74,442
A33300	Interest paid	(540)	(401)
A33500	Income tax paid	(6,409)	(3,187)
AAAA	Net cash flows from operating activities	<u>169,170</u>	<u>70,854</u>
	Cash flows from investment activities		
B00100	Acquisition of financial assets at fair value through profit or loss	-	(72,368)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	-	70,107
B02700	Acquisition of property, plant and equipment	(28,492)	(29,498)
B03700	Increase in refundable deposits	-	(191)

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Code		Nine months ended September 30,	
		2025	2024
B03800	Decrease in refundable deposits	\$ 47	\$ -
B04500	Acquisition of intangible assets	(4,160)	(2,484)
B07500	Interest received	<u>4,906</u>	<u>4,584</u>
BBBB	Net cash flows used in investment activities	(27,699)	(29,850)
Cash flows from financing activities			
C00100	Increase in short-term borrowings	-	30,000
C00200	Decrease in short-term borrowings	-	(30,000)
C01600	Proceeds from long-term debt	-	35,000
C01700	Decrease in long-term borrowings	(35,000)	-
C03000	Increase in deposits received	170	9,985
C04020	Repayment of the principal portion of lease liabilities	(9,937)	(10,374)
C04500	Cash dividends paid	(71,435)	(23,275)
C09900	Other financing activities	<u>23</u>	<u>6</u>
CCCC	Net cash flows from (used in) financing activities	(116,179)	<u>11,342</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	(16,428)	<u>12,483</u>
EEEE	Net increase in cash and cash equivalents	8,864	64,829
E00100	Cash and cash equivalents at beginning of the period	<u>493,439</u>	<u>457,745</u>
E00200	Cash and cash equivalents at end of the period	<u>\$ 502,303</u>	<u>\$ 522,574</u>

The notes below are an integral part of these consolidated financial statements.

LEADTREND TECHNOLOGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(In thousands of New Taiwan Dollars, unless stated otherwise)

1. History of Company

Leadtrend Technology Corporation (hereinafter referred to as "Leadtrend") was established on September 18, 2002, approved by the Ministry of Economic Affairs. It mainly engages in research, development, production, manufacturing, and sales of analog integrated circuits.

Leadtrend offered its shares at the Taiwan Stock Exchange on August 14, 2009.

The consolidated financial statements are presented in Leadtrend's functional currency, the New Taiwan Dollar.

2. Approval Date and Procedures of the Financial Statements

The consolidated financial statements were approved and issued by the Board of Directors on November 6, 2025.

3. Application of New, Amended and Revised Standards and Interpretations

(1) International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretation (IFRIC) and Interpretation Notices (SIC) recognized and issued by the Financial Supervisory Commission (hereinafter referred to as "IFRSs") as applied initially.

I. Amendments to IAS21 "Lack of exchangeability"

The application of the amended to IAS 21 "Lack of exchangeability" does not cause any significant change in accounting policies of Leadtrend and its subsidiaries (hereinafter referred to as "the Company").

(2) IFRS approved by the Financial Supervisory Commission applicable in 2026.

The newly issued / amended / revised standards and interpretations	Effective date issued by IASB (Note 1)
The amendments to IFRS 9 and IFRS 7, "Amendments to the classification and measurement of financial instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7, "Contracts referencing nature-dependent electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17, "Insurance contracts" (including the 2020 and 2021 amendments)	January 1, 2023

As of the date of approval and issuance of this consolidated financial report, the Company is still in the process of assessing the impact of the amendments on its financial position and performance.

(3) IFRSs issued by IASB but not approved and issued by the FSC.

The newly issued / amended / revised standards and interpretations	Effective date issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined by IASB
IFRS 18, "Presentation and disclosure in financial statements"	January 1, 2027 (Note 2)
IFRS 19, "Subsidiaries without publicly accountable disclosures"	January 1, 2027

Note 1: Unless stated otherwise, the above newly issued / amended / revised standards and interpretations are effective for annual periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that enterprises in Taiwan shall apply IFRS 18 starting from January 1, 2028. Early adoption is permitted once IFRS 18 has been endorsed by the FSC.

I. IFRS 18, "Presentation and Disclosure in Financial Statements"

IFRS 18, "Presentation of Financial Statements." replaces IAS 1. The main changes include:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company 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 Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.
- When engaging in public communications outside the financial statements and conveying management's perspective on a specific aspect of the

Company's overall financial performance to financial statement users, the Company shall disclose management-defined performance measures in a single financial statement note, including a description of the measure, how the measure is calculated, its reconciliation with IFRS-defined subtotals or totals, and the income tax and non-controlling interest impact of the related adjustment items.

In addition to the above impacts, as of the date the accompanying consolidated financial statements were issued, the Company continues in evaluating other impacts of the above amended standards and on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impacts will be disclosed when the Company completes its evaluation.

4. Summary of Material Accounting Policies

(1) Statement of compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards endorsed and issued into effect by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value.

Fair value measurement is classified as Levels 1 through Level 3 according to the observable degree and importance of relevant input values:

- I. Level 1 Input value: refers to the quotation in the active market (without adjustment) of the same asset or liability available at the measurement date.
- II. Level 2 Input value: refers to the observable input value of the asset or liability, either directly (i.e., as price) or indirectly (i.e., derived from price), except as quoted in level 1.
- III. Level 3 Input value: refers to the unobservable input value of the asset or liability.

(3) Basis of consolidation

The consolidated financial statements cover the financial statements of Leadtrend and the entities under its control (i.e. subsidiaries). The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those of the Company. In the preparation of consolidated financial statements, all transactions between individual affiliates, account balances, gains and losses have been wiped out.

Please refer to Notes 11 and 30 for details on the subsidiaries, shareholding ratios and main business.

(4) Other material accounting policies

Except for the following, please refer to the summary of material accounting policies in the Company's consolidated financial statements for the year ended December 31, 2024.

Income tax expense

Income tax expense is the sum of current income tax and deferred income tax. Interim period income tax is assessed on an annual basis and calculated by applying the estimated annual effective tax rate to the interim profit before tax income.

5. Material Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

Please refer to the consolidated financial statements for the year ended December 31, 2024.

6. Cash and Cash Equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Bank checks and demand deposits	\$ 111,112	\$ 88,356	\$ 66,447
Foreign currency deposits	105,475	61,635	84,923
Petty cash and cash on hand	316	548	504
Cash equivalents			
Time deposits	285,400	342,900	350,700
Commercial Paper	-	-	20,000
	<u>\$ 502,303</u>	<u>\$ 493,439</u>	<u>\$ 522,574</u>

The interest rate for cash and equivalent cash at the balance sheet date ranges as follows :

	September 30, 2025	December 31, 2024	September 30, 2024
Bank deposit	0.03%~2.75%	0.00%~3.30%	0.03%~3.93%

7. Financial Assets at Fair Value through Profit or Loss

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial Assets - Current</u>			
Financial assets mandatorily measured at fair value through profit or loss			
Non-derivative financial assets			
- Fund benefit certificate	<u>\$ 100,225</u>	<u>\$ 103,975</u>	<u>\$ 91,053</u>

8. Financial Assets at Amortized Cost

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Non-Current</u>			
Domestic Investment			
Bond Investment - P12 TSMC 2A	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>

On December 20, 2024, the Company purchased corporate bonds issued by Taiwan Semiconductor Manufacturing Company Limited with a face value of \$1,000 thousand. The bonds will mature on May 3, 2028, with an effective interest rate of 1.60%.

For information on credit risk management and expected impairment losses related to financial assets measured at amortized cost, please refer to Note 26.

9. Notes and Accounts Receivable

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Notes receivable</u>			
Measured at amortized cost			
Total carrying amount	<u>\$ 34,120</u>	<u>\$ 49,713</u>	<u>\$ 58,790</u>
<u>Accounts receivable</u>			
Measured at amortized cost			
Total carrying amount	<u>\$ 185,018</u>	<u>\$ 187,112</u>	<u>\$ 208,840</u>

The Company's average credit period for merchandise sales is 30 to 60 days per month, and accounts receivable are interest-free. The Company will use other publicly available financial information and historical transaction histories to grade major customers. The Company continuously monitors credit risks and the credit ratings of the other trading party. To mitigate credit risks, the management of the Company assigns a dedicated team to determine credit lines, approve credit lines and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the Company reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure

that appropriate impairment losses have been included in unrecoverable receivables. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company recognizes allowance losses for accounts receivable on the basis of expected credit losses during the duration of existence. The expected credit loss during the life period is calculated using the reserve matrix, which takes into account the customer's past default record and the current financial position and industrial economic situation, as well as the GDP forecast and industrial outlook. As the Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the reserve matrix does not further distinguish between customer groups and only sets the expected credit loss rate based on the overdue days of accounts receivable.

