

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

Hitron Technologies Inc. and Subsidiaries**Consolidated Balance Sheets****March 31, 2024, December 31 and March 31, 2023****(Expressed in thousands of New Taiwan Dollar)**

Assets	March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and Equity	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets:							Current liabilities:						
Cash and cash equivalents	\$ 3,070,086	27	1,980,637	19	2,350,883	20	Short-term borrowings	\$ 1,157,649	10	396,227	4	1,688,160	14
Current financial assets at fair value through profit or loss	6,019	-	6,129	-	37,937	-	Current financial liabilities at fair value through profit or loss	784	-	-	-	5,186	-
Current financial assets at amortised cost, net	-	-	20,000	1	220,000	2	Current contract liabilities	450,419	4	562,840	5	455,691	4
Accounts receivable and notes receivable, net	1,539,457	13	1,857,299	18	1,969,254	16	Accounts payable	1,919,549	16	1,544,021	15	2,364,200	20
Accounts receivable from related parties, net	752	-	3,540	-	258	-	Accounts payable to related parties	60,127	1	31,647	-	30,811	-
Other receivables, net	379,987	3	328,066	3	564,713	4	Other payables	497,135	4	404,262	4	614,590	5
Other receivables from related parties, net	66,167	1	31,551	-	98,966	1	Other payables to related parties	86,742	1	934	-	327,937	3
Current tax assets	91,565	1	87,879	1	103,037	1	Current tax liabilities	86,680	1	82,885	1	163,961	1
Inventories	3,605,768	31	3,291,171	31	3,904,131	33	Current provisions	78,777	1	104,626	1	135,484	1
Other current assets	102,049	1	109,631	1	170,281	1	Current lease liabilities	18,862	-	18,673	-	12,532	-
	<u>8,861,850</u>	<u>77</u>	<u>7,715,903</u>	<u>74</u>	<u>9,419,460</u>	<u>78</u>	Other current liabilities	5,268	-	5,528	-	6,518	-
Non-current assets:								<u>4,361,992</u>	<u>38</u>	<u>3,151,643</u>	<u>30</u>	<u>5,805,070</u>	<u>48</u>
Non-current financial assets at amortised cost	-	-	21,000	-	-	-	Non-Current liabilities:						
Non-current financial assets at fair value through other comprehensive income	51,152	1	51,152	-	31,815	-	Long-term borrowings	700,000	6	700,000	7	-	-
Property, plant and equipment	1,780,400	15	1,855,821	18	2,008,948	17	Bonds payable	167,765	1	264,612	3	570,126	5
Right-of use assets	270,343	2	267,113	3	187,567	2	Non-current provisions	32,907	-	34,641	-	53,322	1
Intangible assets	93,203	1	101,119	1	95,226	1	Deferred tax liabilities	219,913	2	218,696	2	2,386	-
Deferred tax assets	369,936	3	366,052	3	143,082	1	Non-current lease liabilities	116,940	1	116,516	1	35,701	-
Other non-current assets	150,381	1	130,534	1	125,419	1	Other non-current liabilities	568	-	409	-	551	-
	<u>2,715,415</u>	<u>23</u>	<u>2,792,791</u>	<u>26</u>	<u>2,592,057</u>	<u>22</u>	Total liabilities	<u>5,600,085</u>	<u>48</u>	<u>4,486,517</u>	<u>43</u>	<u>6,467,156</u>	<u>54</u>
Total assets	\$ <u>11,577,265</u>	<u>100</u>	<u>10,508,694</u>	<u>100</u>	<u>12,011,517</u>	<u>100</u>	Equity:						
							Equity attributable to owners of parent company:						
							Ordinary share capital	3,213,172	28	3,213,172	31	3,213,172	27
							capital surplus	1,139,529	10	1,185,304	11	1,141,390	9
							Retained earnings:						
							Legal reserve	340,989	3	340,501	3	340,501	3
							Unappropriated retained earnings	(28,205)	-	38,936	1	62,683	-
								<u>312,784</u>	<u>3</u>	<u>379,437</u>	<u>4</u>	<u>403,184</u>	<u>3</u>
							Other equity interest	257,805	2	141,589	1	89,958	1
							Total equity attributable to owners of parent company	<u>4,923,290</u>	<u>43</u>	<u>4,919,502</u>	<u>47</u>	<u>4,847,704</u>	<u>40</u>
							Non-controlling interests	1,053,890	9	1,102,675	10	696,657	6
							Total equity	<u>5,977,180</u>	<u>52</u>	<u>6,022,177</u>	<u>57</u>	<u>5,544,361</u>	<u>46</u>
							Total liabilities and equity	\$ <u>11,577,265</u>	<u>100</u>	<u>10,508,694</u>	<u>100</u>	<u>12,011,517</u>	<u>100</u>

