Stock Code:6284

Inpaq Technology Co., Ltd.

Parent-Company-Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

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

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Independent Auditors' Report

To the Board of Directors of Inpaq Technology Co., Ltd.:

Opinion

We have audited the parent-company-only financial statements of Inpaq Technology Co., Ltd.("the Company"), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent-company-only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Customer contract sales revenue cut-off

   Please refer to note 4(14) and note 6(19) for accounting policy and detailed disclosure of revenue, respectively.

   Description of key audit matter:

   The Company's major revenue is derived from the sales of goods to its customers. Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. The Company recognizes revenue depending on the various sales terms in each individual contract with customers to ensure its performance obligation has been satisfied by transferring its control over a product to its customer. Therefore, the accuracy of revenue recognition timing is one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's internal controls surrounding the sales process and cash collection transaction process; selecting samples of sales transactions to assess the adequacy of the Company's timing on revenue recognition; and evaluating the rationale for any identified significant sales fluctuations, incurred within a certain period before or after the balance sheet date, to recognize when the performance obligation has been satisfied by transferring control over the goods to a customer in order to determine whether they have been recorded in a proper period.

2. Valuation of Inventories

Please refer to note 4(7), note 5, and note 6(4) for accounting policies, accounting assumptions and estimation uncertainty, as well as related disclosure information for inventory, respectively.

Description of key audit matter:

Inventories are stated at the lower of cost or net realizable value. With the rapid development of technology, the advance of new electronic products may significantly change consumer demands, which may lead to product obsolescence that may result in the cost of inventory to be higher than the net realizable value. Consequently, the valuation of inventories has been identified as our key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, our key audit procedures include selecting samples to examine their net realizable values to verify the accuracy of inventory aging; evaluating the reasonableness of the Company's inventory valuation policy and the management's assumption used when measuring the allowance for inventory valuation and obsolescence losses; performing a retrospective review of the Company's historical accuracy of judgments with reference to inventory valuation and compare them with the current year's calculation to evaluate the appropriateness of the estimation and assumption used for inventory valuation; and evaluating the adequacy of the Company's disclosure for inventories.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hai-Ning Huang and Chi-Lung Yu.

KPMG

Taipei, Taiwan (Republic of China)
February 20, 2025

Notes to Readers

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

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Inpaq Technology Co., Ltd.

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 396,680	3	1,137,307	10
1136	Current financial assets at amortised cost (notes 6(1) and (5))	16,449	-	210,673	3
1150	Notes receivable (note 6(3))	1,797	-	2,524	-
1170	Accounts receivable, net (note 6(3))	1,199,419	10	1,034,477	9
1180	Accounts receivable due from related parties, net (notes 6(3) and 7)	454,447	4	270,783	2
1210	Other receivables due from related parties (note 7)	515,130	4	732,750	7
1310	Inventories (note 6(4))	469,821	4	369,700	3
1479	Other current assets (note 6(10))	30,421	-	28,859	-
		3,084,164	25	3,787,073	34
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(2))	840,063	7	226,347	3
1535	Non-current financial assets at amortised cost (note 5)	738,691	6	218,574	3
1551	Investments accounted for using the equity method (note 6(6))	5,084,299	41	3,930,304	36
1600	Property, plant and equipment (notes 6(7) and 7)	2,623,479	21	2,641,427	24
1755	Right-of-use assets (notes 6(8), (14) and 7)	20,182	-	17,932	-
1780	Intangible assets (note 6(9))	22,423	-	28,351	-
1840	Deferred tax assets (note 6(16))	17,900	-	37,201	-
1920	Refundable deposits (notes 7, 8 and 9)	25,923	-	24,165	-
1990	Other non-current assets (note 6(10))	30,006	-	53,768	-
		9,402,966	75	7,178,069	66
	Total assets	**$ 12,487,130**	**100**	**10,965,142**	**100**

	Liabilities and Equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(11))	$ 200,000	2	200,000	2
2120	Current financial liabilities at fair value through profit or loss (note 6(12))	1,464	-	-	-
2170	Notes and accounts payable	167,262	2	182,563	2
2180	Accounts payable to related parties (note 7)	618,551	5	368,986	3
2201	Salary and bonus payable	283,117	2	219,585	2
2213	Payable on machinery and equipment	55,981	-	95,118	1
2220	Other payables to related parties (notes 6(6) and 7)	77,910	1	58,627	1
2280	Lease liabilities-current (notes 6(14) and 7)	4,269	-	10,181	-
2271	Bonds payable, current portion (note 6(12))	675,287	5	-	-
2322	Long-term borrowings, current portion (note 6(11))	498,241	4	429,676	4
2399	Other current liabilities	271,498	2	180,584	2
		2,853,580	23	1,745,320	17
	Non-current liabilities:				
2500	Non-current financial liabilities at fair value through profit or loss (note 6(12))	-	-	2,374	-
2531	Bonds payable (note 6(12))	-	-	662,742	6
2540	Long-term borrowings (note 6(11))	1,737,896	14	1,436,018	13
2570	Deferred tax liabilities (note 6(16))	258,792	2	214,516	2
2580	Lease liabilities－non-current (notes 6(14) and 7)	16,293	-	8,047	-
2630	Long-term deferred revenue (notes(11) and (13))	30,900	-	31,020	-
2640	Net defined benefit liability, non-current (note 6(15))	7,058	-	16,726	-
2645	Guarantee deposits received (note6(15))	6,134	-	6,122	-
		2,057,073	16	2,377,565	21
	Total liabilities	4,910,653	39	4,122,885	38
	Equity (note 6(17)):				
3100	Ordinary share capital	1,489,803	12	1,489,803	14
3200	Capital surplus	3,244,157	26	3,244,157	29
3300	Retained earnings	3,043,222	24	2,348,677	21
3400	Other equity	(181,206)	(1)	(240,380)	(2)
3500	Treasury shares	(19,499)	-	-	-
	Total equity	7,576,477	61	6,842,257	62
	Total liabilities and equity	**$ 12,487,130**	**100**	**10,965,142**	**100**