If there is evidence that the other trading party is in serious financial difficulties and the Company cannot reasonably expect the amount to be recovered, the Company will directly write off the relevant accounts receivable, but will continue to pursue recovery activities, as the amount recovered will be recognized as profit or loss.

Please refer to the table below for an aging analysis of accounts receivable at the end of the reporting period.

Aging analysis of net accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
No overdue nor derogation	<u>\$ 185,018</u>	<u>\$ 187,112</u>	<u>\$ 208,840</u>

10. Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Work in progress	\$ 423,310	\$ 430,721	\$ 399,824
Raw materials	129,489	176,078	193,795
Finished goods	<u>93,142</u>	<u>102,301</u>	<u>104,094</u>
	<u>\$ 645,941</u>	<u>\$ 709,100</u>	<u>\$ 697,713</u>

The operating cost for the three months and nine months ended September 30, 2025 and 2024 were \$227,780 thousand, \$266,104 thousand, \$661,994 thousand and \$694,245 thousand respectively.

The operating cost included reversal of allowance for obsolescence and market value decline for the three months and nine months ended September 30, 2025 and 2024 were (\$2,694) thousand, \$5,471 thousand, (\$3,174) thousand and \$3,705 thousand respectively.

11. Subsidiary

(1) Subsidiaries incorporated into consolidated financial statements

The subjects incorporated into preparation of the consolidated financial statements are listed below:

Name of company invested in	Name of Subsidiary	Main business	Percentage of holdings			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
Leadtrend	Leadtrend Technology (Shenzhen) Ltd. ("Leadtrend Shenzhen")	Computer software design service, computer system integration service, wholesale of integrated circuits and related electronic products, and agent import and export business activities.	100%	100%	100%	-

12. Property, Plant and Equipment

		September 30,	December 31,	September 30,
		2025	2024	2024
Assets used by the Company		\$ 428,716	\$ 462,119	\$ 460,765
Assets subject to operating leases		14,023	-	6,764
		<u>\$ 442,739</u>	<u>\$ 462,119</u>	<u>\$ 467,529</u>

(1) Assets used by the Company

	Land	Buildings	R&D equipment	Office equipment	Molding equipment	Leased Improvements	Mask	Total
<u>Cost</u>								
Balance at January 1, 2025	\$ 84,099	\$ 342,540	\$ 292,375	\$ 39,679	\$ 33,440	\$ 28,581	\$ 275,204	\$ 1,095,918
Transfers to assets subject to operating leases	(3,415)	(12,814)	-	-	-	-	-	(16,229)
Additions	-	523	10,283	1,026	394	28	14,421	26,675
Disposals	-	-	(312)	(196)	-	-	-	(508)
Net exchange differences	-	(2,054)	(602)	(203)	(314)	(175)	-	(3,348)
Balance at September 30, 2025	<u>\$ 80,684</u>	<u>\$ 328,195</u>	<u>\$ 301,744</u>	<u>\$ 40,306</u>	<u>\$ 33,520</u>	<u>\$ 28,434</u>	<u>\$ 289,625</u>	<u>\$ 1,102,508</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2025	\$ -	\$ 73,784	\$ 234,615	\$ 33,635	\$ 28,060	\$ 22,433	\$ 241,272	\$ 633,799
Transfers to assets subject to operating leases	-	(2,014)	-	-	-	-	-	(2,014)
Depreciation expenses	-	8,022	15,436	2,227	1,857	1,554	14,591	43,687
Disposals	-	-	(312)	(195)	-	-	-	(507)
Net exchange differences	-	(275)	(439)	(178)	(106)	(175)	-	(1,173)
Balance at September 30, 2025	<u>\$ -</u>	<u>\$ 79,517</u>	<u>\$ 249,300</u>	<u>\$ 35,489</u>	<u>\$ 29,811</u>	<u>\$ 23,812</u>	<u>\$ 255,863</u>	<u>\$ 673,792</u>
Carrying amounts at September 30, 2025	<u>\$ 80,684</u>	<u>\$ 248,678</u>	<u>\$ 52,444</u>	<u>\$ 4,817</u>	<u>\$ 3,709</u>	<u>\$ 4,622</u>	<u>\$ 33,762</u>	<u>\$ 428,716</u>
Carrying amounts at December 31, 2024 and January 1, 2025	<u>\$ 84,099</u>	<u>\$ 268,756</u>	<u>\$ 57,760</u>	<u>\$ 6,044</u>	<u>\$ 5,380</u>	<u>\$ 6,148</u>	<u>\$ 33,932</u>	<u>\$ 462,119</u>
<u>Cost</u>								
Balance at January 1, 2024	\$ 84,099	\$ 341,041	\$ 291,902	\$ 36,144	\$ 28,168	\$ 24,732	\$ 245,857	\$ 1,051,943
Transfers to assets subject to operating leases	(1,618)	(6,070)	-	-	-	-	-	(7,688)
Additions	-	-	1,314	3,566	5,271	3,720	21,063	34,934
Disposals	-	-	(1,306)	(347)	-	-	-	(1,653)
Net exchange differences	-	1,946	595	182	69	166	-	2,958
Balance at September 30, 2024	<u>\$ 82,481</u>	<u>\$ 336,917</u>	<u>\$ 292,505</u>	<u>\$ 39,545</u>	<u>\$ 33,508</u>	<u>\$ 28,618</u>	<u>\$ 266,920</u>	<u>\$ 1,080,494</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	\$ -	\$ 62,689	\$ 213,209	\$ 30,793	\$ 25,474	\$ 20,357	\$ 221,459	\$ 573,981
Transfers to assets subject to operating leases	-	(833)	-	-	-	-	-	(833)
Depreciation expenses	-	8,122	18,103	2,306	1,952	1,430	15,372	47,285
Disposals	-	-	(1,306)	(339)	-	-	-	(1,645)
Net exchange differences	-	193	396	160	26	166	-	941
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 70,171</u>	<u>\$ 230,402</u>	<u>\$ 32,920</u>	<u>\$ 27,452</u>	<u>\$ 21,953</u>	<u>\$ 236,831</u>	<u>\$ 619,729</u>
Carrying amounts at September 30, 2024	<u>\$ 82,481</u>	<u>\$ 266,746</u>	<u>\$ 62,103</u>	<u>\$ 6,625</u>	<u>\$ 6,056</u>	<u>\$ 6,665</u>	<u>\$ 30,089</u>	<u>\$ 460,765</u>

No impairment losses were recognized or reversed for the nine months ended September 30, 2025 and 2024.

(2) Assets subject to operating leases

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2025	\$ -	\$ -	\$ -
Transfers from assets used by the Company	3,415	12,814	16,229
Balance at September 30, 2025	<u>\$ 3,415</u>	<u>\$ 12,814</u>	<u>\$ 16,229</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2025	\$ -	\$ -	\$ -
Transfers from assets used by the Company	-	2,014	2,014
Depreciation expenses	-	192	192
Balance at September 30, 2025	<u>\$ -</u>	<u>\$ 2,206</u>	<u>\$ 2,206</u>
Carrying amounts at September 30, 2025	<u>\$ 3,415</u>	<u>\$ 10,608</u>	<u>\$ 14,023</u>
Carrying amounts at December 31, 2024 and January 1, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cost</u>			
Balance at January 1, 2024	\$ -	\$ -	\$ -
Transfers from assets used by the Company	1,618	6,070	7,688
Balance at September 30, 2024	<u>\$ 1,618</u>	<u>\$ 6,070</u>	<u>\$ 7,688</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ -	\$ -
Transfers from assets used by the Company	-	833	833
Depreciation expenses	-	91	91
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 924</u>	<u>\$ 924</u>
Carrying amounts at September 30, 2024	<u>\$ 1,618</u>	<u>\$ 5,146</u>	<u>\$ 6,764</u>

The Company leases parking spaces on an operating lease basis, with a lease period of one year. All operating lease contracts include a clause that the lessee will adjust the rent based on the market rent when exercising the right to renew the lease. The lessee does not have preferential purchase rights for the asset at the end of the lease period.

Depreciation expenses are calculated on a straight-line basis for the following useful lives:

	Used by the Company itself	Assets leased under operating leases
Buildings	10 ~ 50 years	50 years
R&D equipment	2 ~ 12 years	-
Office equipment	3 ~ 9 years	-
Molding equipment	3 years	-
Leased Improvements	2 ~ 6 years	-
Mask	2 ~ 3 years	-

13. Lease Agreements

(1) Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts of right-of-use assets			
Buildings	<u>\$ 24,331</u>	<u>\$ 34,656</u>	<u>\$ 13,534</u>
	Three months ended September 30, 2025	Nine months ended September 30, 2025	
Additions to the right-of-use assets		<u>\$ -</u>	<u>\$ 2,199</u>
Depreciation expenses of the right-of-use assets			
Buildings	<u>\$ 3,314</u>	<u>\$ 3,264</u>	<u>\$ 10,037</u>
			<u>\$ 9,745</u>

Except for the additions and depreciation expenses recognized listed above, the Company did not have any significant sublease or impairment of the right-of-use assets for the nine months ended September 30, 2025 and 2024.