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

Hitron Technologies Inc. and Subsidiaries**Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2024 and 2023****(Expressed in thousands of New Taiwan Dollar, except for Earnings per share)**

	For the three months ended March 31,			
	2024		2023	
	Amount	%	Amount	%
Operating revenue	\$ 2,109,786	100	2,810,623	100
Operating costs	<u>1,709,650</u>	<u>81</u>	<u>2,250,840</u>	<u>80</u>
Gross profit from operations	<u>400,136</u>	<u>19</u>	<u>559,783</u>	<u>20</u>
Operating expenses :				
Selling expenses	149,421	7	165,725	6
Administrative expenses	111,998	5	141,844	5
Research and development expenses	111,046	5	140,349	5
Expected credit loss	7,645	-	10,467	-
Total operating expenses	<u>380,110</u>	<u>17</u>	<u>458,385</u>	<u>16</u>
Net operating income	<u>20,026</u>	<u>2</u>	<u>101,398</u>	<u>4</u>
Non-operating income and expenses:				
Interest income	5,768	-	6,307	-
Other income	5,967	-	4,154	-
Other gains and losses, net	4,190	-	(15,453)	-
Finance costs	(19,666)	(1)	(18,071)	(1)
Total non-operating income and expenses	<u>(3,741)</u>	<u>(1)</u>	<u>(23,063)</u>	<u>(1)</u>
Profit before tax	16,285	1	78,335	3
Income tax expenses	<u>4,531</u>	<u>-</u>	<u>32,463</u>	<u>1</u>
Profit	<u>11,754</u>	<u>1</u>	<u>45,872</u>	<u>2</u>
Other comprehensive income (loss):				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	648	-	-	-
Total components of other comprehensive income that will not be reclassified to profit or loss	<u>648</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income (loss) that are or may be reclassified to profit or loss				
Exchange differences on translation of foreign financial statements	116,216	6	(19,134)	(1)
Total components of other comprehensive income that are or may be reclassified to profit or loss	<u>116,216</u>	<u>6</u>	<u>(19,134)</u>	<u>(1)</u>
Other comprehensive income	<u>116,864</u>	<u>6</u>	<u>(19,134)</u>	<u>(1)</u>
Total comprehensive income	<u>\$ 128,618</u>	<u>7</u>	<u>26,738</u>	<u>1</u>
Profit attributable to:				
Owners of parent company	\$ (29,398)	(1)	28,626	1
Non-controlling interests	41,152	2	17,246	1
	<u>\$ 11,754</u>	<u>1</u>	<u>45,872</u>	<u>2</u>
Comprehensive income attributable to:				
Owners of parent company	\$ 87,466	5	9,492	-
Non-controlling interests	41,152	2	17,246	1
	<u>\$ 128,618</u>	<u>7</u>	<u>26,738</u>	<u>1</u>
Earnings per share (New Taiwan dollars)				
Basic earnings per share	<u>\$ (0.09)</u>		<u>0.09</u>	
Diluted earnings per share	<u>\$ (0.09)</u>		<u>0.09</u>	

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

Hitron Technologies Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2024 and 2023
(Expressed in thousands of New Taiwan Dollar)