(2) Lease liability

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of lease liabilities			
Current	<u>\$ 12,510</u>	<u>\$ 12,989</u>	<u>\$ 6,316</u>
Non-Current	<u>\$ 11,924</u>	<u>\$ 21,652</u>	<u>\$ 7,215</u>

The discount rate range for lease liabilities is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Buildings	1.96%~2.24%	1.96%~2.24%	1.96%~2.10%

(3) Major leasing activities and terms

The Company has leased several buildings for office use for 3~5 years. At the end of the lease term, the Company has no preferential right to purchase the leased land and buildings and agrees that the Company shall not sublease or transfer all or part of the leased property without the prior consent of the Lessor.

(4) Other lease Information

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Expense on short-term lease contracts	\$ 153	\$ 171	\$ 479	\$ 484
Expense on leases of low-value assets	\$ 13	\$ 6	\$ 40	\$ 17
Total cash (outflow) from leases	(\$ 3,750)	(\$ 3,798)	(\$ 10,951)	(\$ 11,160)

The Company chooses to apply the recognition exemption to office equipment that qualifies as short-term leases and office equipment that qualifies as low-value asset leases, and doesn't recognize related right-of-use assets and lease liabilities for these leases.

14. Intangible Assets

	Computer Software	Specialized Technology	Right of Patent	Others	Total
<u>Cost</u>					
Balance at January 1, 2025	\$ 103,851	\$ 34,688	\$ 8,383	\$ 2,922	\$ 149,844
Additions	1,789	4,938	-	-	6,727
Net exchange differences	(5)	-	-	-	(5)
Balance at September 30, 2025	<u>\$ 105,635</u>	<u>\$ 39,626</u>	<u>\$ 8,383</u>	<u>\$ 2,922</u>	<u>\$ 156,566</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2025	\$ 100,108	\$ 34,584	\$ 5,100	\$ 2,922	\$ 142,714
Amortization expenses	2,961	1,984	629	-	5,574
Net exchange differences	(5)	-	-	-	(5)
Balance at September 30, 2025	<u>\$ 103,064</u>	<u>\$ 36,568</u>	<u>\$ 5,729</u>	<u>\$ 2,922</u>	<u>\$ 148,283</u>
Carrying amounts at September 30, 2025	<u>\$ 2,571</u>	<u>\$ 3,058</u>	<u>\$ 2,654</u>	<u>\$ -</u>	<u>\$ 8,283</u>
Carrying amounts at December 31, 2024 and January 1, 2025	<u>\$ 3,743</u>	<u>\$ 104</u>	<u>\$ 3,283</u>	<u>\$ -</u>	<u>\$ 7,130</u>
<u>Cost</u>					
Balance at January 1, 2024	\$ 102,517	\$ 33,434	\$ 8,383	\$ 2,922	\$ 147,256
Additions	1,230	1,254	-	-	2,484
Net exchange differences	3	-	-	-	3
Balance at September 30, 2024	<u>\$ 103,750</u>	<u>\$ 34,688</u>	<u>\$ 8,383</u>	<u>\$ 2,922</u>	<u>\$ 149,743</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2024	\$ 95,961	\$ 32,979	\$ 4,262	\$ 2,922	\$ 136,124
Amortization expenses	3,109	1,291	628	-	5,028
Net exchange differences	3	-	-	-	3
Balance at September 30, 2024	<u>\$ 99,073</u>	<u>\$ 34,270</u>	<u>\$ 4,890</u>	<u>\$ 2,922</u>	<u>\$ 141,155</u>
Carrying amounts at September 30, 2024	<u>\$ 4,677</u>	<u>\$ 418</u>	<u>\$ 3,493</u>	<u>\$ -</u>	<u>\$ 8,588</u>

The above-mentioned intangible assets with limited useful lives shall be amortized on a straight-line basis for the following useful lives:

Computer software	3~6 years
Specialized technology	5 years
Right of patent	10 years
Other	3 ~ 5 years

An analysis of amortization expenses by function

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Amortization expenses summarized by function				
Operating costs	\$ -	\$ 253	\$ 506	\$ 759
Selling expenses	20	10	45	32
Administrative expenses	842	928	2,695	2,722
Research and development expenses	927	361	2,328	1,515
	<u>\$ 1,789</u>	<u>\$ 1,552</u>	<u>\$ 5,574</u>	<u>\$ 5,028</u>

15. Other Assets

	September 30,		December 31,		September 30,	
	2025	2024	2024	2024	2024	2024
<u>Current</u>						
Payment in advance	\$ 4,546	\$ 2,691	\$ 4,666			
Tax refund receivable	2,741	1,321	3,100			
Temporary payments	762	3,803	785			
Tax retained	507	-	4,490			
Others	<u>5,300</u>	<u>4,232</u>	<u>5,786</u>			
	<u>\$ 13,856</u>	<u>\$ 12,047</u>	<u>\$ 18,827</u>			
<u>Non-current</u>						
Refundable deposits	\$ 3,616	\$ 3,663	\$ 3,674			
Prepayments for purchases of equipment	2,255	1,854	2,098			
Prepaid patent rights	-	2,567	-			
	<u>\$ 5,871</u>	<u>\$ 8,084</u>	<u>\$ 5,772</u>			

16. Borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Unsecured borrowings</u>			
Bank loan	\$ -	\$ 35,000	\$ 35,000
Less : current portion	<u>\$ -</u>	(<u>10,208</u>)	(<u>5,833</u>)
Long-term borrowings	<u>\$ -</u>	<u>\$ 24,792</u>	<u>\$ 29,167</u>

The bank loan is a government preferential interest loan under the Guidelines for Project Loans to Assist SMEs in Low-Carbon and Smart Transformation, as well as Optimization of Infrastructure for Registered and Specific Factories' initiated by the Ministry of Economic Affairs. The subsidy period is one year, with maturities gradually due before May 2027. The interest rate is calculated as the bank rate of 2.22% minus the government subsidy rate of 1.72%, resulting in a net interest rate of 0.5%. The Company repaid the loan early in May 2025.

17. Other Current Liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Bonus payable	\$ 42,407	\$ 46,946	\$ 36,203
Unpaid leave benefits payable	5,903	6,442	5,112
Insurance payable	4,128	3,864	3,713
Service fee payable	3,553	4,073	2,363
Payables on equipment	2,183	3,599	3,270
Others	<u>12,789</u>	<u>14,159</u>	<u>28,811</u>
	<u>\$ 70,963</u>	<u>\$ 79,083</u>	<u>\$ 79,472</u>

18. Post-employment benefits plans

(1) Defined contribution plan

Leadtrend adopts a defined contribution plan in accordance with the Labor Pension Act of the Republic of China. Leadtrend makes monthly contributions equal to 6% of each employee's salary to their individual pension accounts. Leadtrend Shenzhen, located in the People's Republic of China, contributes social welfare benefits based on a certain percentage of employees' salaries, which are recognized as current annual expenses at the time of provision. In accordance with these provisions, the amounts recognized as expenses in the Company's consolidated income statement were \$2,799 thousand, \$2,589 thousand, \$8,317 thousand and \$7,952 thousand for the three months and nine months ended September 30, 2025 and 2024, respectively.

19. Equity

(1) Share capital

Common stock

	September 30, 2025	December 31, 2024	September 30, 2024
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Shares authorized	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>61,600</u>	<u>60,442</u>	<u>60,029</u>
Shares issued	<u>\$ 616,002</u>	<u>\$ 604,421</u>	<u>\$ 600,291</u>

Each share at a par value of \$10 has one voting right and a right to receive dividends.

The share capital reserved for exercise of employee stock options is 7,800 thousand shares.

On May 29, 2025, the Company's shareholders' meeting resolved to capitalize earnings by issuing 1,191 thousand shares with a par value of \$10 per share. The Board of Directors set the effective date of the capital increase on July 17, 2025. The Company completed the registration change on August 11, 2025.

(2) Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (I)</u>			
Share premium (including exercised or lapsed employee stock options)	\$235,817	\$250,212	\$240,702
Donations received from shareholders (II)	84,732	84,732	84,732
<u>May only be used to offset a deficit</u>			
Other	154	131	131
<u>May not be used for any purpose</u>			
Restricted stocks for employees	<u>49,782</u>	<u>61,218</u>	<u>38,251</u>
	<u>\$370,485</u>	<u>\$396,293</u>	<u>\$363,816</u>

I. Such capital surplus may be used to offset a deficit. Additionally, when the Company has no deficit, the capital surplus may be distributed as cash dividends or transferred to share capital, limited to a certain percentage of the Company's capital surplus and only once per year.

II. Cash donations from Delaware Asia Pacific Investment Company.

(3) Retained earnings and dividend policy

In accordance with the earnings distribution policy of the Articles of Association of Leadtrend, if there is any net profit after tax in the current period in the general accounts of each year, it shall be distributed in the following order:

- I. Offset accumulated deficits (including the adjustment of the amount of undistributed earnings).
- II. Set aside 10% of the remaining profit as legal reserve, unless the accumulated amount of the legal reserve has reached the total amount of paid-in capital of Leadtrend.
- III. Set aside or reverse special reserve in accordance with the law or the regulations of the competent authority.
- IV. The remaining balance, together with the undistributed earnings at the beginning of the period (including the adjustment of the amount of undistributed earnings) shall be proposed by the Board of Directors if dividends would be distributed by issuing new shares and resolved by the shareholders at the stockholders' meeting.

Leadtrend shall distribute all or part of dividends and bonuses or legal reserve and capital surplus, in the form of cash, by authorizing the Board of Directors to report to the shareholders' meeting with the consent of more than two-thirds of the directors present and more than half of the directors present.

For the remuneration allocation policy in the Articles of Association of Leadtrend, please refer to Note 22 (7) employees' compensation and directors' remuneration.

The distribution of dividends of Leadtrend shall be based on the current year's earnings. As per the principle of dividend stability, the distribution ratio shall not be less than 30% of the current year's after-tax earnings, and the annual cash dividend shall not be less than 10% of the total cash and stock dividends of the current year.

The legal reserve shall be withdrawn until the balance reaches the total amount of Leadtrend's paid-in capital. The legal reserve may be used to offset deficits. When Leadtrend has no deficit, the portion of the legal reserve exceeding 25% of the total paid-in capital can be distributed in cash in addition to increasing share capital.

Leadtrend's earnings distribution plans for 2024 and 2023 are as follows:

	2024	2023
Legal reserve	<u>\$ 11,189</u>	<u>\$ 2,887</u>
Special reserve	<u>(\$ 786)</u>	<u>\$ 786</u>
Cash dividends	<u>\$ 47,623</u>	<u>\$ -</u>
Stock dividends	<u>\$ 11,906</u>	<u>\$ 11,638</u>
Cash dividends per share (NTD)	\$ 0.800	\$ -
Stock dividends per share (NTD)	\$ 0.200	\$ 0.200

In addition, on April 10, 2025, the Board of Directors of Leadtrend resolved to distribute cash dividends of \$23,812 thousand (\$0.4 per share) from the capital surplus of 2024. Besides the cash dividends, the remaining surplus distribution items were also resolved at the regular meeting of shareholders on May 29, 2025.

On April 11, 2024, the Board of Directors of Leadtrend resolved to distribute cash dividends of \$23,275 thousand (\$0.4 per share) from the capital surplus of 2023. Besides the cash dividends, the remaining surplus distribution items were also resolved at the regular meeting of shareholders on May 28, 2024.

(4) Other equity

I. Exchange differences on translating the financial statements of foreign operations

	Nine months ended September 30,	
	2025	2024
Balance at beginning of the period	<u>\$ 9,971</u>	<u>(\$ 786)</u>
Recognized for the period		
Exchange differences in foreign operations	<u>(18,309)</u>	<u>14,670</u>
Other Comprehensive Income and loss for the period	<u>(18,309)</u>	<u>14,670</u>
Balance at end of the period	<u>(\$ 8,338)</u>	<u>\$ 13,884</u>

The relevant exchange difference resulting from the exchange differences on translating the net assets of foreign operations from its functional currency to the Company's expressed currency (i.e., New Taiwan Dollar) is directly recognized as the exchange differences on translating the financial statements of foreign operations under other comprehensive income and loss items. The previously accumulated exchange differences on translating the financial statements of foreign operations shall be reclassified to profit or loss when disposed of by the foreign operations.

II. Unearned employee compensation

The shareholders' meetings of Leadtrend held on May 28, 2024, June 13, 2023, June 9, 2022 and June 23, 2020, respectively, resolved the restricted share plans for employees, please refer to Note 20.

	<u>Nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Balance at beginning of the period	(\$45,681)	(\$35,803)
Share-based payment expenses recognized	19,121	14,642
Revoked restricted stocks for employees	<u>2,344</u>	<u>3,275</u>
Balance at end of the period	<u>(\$24,216)</u>	<u>(\$17,886)</u>

20. Share-based Payment

Restricted stock plans for employees

Information regarding Leadtrend's issuance of new shares with restricted stocks for employees is as follows:

Date of approval by the shareholders' meeting	Number of shares expected to be issued (In thousands)	Number of shares resolved by the Board of Directors (In thousands)	Granted date	Effective date of the capital increase	Number of actually issued shares (In thousands)	Fair value on the granted date
2020/06/23	1,200	900	2020/09/11	2020/11/06	900	34.35
2020/06/23	1,200	300	2021/08/03	2021/08/03	300	122
2022/06/09	420	420	2022/10/07	2022/10/12	420	47.1
2023/06/13	420	420	2023/10/06	2023/10/11	420	66.5
2024/05/28	420	420	2024/10/08	2024/10/09	420	88.4

Issuance of restricted stocks for employees in a total amount of \$12,000 thousand and was resolved at the shareholders' meeting of Leadtrend on June 23, 2020. A total of 1,200 thousand shares were issued. Issuance regulations are summarized as follows:

Employees to whom restricted stocks have been allocated shall satisfy the personal performance requirement by obtaining the result of "Satisfactory" or above in the latest personal performance assessment prior to the vesting date. If the employees still work at Leadtrend upon expiration of any of the following vesting period, they will receive restricted stocks at the granting ratio as scheduled below:

Vesting period	Granting ratio
From the grant date until October 15 of the first year following the grant date.	1/6
From the grant date until April 15 of the second year following the grant date.	1/6
From the grant date until October 15 of the second year following the grant date.	1/6
From the grant date until April 15 of the third year following the grant date.	1/6
From the grant date until October 15 of the third year following the grant date.	1/6
From the grant date until April 15 of the fourth year following the grant date.	1/6

Measures taken for employees failing to satisfy the vesting conditions:

- (1) If the employees resigns, are dismissed or laid off, retire, die, take leave without pay or are transferred to any affiliated enterprise after the grant date and prior to the expiration of the vesting period, Leadtrend will take back, without compensation, the restricted stocks that have been granted to the employees (for the current year) and have not vested in the employees.
- (2) If the employees fail to meet the required personal performance immediately prior to the vesting date, Leadtrend will take back, without compensation, the restricted stocks that have not vested in the employees that time.
- (3) Leadtrend will give to the employees, without compensation, the dividends allocated based on the restricted stocks prior to the expiration of the vesting period.
- (4) If the employees terminate or cancel, before their satisfaction of the vesting conditions, the authorization given to Leadtrend in violation of the rule saying that the trust contract or other similar agreements shall be negotiated, signed, revised, extended, cancelled or terminated, and the trust property shall be delivered, used and disposed, by Leadtrend on behalf of the employees and the stock trust agency in the period for which restricted stocks for employees are trusted, Leadtrend shall take back, without compensation, the restricted stocks from the employees.

The restricted stocks for employees taken back by Leadtrend without compensation will be revoked by Leadtrend.

Shares granted under the aforementioned restricted stock plan are summarized as follows:

	Restricted stock plan for employees 2020-1	Restricted stock plan for employees 2020-2
	Unit (In thousands)	Unit (In thousands)
<u>Nine months ended September 30, 2025</u>		
Outstanding at the beginning of the period	-	33.5
Granted for the period	-	(33.5)
Outstanding at the end of the period	-	-
Granted weighted average fair value (NTD)	<u>\$ 34.35</u>	<u>\$ 122</u>
<u>Nine months ended September 30, 2024</u>		
Outstanding at the beginning of the period	132.0	105.0
Granted for the period	(132.0)	(35.0)
Recovered for the period	-	(3.0)
Outstanding at the end of the period	-	67.0
Granted weighted average fair value (NTD)	<u>\$ 34.35</u>	<u>\$ 122</u>

Issuance of restricted stocks for employees in a total amount of \$ 4,200 thousand was resolved at the shareholders' meeting of Leadtrend on June 9, 2022. A total of 420 thousand shares were issued. Issuance regulations are summarized as follows:

Employees to whom restricted stocks have been allocated shall satisfy the personal performance requirement by obtaining the result of "Satisfactory" (i.e. a performance assessment scale score ≥ 5.8) or above in the latest personal performance assessment prior to the vesting date. If the employees still work at Leadtrend upon expiration of any of the following vesting period, they will receive restricted stocks at the granting ratio as scheduled below:

Vesting period	Granting ratio
From the grant date until October 11 of the first year following the grant date.	1/6
From the grant date until April 11 of the second year following the grant date.	1/6
From the grant date until October 11 of the second year following the grant date.	1/6
From the grant date until April 11 of the third year following the grant date.	1/6
From the grant date until October 11 of the third year following the grant date.	1/6
From the grant date until April 11 of the fourth year following the grant date.	1/6

Measures taken for employees failing to satisfy the vesting conditions:

- (1) If the employees resigns, are dismissed or laid off, retire, die, take leave without pay or are transferred to any affiliated enterprise after the grant date and prior to the expiration of the vesting period, Leadtrend will take back, without compensation, the restricted stocks that have been granted to the employees (for the current year) and have not vested in the employees.
- (2) If the employees fail to meet the required personal performance immediately prior to the vesting date, Leadtrend will take back, without compensation, the restricted stocks that have not vested in the employees that time.
- (3) The employees are not entitled to any stocks, cash dividends or capital surplus allocated before the expiration of the vesting period.
- (4) If the employees terminate or cancel, before their satisfaction of the vesting conditions, the authorization given to Leadtrend in violation of the rule saying that the trust contract or other similar agreements shall be negotiated, signed, revised, extended, cancelled or terminated, and the trust property shall be delivered, used and disposed, by Leadtrend on behalf of the employees and the stock trust agency in the period for which restricted stocks for employees are trusted, Leadtrend shall take back, without compensation, the restricted stocks from the employees.