	Retained earnings						Other equity interest		Total equity attributable to the owners of parent company	Non-controlling interests	Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				Total other equity interest
					Total retained earnings	Total retained earnings						
Balance at January 1, 2023	\$ 3,213,172	1,114,994	283,224	145,512	427,798	856,534	93,125	15,967	109,092	5,293,792	766,085	6,059,877
Profit	-	-	-	-	28,626	28,626	-	-	-	28,626	17,246	45,872
Other comprehensive income	-	-	-	-	-	-	(19,134)	-	(19,134)	(19,134)	-	(19,134)
Total comprehensive income	-	-	-	-	28,626	28,626	(19,134)	-	(19,134)	9,492	17,246	26,738
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	57,277	-	(57,277)	-	-	-	-	-	-	-
Special reserve	-	-	-	(145,512)	145,512	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(481,976)	(481,976)	-	-	-	(481,976)	-	(481,976)
Distribution cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(124,827)	(124,827)
Changes in the investee's capital surplus	-	26,396	-	-	-	-	-	-	-	26,396	37,225	63,621
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	928	928
Balance at March 31, 2023	\$ 3,213,172	1,141,390	340,501	-	62,683	403,184	73,991	15,967	89,958	4,847,704	696,657	5,544,361
Balance at January 1, 2024	\$ 3,213,172	1,185,304	340,501	-	38,936	379,437	106,285	35,304	141,589	4,919,502	1,102,675	6,022,177
Profit	-	-	-	-	(29,398)	(29,398)	-	-	-	(29,398)	41,152	11,754
Other comprehensive income	-	-	-	-	648	648	116,216	-	116,216	116,864	-	116,864
Total comprehensive income	-	-	-	-	(28,750)	(28,750)	116,216	-	116,216	87,466	41,152	128,618
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	488	-	(488)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	(58,492)	-	-	(37,903)	(37,903)	-	-	-	(96,395)	-	(96,395)
Distribution cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(175,179)	(175,179)
Changes in conversion of convertible bonds in subsidiaries	-	12,717	-	-	-	-	-	-	-	12,717	85,242	97,959
Balance at March 31, 2024	\$ 3,213,172	1,139,529	340,989	-	(28,205)	312,784	222,501	35,304	257,805	4,923,290	1,053,890	5,977,180

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Hitron Technologies Inc. and Subsidiaries**Consolidated Statements of Cash Flows****For the three months ended March 31, 2024 and 2023****(Expressed in thousands of New Taiwan Dollar)**

	For the three months ended March 31,	
	2024	2023
Cash flows from operating activities:		
Profit before tax	\$ 16,285	78,335
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	59,298	62,505
Amortization expense	10,195	9,109
Expected credit loss	7,645	10,467
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	31	(563)
Finance costs	19,666	18,071
Interest income	(5,768)	(6,307)
Loss (gain) on disposal of property, plant and equipment	575	(200)
(Reversal) provisions for inventory obsolescence and devaluation loss	(36,467)	9,712
Gain from lease modification	(15)	-
Total adjustments to reconcile profit	<u>55,160</u>	<u>102,794</u>
Changes in operating assets and liabilities:		
Accounts receivables and notes receivable	340,798	541,939
Accounts receivables from related parties	2,788	507
Other receivables	(52,023)	(103,688)
Other receivables from related parties	(34,616)	(98,966)
Inventories	(199,320)	(90,646)
Other operating assets	7,554	38,705
Contract liabilities	(112,421)	(75,784)
Accounts payables	333,842	(194,562)
Accounts payables to related parties	28,480	(82,173)
Other payables	(104,079)	(270,143)
Other payables to related parties	10,358	9,125
Provisions	(28,005)	(14,118)
Other current liabilities	(260)	767
Other non-current liabilities	288	-
Total changes in operating assets and liabilities	<u>193,384</u>	<u>(339,037)</u>
Total adjustments	<u>248,544</u>	<u>(236,243)</u>

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Hitron Technologies Inc. and Subsidiaries
Consolidated Statements of Cash Flows (Continued)
For the three months ended March 31, 2024 and 2023
(Expressed in thousands of New Taiwan Dollar)

	For the three months ended March 31,	
	2024	2023
Cash flows generated from operations	264,829	(157,908)
Interest received	5,870	5,900
Interest paid	(17,726)	(15,942)
Income taxes paid	(392)	(29,281)
Net cash flows from operating activities	252,581	(197,231)
Cash flows from investing activities:		
Acquisition of financial assets at amortised cost	-	(220,000)
Disposal of financial assets at amortised cost, net	41,000	-
Proceeds from disposal of financial assets at fair value through profit or loss	79	-
Acquisition of financial liabilities at fair value through profit or loss	784	-
Acquisition of property, plant and equipment	(7,279)	(15,869)
Proceeds from disposal of property, plant and equipment	63,934	200
Acquisition of intangible assets	(1,001)	(7,006)
Refundable deposits	(18,546)	-
Other non-current assets	(294)	9,804
Net cash flows from (used in) investing activities	78,677	(232,871)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	727,209	(252,710)
Proceeds from bonds payable	-	631,884
Guarantee deposits	(129)	142
Payments of lease liabilities	(5,423)	(4,194)
Net cash flows from financing activities	721,657	375,122
Effect of exchange rate changes on cash and cash equivalents	36,534	20,187
Net increase (decrease) in cash and cash equivalents	1,089,449	(34,793)
Cash and cash equivalents at beginning of period	1,980,637	2,385,676
Cash and cash equivalents at end of period	\$ 3,070,086	2,350,883