The restricted stocks for employees taken back by Leadtrend without compensation will be revoked by Leadtrend.

Shares granted under the aforementioned restricted stock plan are summarized as follows:

Restricted stock plan for employees 2022	
<u>Unit (In thousands)</u>	
<u>Nine months ended September 30,2025</u>	
Outstanding at the beginning of the period	171.0
Granted for the period	(56.0)
Recovered for the period	(3.0)
Outstanding at the end of the period	<u>112.0</u>
Granted weighted average fair value (NTD)	<u>\$ 47.1</u>
 <u>Nine months ended September 30,2024</u>	
Outstanding at the beginning of the period	292.5
Granted for the period	(58.5)
Outstanding at the end of the period	<u>234.0</u>
Granted weighted average fair value (NTD)	<u>\$ 47.1</u>

Issuance of restricted stocks for employees in a total amount of \$ 4,200 thousand was resolved at the shareholders' meeting of Leadtrend on June 13, 2023. A total of 420 thousand shares were issued. Issuance regulations are summarized as follows:

Employees to whom restricted stocks have been allocated shall satisfy the personal performance requirement by obtaining the result of "Satisfactory" (i.e. a performance assessment scale score ≥ 5.8) or above in the latest personal performance assessment prior to the vesting date. If the employees still work at Leadtrend upon expiration of any of the following vesting period, they will receive restricted stocks at the granting ratio as scheduled below:

Vesting period	Granting ratio
From the grant date until October 11 of the first year following the grant date.	1/6
From the grant date until April 11 of the second year following the grant date.	1/6
From the grant date until October 11 of the second year following the grant date.	1/6
From the grant date until April 11 of the third year following the grant date.	1/6
From the grant date until October 11 of the third year following the grant date.	1/6
From the grant date until April 11 of the fourth year following the grant date.	1/6

Measures taken for employees failing to satisfy the vesting conditions:

- (1) If the employees resigns, are dismissed or laid off, retire, die, take leave without pay or are transferred to any affiliated enterprise after the grant date and prior to the expiration of the vesting period, Leadtrend will take back, without compensation, the restricted stocks that have been granted to the employees (for the current year) and have not vested in the employees.
- (2) If the employees fail to meet the required personal performance immediately prior to the vesting date, Leadtrend will take back, without compensation, the restricted stocks that have not vested in the employees that time.
- (3) The employees are not entitled to any stocks, cash dividends or capital surplus allocated before the expiration of the vesting period.
- (4) If the employees terminate or cancel, before their satisfaction of the vesting conditions, the authorization given to Leadtrend in violation of the rule saying that the trust contract or other similar agreements shall be negotiated, signed, revised, extended, cancelled or terminated, and the trust property shall be delivered, used and disposed, by Leadtrend on behalf of the employees and the stock trust agency in the period for which restricted stocks for employees

are trusted, Leadtrend shall take back, without compensation, the restricted stocks from the employees.

The restricted stocks for employees taken back by Leadtrend without compensation will be revoked by Leadtrend.

Shares granted under the aforementioned restricted stock plan are summarized as follows:

	Restricted stock plan for employees 2023
	<u>Unit (In thousands)</u>
<u>Nine months ended September 30, 2025</u>	
Outstanding at the beginning of the period	317.5
Granted for the period	(63.5)
Recovered for the period	(10.0)
Outstanding at the end of the period	<u>244.0</u>
Granted weighted average fair value (NTD)	<u>\$ 66.5</u>
<u>Nine months ended September 30, 2024</u>	
Outstanding at the beginning of the period	420.0
Recovered for the period	(39.0)
Outstanding at the end of the period	<u>381.0</u>
Granted weighted average fair value (NTD)	<u>\$ 66.5</u>

Issuance of restricted stocks for employees in a total amount of \$ 4,200 thousand was resolved at the shareholders' meeting of Leadtrend on May 28, 2024. A total of 420 thousand shares were issued. Issuance regulations are summarized as follows:

Employees to whom restricted stocks have been allocated shall satisfy the personal performance requirement by obtaining the result of "Satisfactory" (i.e. a performance assessment scale score ≥ 5.8) or above in the latest personal performance assessment prior to the vesting date. If the employees still work at Leadtrend upon expiration of any of the following vesting period, they will receive restricted stocks at the granting ratio as scheduled below:

Vesting period	Granting ratio
From the grant date until October 11 of the first year following the grant date.	1/6
From the grant date until April 11 of the second year following the grant date.	1/6
From the grant date until October 11 of the second year following the grant date.	1/6
From the grant date until April 11 of the third year following the grant date.	1/6
From the grant date until October 11 of the third year following the grant date.	1/6
From the grant date until April 11 of the fourth year following the grant date.	1/6

Measures taken for employees failing to satisfy the vesting conditions:

- (1) If the employees resigns, are dismissed or laid off, retire, die, take leave without pay or are transferred to any affiliated enterprise after the grant date and prior to the expiration of the vesting period, Leadtrend will take back, without compensation, the restricted stocks that have been granted to the employees (for the current year) and have not vested in the employees.
- (2) If the employees fail to meet the required personal performance immediately prior to the vesting date, Leadtrend will take back, without compensation, the restricted stocks that have not vested in the employees that time.
- (3) The employees are not entitled to any stocks, cash dividends or capital surplus allocated before the expiration of the vesting period.
- (4) If the employees terminate or cancel, before their satisfaction of the vesting conditions, the authorization given to Leadtrend in violation of the rule saying that the trust contract or other similar agreements shall be negotiated, signed, revised, extended, cancelled or terminated, and the trust property shall be delivered, used and disposed, by Leadtrend on behalf of the employees and the stock trust agency in the period for which restricted stocks for employees are trusted, Leadtrend shall take back, without compensation, the restricted stocks from the employees.

The restricted stocks for employees taken back by Leadtrend without compensation will be revoked by Leadtrend.

Shares granted under the aforementioned restricted stock plan are summarized as follows:

Restricted stock plan for
employees
2024

Unit (In thousands)

<u>Nine months ended September 30, 2025</u>
Outstanding at the beginning of the period
Recovered for the period
Outstanding at the end of the period
Granted weighted average fair value (NTD)

414.0

(15.0)

399.0

\$ 88.4

Due to resignation of employees, 28 thousand and 42 thousand restricted stocks for employees were recovered in 2025 and 2024 respectively, and there were 6 thousand and 7 thousand shares among such recovered shares to be revoked.

The compensation cost of the restricted stocks for employees as recognized for the nine months ended September 30 of 2025 and 2024 are \$19,121 thousand and \$14,642 thousand respectively.

21. Operating Revenue

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue from contracts with customers				
Integrated circuits	\$ 326,840	\$ 428,712	\$ 1,014,777	\$ 1,118,481
(1) Contractual balance				
	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Notes and accounts receivable (Note 9)	\$ 219,138	\$ 236,825	\$ 267,630	\$ 191,426
(2) Itemized revenue from contracts with customers				
Itemized by areas				
	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Taiwan (where Leadtrend is located)	\$ 165,355	\$ 215,312	\$ 517,689	\$ 569,482
Mainland China	159,505	212,660	491,620	546,902
Korea	520	740	1,978	2,097
Others	1,460	-	3,490	-
	<u>\$ 326,840</u>	<u>\$ 428,712</u>	<u>\$ 1,014,777</u>	<u>\$ 1,118,481</u>

22. Non-operating Income and Expenses

(1) Interest income

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Bank deposits	\$ 1,807	\$ 1,346	\$ 5,108	\$ 4,450
Commercial paper	52	61	227	92
Deposit interest	11	10	33	29
	<u>\$ 1,870</u>	<u>\$ 1,417</u>	<u>\$ 5,368</u>	<u>\$ 4,571</u>

(2) Other Income

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Lease income				
Other operating leases	\$ 460	\$ 424	\$ 1,390	\$ 1,414
Government grants income	172	5	177	701
Others	<u>828</u>	<u>494</u>	<u>1,873</u>	<u>1,794</u>
	<u>\$ 1,460</u>	<u>\$ 923</u>	<u>\$ 3,440</u>	<u>\$ 3,909</u>

(3) Other gains and losses

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net gain (loss) on foreign exchange	\$ 8,901	\$ 2,030	(\$ 7,406)	\$ 10,652
Gains and losses on financial assets				
Financial assets at fair value through profit or loss	309	377	1,068	1,151
Loss on disposal of property, plant and equipment	-	-	(1)	(8)
Others	<u>56</u>	<u>-</u>	<u>56</u>	<u>-</u>
	<u>\$ 9,266</u>	<u>\$ 2,407</u>	<u>(\$ 6,283)</u>	<u>\$ 11,795</u>

(4) Financial costs

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Interest on lease liabilities	\$ 145	\$ 79	\$ 492	\$ 285
Interest from bank borrowings	-	45	48	116
	<u>\$ 145</u>	<u>\$ 124</u>	<u>\$ 540</u>	<u>\$ 401</u>

(5) Depreciation and amortization

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Depreciation expenses by functions:				
Operating cost	\$ 4,384	\$ 4,811	\$ 13,036	\$ 14,222
Operating expenses	<u>\$ 13,842</u>	<u>\$ 13,698</u>	<u>\$ 40,880</u>	<u>\$ 42,899</u>
	<u><u>\$ 18,226</u></u>	<u><u>\$ 18,509</u></u>	<u><u>\$ 53,916</u></u>	<u><u>\$ 57,121</u></u>
 Amortization expenses by functions:				
Operating cost	\$ -	\$ 253	\$ 506	\$ 759
Operating expenses	<u>\$ 1,789</u>	<u>\$ 1,299</u>	<u>\$ 5,068</u>	<u>\$ 4,269</u>
	<u><u>\$ 1,789</u></u>	<u><u>\$ 1,552</u></u>	<u><u>\$ 5,574</u></u>	<u><u>\$ 5,028</u></u>

(6) Employee benefit expenses

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Post-employment benefit plans (Note 18)				
Defined contribution plan	\$ 2,799	\$ 2,589	\$ 8,317	\$ 7,952
Share-based payment (Note 20)				
Delivery of equity	6,292	4,697	19,121	14,642
Other employee benefits	<u>\$ 77,946</u>	<u>\$ 88,273</u>	<u>\$ 234,468</u>	<u>\$ 256,133</u>
Total employee benefit expenses	<u>\$ 87,037</u>	<u>\$ 95,559</u>	<u>\$ 261,906</u>	<u>\$ 278,727</u>
 Summary by function				
Operating costs	\$ 13,209	\$ 13,601	\$ 39,438	\$ 40,223
Operating Expenses	<u>\$ 73,828</u>	<u>\$ 81,958</u>	<u>\$ 222,468</u>	<u>\$ 238,504</u>
	<u><u>\$ 87,037</u></u>	<u><u>\$ 95,559</u></u>	<u><u>\$ 261,906</u></u>	<u><u>\$ 278,727</u></u>

(7) Employees' compensation and directors' remuneration

In accordance with Leadtrend's Articles of Incorporation, Leadtrend allocates employees' compensation and directors' remuneration from the current pre-tax earnings before distribution, with no less than 5% allocated to employees' compensation and no more than 2% allocated to directors' remuneration, respectively. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of Leadtrend resolved the amendments to Leadtrend's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of employees' compensation and directors' remuneration from the current pre-tax earnings before distribution, with no less than 10% allocated to employees' compensation and no more than 2% allocated to directors' remuneration. Additionally, no less than 40% of the employees' compensation mentioned above shall be distributed to non-executive employees.

For the three months and nine months ended September 30, 2025, and 2024, employees' compensation and directors' remuneration were accrued as follows:

Accrual rate

	Nine months ended September 30,	
	2025	2024
Employees' compensation	15%	16%
Directors' remuneration	1%	1%

Amount

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Employees' compensation	\$ 897	\$ 9,216	\$ 4,057	\$ 19,125
Directors' remuneration	\$ 85	\$ 781	\$ 382	\$ 1,714

If there is a change in the amounts after the consolidated financial statements are authorized for issue, the differences will be handled according to the change in accounting estimates and adjusted and recorded in the next year.

The employees' compensation and directors' remuneration for the years ended December 31, 2024, and 2023 were resolved by Leadtrend's Board of Directors on February 20, 2025, and February 29, 2024, respectively, as follows:

Amount

	2024		2023	
	Cash	Share	Cash	Share
Employees' compensation	\$ 21,147	\$ -	\$ 5,197	\$ -
Directors' remuneration	1,895	-	489	-

There is no difference between the actual amounts of employees' compensation and directors' remuneration paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023, respectively.

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

(8) Gains and losses on foreign currency exchange

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Foreign currency exchange gains	\$ 8,287	\$ 5,898	\$ 14,182	\$ 14,783
Foreign currency exchange losses	614	(3,868)	(21,588)	(4,131)
Net gain (loss)	<u>\$ 8,901</u>	<u>\$ 2,030</u>	<u>(\$ 7,406)</u>	<u>\$ 10,652</u>

23. Income Tax

(1) Income tax recognized in profit or loss

The main components of income tax (benefit) expense are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Current income tax				
Incurred in current period	(\$ 50)	\$ 5,896	\$ 3,197	\$ 7,246
Tax on undistributed earnings	-	-	2,098	678
Adjustments for prior year	(1,691)	-	(2,909)	(9,894)
Deferred income tax				
Incurred in current period	-	82	-	825
Income tax (benefit) expense recognized in profit or loss	<u>(\$ 1,741)</u>	<u>\$ 5,978</u>	<u>\$ 2,386</u>	<u>(\$ 1,145)</u>

(2) The assessment of income tax returns

Leadtrend's income tax returns through 2023 have been assessed and approved by the Tax Authorities.

24. Earnings per Share

Unit: NTD per share

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Basic earnings per share	\$ 0.08	\$ 0.76	\$ 0.37	\$ 1.67
Diluted earnings per share	\$ 0.08	\$ 0.76	\$ 0.37	\$ 1.65

In calculating earnings per share, the impact of the allotment of shares without compensation has been retroactively adjusted, with the effective date of the capital increase set as July 17, 2025. Due to this retroactive adjustment, the changes in basic and diluted earnings per share for the three months and nine months ended September 30, 2024, are as follows:

Unit: NTD per share

	Before retroactive adjustment		After retroactive adjustment	
	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2024	Nine months ended September 30, 2024
Basic earnings per share	\$ 0.78	\$ 1.71	\$ 0.76	\$ 1.67
Diluted earnings per share	\$ 0.77	\$ 1.69	\$ 0.76	\$ 1.65

The net profit and weighted average shares of common stock used to calculate earnings per share are as follows:

Net profit for the period

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net profit used to calculate basic and diluted earnings per share	\$ 4,985	\$ 46,141	\$ 22,538	\$ 101,193

Number of shares

Unit: In thousands of shares

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
The weighted average number of common shares used to calculate basic earnings per share	60,816	60,516	60,782	60,428
Impact of dilutive potential common stock:				
Restricted stocks for employees	189	325	227	524
Employees' compensation	76	217	134	227
The weighted average number of common shares used to calculate diluted earnings per share	61,081	61,058	61,143	61,179

If Leadtrend offered to settle the compensation paid to employees in stock or cash, Leadtrend assumed that the entire amount of the compensation will be settled in stock, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per shares, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

25. Capital Risk Management

The Company manages its capital to ensure that it is able to maximize shareholders' returns as a going concern. There has been no significant change in the Company's overall strategy.

The capital structure of the Company consists of share capital, capital surplus, retained earnings and other equity.

The Company is not subject to other external capital requirements.

26. Financial Instruments

(1) Fair value information - Financial instruments not measured at fair value.

The management of the Company believes that the book amounts of the financial assets and financial liabilities not measured at fair value are close to fair value.

September 30, 2025

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets measured at amortized cost					
-Domestic corporate bonds	\$ 1,000	\$ -	\$ 999	\$ -	\$ 999

December 31, 2024

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets measured at amortized cost					
-Domestic corporate bonds	\$ 1,000	\$ -	\$ 994	\$ -	\$ 994

The above Level 2 fair value measurement is based on quoted prices obtained from the Taipei Exchange.

(2) Fair value information - Financial instruments measured at fair value on a recurring basis.

I. Fair value hierarchy

September 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Fund beneficiary certificate	<u>\$100,225</u>	<u>\$_____ -</u>	<u>\$_____ -</u>	<u>\$100,225</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Fund beneficiary certificate	<u>\$103,975</u>	<u>\$_____ -</u>	<u>\$_____ -</u>	<u>\$103,975</u>

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Fund beneficiary certificate	<u>\$ 91,053</u>	<u>\$_____ -</u>	<u>\$_____ -</u>	<u>\$ 91,053</u>

There were no transfer between Level 1 and Level 2 for the nine months ended September 30, 2025 and 2024.

(3) Categories of financial instruments

	September 30,2025	December 31, 2024	September 30,2024
<u>Financial Assets</u>			
Measured at fair value			
through profit or loss			
Non-derivative financial			
assets measured at			
fair value	\$ 100,225	\$ 103,975	\$ 91,053

(Continued on next page)

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	September 30,2025	December 31, 2024	September 30,2024
Financial assets at amortized costs			
Cash and cash equivalents	\$ 502,303	\$ 493,439	\$ 522,574
Notes and accounts receivable	219,138	236,825	267,630
Financial assets measured at amortized cost- non-current	1,000	1,000	-
Refundable deposits	3,616	3,663	3,674
<u>Financial liabilities</u>			
Measured at amortized cost			
Accounts payable	\$ 121,266	\$ 108,662	\$ 165,988
Long-term borrowings (including current portion)	-	35,000	35,000
Deposit received	13,308	13,138	10,845

(4) Purpose and policy of financial risk management

Main financial instruments of the Company include notes and accounts receivable, refundable deposits, accounts payable, borrowings and lease liabilities. The financial risk management objective of the Company is to manage the exchange rate risk, interest rate risk, credit risk and liquidity risk relevant to operating activities. For reducing relevant financial risks, the Company is committed to identifying, evaluating and avoiding market uncertainties to reduce the potential negative impact of market changes on the financial performance of the Company.

Important financial activities of the Company are reviewed by the Board of Directors pursuant to applicable regulations and internal control systems. During the implementation of the financial plan, the Company shall comply with applicable financial operating procedures for overall financial risk management and division of powers and responsibilities.

I. Market Risk

Main financial risks assumed by the Company for its operating activities are exchange rate risk (as stated in (I) below) and interest rate risk (as stated in (II) below).

The Company does not change the methods that it has adopted to manage and measure risk exposure with respect to market risk for financial instruments.

(I) Exchange rate risk

Some of the Company's cash inflows and outflows are denominated in foreign currencies with the effect of natural hedging. The Company's management of the exchange rate risk aims to hedge rather than making profits.

The management strategy of exchange rate risk is established to review net positions of various currency assets and liabilities, and conduct risk management on net positions.

For carrying amounts of monetary assets and monetary liabilities of the Company in non-functional currencies on the balance sheet date, please refer to Note 29.

Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

Sensitivity analysis

The Company is mainly impacted by fluctuation of USD and CNY exchange rates.

The table below shows the Company's sensitivity analysis for the situations when the exchange rate of the NTD (the functional currency) to each foreign currency increases or decreases by 5%. Sensitivity analysis considers outstanding foreign currency monetary items, and the conversion made at the end of the period is adjusted by 5% exchange rate fluctuation. The scope of sensitivity analysis includes cash and cash equivalents, accounts receivable, other receivables, accounts payable and other payables. The positive number in the table below shows the amount increasing in the net profit before income tax when the NTD against each foreign currency depreciates by 5%. If the NTD against each foreign currency appreciates by 5%, the impact on the net profit before income tax will be a negative of the same amount.

	Impact of USD		Impact of CNY	
	Nine months ended September 30, 2025	Nine months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Net profit before income tax	\$ 3,118	\$ 2,734	\$ 5,181	\$ 4,635

The impact primarily arises from receivables and payables in USD and CNY that remained outstanding on the balance sheet date, with cash flows not hedged by the Company.

During the current period, the Company's sensitivity to USD and CNY exchange rates increased primarily due to a rise in the net asset balances denominated in USD and CNY at the end of the period.

(II) Interest rate risk

Interest rate exposures arise as entities under the Company hold assets and liabilities at both fixed and floating rates.

The carrying amounts of financial assets of the Company exposed to interest rate risk on the balance sheet date are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
– Financial assets	\$ 285,400	\$ 342,900	\$ 370,700
– Financial liabilities	24,434	69,641	48,531
Cash flow interest rate risk			
– Financial assets	216,587	149,991	151,370

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk of non-derivative instruments at the balance sheet date. For floating rate assets, the analysis assumes that the amount of assets outstanding on the balance sheet date is outstanding during the reporting period.

If the interest rate increases/decreases by 0.1%, all other variables held constant, the Company's net profit before income tax for the nine months ended September 30, 2025 and 2024 will increase/decrease by \$162 thousand and \$114 thousand respectively, due to the interest rate risk of the Company's variable interest rate net assets.

II. Credit risk

Credit risk refers to the risk of financial loss to the Company caused by default of contractual obligations by the other trading party. As of the balance sheet date, the Company's greatest credit risk exposure to non-performance of obligations by the other trading party is primarily attributable to the carrying value of financial assets recognized in the consolidated balance sheet.

To reduce credit risk, the management of the Company has appointed a dedicated team responsible for the determination of credit lines, credit approval and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the Company reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been included in unrecoverable receivables. Accordingly, the Company's

management believes that the Company's credit risk has been significantly reduced.

Accounts receivable cover a large number of customers, dispersed in different industries and geographical regions. The Company continuously evaluates the financial position of its customers involving in accounts receivable.

Except for Customers A, B, C, D, E, F, and G, as described below, the Company does not have a material credit risk exposure to any single trading party or any group of trading parties with similar characteristics. When trading parties are related enterprises, the Company classifies them as trading parties with similar characteristics. As of September 30, 2025, excluding Customers A, B, C, D, E, F, and G, the concentration of credit risk related to other trading parties did not exceed 5% of total accounts receivable. The credit risks associated with Customers A, B, C, D, E, F, and G are limited, as they are highly reputable manufacturers.

III. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining an adequate level of cash and cash equivalents to finance its operations and mitigate the impact of cash flow fluctuations.

(I) Liquidity of non-derivative financial liabilities

The table below presents the maturity analysis for the remaining contracts of non-derivative financial liabilities. This analysis is based on the undiscounted cash flows of these liabilities, including both interest and principal payments, calculated as of the earliest date on which the Company is required to make repayment.

September 30, 2025

	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Accounts payable	<u>\$71,992</u>	<u>\$49,274</u>	<u>\$____-</u>	<u>\$____-</u>	<u>\$121,266</u>
Lease liabilities	<u>\$ 816</u>	<u>\$ 2,191</u>	<u>\$ 9,876</u>	<u>\$12,055</u>	<u>\$ 24,938</u>
Other current liabilities	<u>\$ 8,307</u>	<u>\$ 6,011</u>	<u>\$____-</u>	<u>\$____-</u>	<u>\$ 14,318</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1 to 5 years	Over 5 years
Lease liabilities	<u>\$ 12,883</u>	<u>\$ 12,055</u>	<u>\$____-</u>

December 31, 2024

	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Accounts payable	<u>\$ 66,437</u>	<u>\$ 42,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,662</u>
Lease liabilities	<u>\$ 816</u>	<u>\$ 2,218</u>	<u>\$ 10,544</u>	<u>\$ 22,098</u>	<u>\$ 35,676</u>
Fixed rate instruments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,208</u>	<u>\$ 24,792</u>	<u>\$ 35,000</u>
Other current liabilities	<u>\$ 8,229</u>	<u>\$ 8,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,541</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1 to 5 years	Over 5 years
Lease liabilities	<u>\$ 13,578</u>	<u>\$ 22,098</u>	<u>\$ -</u>
Fixed rate instruments	<u>10,208</u>	<u>24,792</u>	<u>-</u>
	<u><u>\$ 23,786</u></u>	<u><u>\$ 46,890</u></u>	<u><u>\$ -</u></u>

September 30, 2024

	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Accounts payable	<u>\$95,595</u>	<u>\$70,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,988</u>
Lease liabilities	<u>\$ 772</u>	<u>\$ 1,476</u>	<u>\$ 4,235</u>	<u>\$ 7,337</u>	<u>\$ 13,820</u>
Fixed rate instruments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,833</u>	<u>\$ 29,167</u>	<u>\$ 35,000</u>
Other current liabilities	<u>\$ 6,552</u>	<u>\$ 8,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,966</u>

Further information on the maturity analysis of the above financial liabilities is as follows:

	Less than 1 year	1 to 5 years	Over 5 years
Lease liabilities	<u>\$ 6,483</u>	<u>\$ 7,337</u>	<u>\$ -</u>
Fixed rate instruments	<u>5,833</u>	<u>29,167</u>	<u>-</u>
	<u><u>\$ 12,316</u></u>	<u><u>\$ 36,504</u></u>	<u><u>\$ -</u></u>

27. Transactions with Related Parties

- (1) All transactions between Leadtrend and its subsidiaries, account balances, gains and losses have been wiped out at the time of consolidation and are not disclosed in this note. The Company has no dealings with any other affiliated party.

(2) Compensation of key management personnel

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 5,691	\$ 6,170	\$ 20,190	\$ 19,276
Post-employment benefits	102	130	362	393
Share-based payment	1,161	554	3,576	2,050
	<u>\$ 6,954</u>	<u>\$ 6,854</u>	<u>\$ 24,128</u>	<u>\$ 21,719</u>

The compensation of directors and key management personnel is determined by the Remuneration Committee in accordance with individual performance and market trends.

28. Significant Contingent Liabilities and Unrecognized Contractual Commitments

The significant commitments of the Company as of the balance sheet date are as follows:

(1) Significant commitments

Leadtrend signed a patented technology transfer agreement with a company in March 2018, and the transfer consideration was paid in three phases. The total amount of the first and second contractual amounts was US\$ 600, and the third-phase was paid based on the profits of the patented derivative products within three years after the offering date, amounting at least US\$ 300.

29. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is summarized in terms of foreign currencies other than the Company's individual functional currency. The exchange rate disclosed refers to the exchange rate at which such foreign currencies are converted to functional currency. Foreign currency assets and liabilities with significant impact are listed below:

Unit: In thousands in each foreign currency

September 30, 2025

	Foreign currency	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 4,139	30.445 (USD : NTD)	\$ 125,999
USD	2	7.1055 (USD : CNY)	66
CNY	25,070	4.271 (CNY : NTD)	<u>107,075</u>
			<u>\$ 233,140</u>

(Continued on next page)

(Brought forward from previous page)

	Foreign currency		Exchange rate	Carrying amount
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	\$ 2,093	30.445	(USD : NTD)	\$ 63,711
CNY	809	4.271	(CNY : NTD)	<u>3,455</u>
				<u>\$ 67,166</u>

December 31, 2024

	Foreign currency		Exchange rate	Carrying amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 4,182	32.785	(USD : NTD)	\$ 137,091
USD	2	7.321	(USD: CNY)	71
CNY	20,221	4.478	(CNY : NTD)	<u>90,550</u>
				<u>\$ 227,712</u>

Financial liabilities

Monetary items

USD	\$ 1,772	32.785	(USD : NTD)	\$ 58,089
CNY	112	4.478	(CNY : NTD)	<u>501</u>
				<u>\$ 58,590</u>

September 30, 2024

	Foreign currency		Exchange rate	Carrying amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 4,830	31.650	(USD : NTD)	\$ 152,881
USD	3	6.9976	(USD : CNY)	69
CNY	20,497	4.523	(CNY : NTD)	<u>92,709</u>
				<u>\$ 245,659</u>

Financial liabilities

Monetary items

USD	3,105	31.650	(USD : NTD)	<u>\$ 98,267</u>
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The realized and unrealized net foreign exchange (losses) gains for the three months and nine months ended September 30, 2025 and 2024 was \$8,901 thousand, \$2,030 thousand, (\$7,406) thousand and \$10,652 thousand respectively.

As foreign currency transactions are diversified, disclosing foreign exchange gains or losses based on each foreign currency with material impact is not feasible.

30. Matters Disclosed in Notes

(1) Major transactions and (2) Related information on reinvested business: At the time of preparation of these consolidated financial statements, all significant transactions between the parent and subsidiaries and their balances have been wiped out.

I. Loans to others: None.

II. Provision of endorsements and guarantees to others: None.

III. Holding of significant marketable securities at the end of the period:

Holding company name	Type of marketable securities	Name of marketable securities	Relationship with the holding company	Financial statement account	September 30, 2025				Remark
					Number of shares or Unit	Carrying amount	Percentage of Ownership	Fair Value	
Leadtrend Technology (Shenzhen) Ltd.	Fund	Fund B on Mainland China Resources YuanDa Cash Connect Money Market	—	Financial assets at fair value through profit or loss - current	-	\$50,396	-	\$50,396	Note 1
		ICBC Financial Management Corporation Tianlibao Net Value Financial Products	—	Financial assets at fair value through profit or loss - current	-	49,829	-	49,829	

Note 1: Based on net value as at September 30, 2025.

Note 2: No security, pledged loans or other agreed restriction for use of the securities as listed above has been offered as of September 30, 2025.

Note3: The securities listed in this table are determined by the Company based on the principle of materiality.

IV. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

Purchaser /seller	Counterpart y	Relation	Transaction				Transaction terms different from those for general transactions, and reasons	Notes and accounts receivable (payable)		Remark		
			Sale (purchase)	Amount	Percentage of total purchase (sales)	Credit term		Balance	Percentage of the total notes and accounts receivable (payable)			
Leadtrend	Leadtrend Technology (Shenzhen) Ltd.	Parent company and subsidiary	Sale	\$319,281	36	Net 60 days, end of the month	Note	Approximat ely the same	\$ 77,037	47	—	

Note: The sales price charged by Leadtrend to related parties is determined in accordance with normal business practices.

V. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.

VI. Others: Information and amount of business relations and important transactions between the parent company and subsidiaries:

Nine months ended September 30, 2025

No.	Company name	Counterparty	Relationship (Note 2)	Transaction information			
				Item	Amount	Trading condition	Ratio of total sales or assets
0	Leadtrend Technology Corporation	Leadtrend Technology (Shenzhen) Ltd.	1	Sales revenue	\$319,281	Note 3	31%
0	Leadtrend Technology Corporation	Leadtrend Technology (Shenzhen) Ltd.	1	Accounts receivable - related parties	77,037	Note 3	4%

Note 1: The number of transactions with the parent company is 0. Subsidiaries are numbered sequentially, starting with number 1.

Note 2: The number 1 represents transactions from the parent company to the subsidiary.

Note 3: There is no appropriate object comparable to the sales price between subsidiaries, and the collection period with the subsidiary is comparable to that with ordinary customers.

Note 4: The Company may decide whether to disclose the significant transactions listed in this table based on the principle of materiality.

VII. Information on investee companies: None.

(3) Information on investments in Mainland China:

The Company has no other matters to be disclosed except the following:

- I. Name of investee company in Mainland China, main business, paid-in capital, investment method, funds remitted in and out, shareholding, investment gain or loss, book value of investments at the end of the period, investment gain (loss) remitted back already, and limit of investments in Mainland China:

Unit: In thousands of NTD; in thousands of USD

Investee company	Main business	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan at the beginning of the period	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan during the period		Accumulated amount of remittance from Taiwan at the end of the period	Investee company's profit (loss) during the period	Percentage of shares held by the Company through direct or indirect investment	Investment gain (loss) recognized during the period (Note 2)	Ending book value of investment (Note 2)	Investment gain remitted back to Taiwan at the end of the period
					Remitted to Mainland China	Remitted back to Taiwan						
Leadtrend Technology (Shenzhen) Ltd.	Computer software design service, computer system integration service, wholesale of integrated circuits and related electronic products, and agent import and export business activities	\$310,406 (USD9,900)	Note 1	\$214,637 (USD7,050)	\$ -	\$ -	\$214,637 (USD7,050)	\$20,261 (USD649)	100%	\$20,261 (USD649)	\$318,345 (USD10,456)	\$ -

Accumulated amount of remittance from Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission, Ministry of Economic Affairs	60% of net worth, the limit of investment provided by the Investment Commission, Ministry of Economic Affairs
\$214,637 (USD7,050)	\$301,406 (USD 9,900)	\$1,030,638

Note1: The investment was made physically in Mainland China.

Note2: It was calculated based on the financial statements of the same accounting period audited by CPAs.

Note3: The figures in a foreign currency indicated in the table were converted into NTD at the exchange rate announced on the reporting date.

Note 4: As of September 30, 2025, Leadtrend had an investment amount of US\$9,900 thousand approved by the Investment Review Committee of the Ministry of Economic Affairs, and had actually remitted US\$7,050 thousand. The remaining uninvested amount has expired.

II. Information on major transactions with invested companies in Mainland China directly or indirectly through a third-party, and related prices, terms of payment, unrealized gains and losses and any other information which may be helpful to understand the impact of investment in Mainland China on financial statements: Please refer to section (1) VI. Others.

31. Segment Information

The Company's operating decision makers focus on and use product-specific information to allocate resources and evaluate segment performance. Each product has similar economic characteristics and is marketed through a unified and centralized marketing approach; therefore, the Company summarizes and reports them within a single operating segment. Additionally, the segment information provided to operating decision makers for review is measured on the same basis as the consolidated financial statements. Consequently, for the segment's revenue and operating results reported for the three months and nine months ended September 30, 2025, and 2024, please refers to the consolidated income statements for those periods. For the segment's assets reported as of September 30, 2025, and 2024, please refer to the consolidated balance sheets as of those dates, respectively.