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Inpaq Technology Co., Ltd.

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar, Except Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Net operating revenue** (notes 6(19) and 7)	$ 4,479,533	100	3,932,614	100
5000	**Operating costs** (notes 6(4), (14), (15), (20) and 7)	3,722,149	83	3,228,799	82
5900	**Gross profit**	757,384	17	703,815	18
5910	Unrealized gain (loss) from sales (note 7)	(17,749)	-	14,010	-
5950	**Realized gross profit**	739,635	17	717,825	18
6000	**Operating expenses** (notes 6(14), (15), (20) and 7)**:**				
6100	Selling expenses	329,055	7	323,904	8
6200	General and administrative expenses	263,584	6	216,800	6
6300	Research and development expenses	206,676	5	156,494	4
	Total operating expenses	799,315	18	697,198	18
6900	**Net operating income (loss)**	(59,680)	(1)	20,627	-
7000	**Non-operating income and expenses:**				
7100	Interest income (notes 6(21) and 7)	71,770	2	72,604	2
7020	Other gains and losses, net (notes 6(21) and 7)	28,645	1	29,618	1
7050	Finance costs (notes 6(11), (12), (14), (21) and 7)	(51,495)	(1)	(43,013)	(1)
7060	Share of profit of associates accounted for using equity method, net (note 6(6))	965,771	22	651,669	17
7230	Foreign exchange income (note 6(22))	155,459	3	2,059	-
	Total non-operating income and expenses	1,170,150	27	712,937	19
7900	**Profit before income tax**	1,110,470	26	733,564	19
7950	**Less: income tax expenses** (note 6(16))	125,894	3	18,565	-
	Net income	984,576	23	714,999	19
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss**				
8311	Gains on remeasurements of defined benefit plans (note 6(15))	7,930	-	2,078	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(75,428)	(2)	84,109	2
	Total items that may not be reclassified subsequently to profit or loss	(67,498)	(2)	86,187	2
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	212,817	5	(48,602)	(1)
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(32,736)	(1)	3,344	-
8371	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(538)	-	(285)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss (note 6(16))	42,456	1	(9,777)	-
	Total items that may be reclassified to subsequently to profit or loss	137,087	3	(35,766)	(1)
8300	**Other comprehensive income**	69,589	1	50,421	1
8500	**Total comprehensive income**	**$ 1,054,165**	**24**	**765,420**	**20**
	Earnings per share (New Taiwan Dollars) (note 6(18))				
9750	Basic earnings per share	**$**	**6.61**		**5.01**
9850	Diluted earnings per share	**$**	**6.31**		**4.98**

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Inpaq Technology Co., Ltd.

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

			Retained earnings				Total other equity interest				
	Ordinary share capital	**Capital surplus**	**Legal reserve**	**Special reserve**	**Unappropriated retained earnings**	**Total**	**Exchange differences on translation of foreign financial statements**	**Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income**	**Total**	**Treasury shares**	**Total equity**
Balance as of January 1, 2023	$ 1,401,803	2,838,983	230,983	118,913	1,477,516	1,827,412	(149,223)	(97,005)	(246,228)	(1,418)	5,820,552
Net income for the period	-	-	-	-	714,999	714,999	-	-	-	-	714,999
Other comprehensive income (loss) for the period	-	-	-	-	2,078	2,078	(39,110)	87,453	48,343	-	50,421
Total comprehensive income (loss) for the period	-	-	-	-	717,077	717,077	(39,110)	87,453	48,343	-	765,420
Appropriation and distribution of retained earnings:											
Appropriation of legal reserve	-	-	59,710	-	(59,710)	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	127,315	(127,315)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(238,307)	(238,307)	-	-	-	-	(238,307)
Capital increase by cash	88,000	305,015	-	-	-	-	-	-	-	-	393,015
Conversion of convertible bonds	-	94,718	-	-	-	-	-	-	-	-	94,718
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	42,495	42,495	-	(42,495)	(42,495)	-	-
Compensation cost arising from capital increase	-	4,378	-	-	-	-	-	-	-	-	4,378
Treasury shares transferred to employees	-	1,063	-	-	-	-	-	-	-	1,418	2,481
Balance as of December 31, 2023	1,489,803	3,244,157	290,693	246,228	1,811,756	2,348,677	(188,333)	(52,047)	(240,380)	-	6,842,257
Net income for the period	-	-	-	-	984,576	984,576	-	-	-	-	984,576
Other comprehensive income (loss) for the period	-	-	-	-	7,930	7,930	169,823	(108,164)	61,659	-	69,589
Total comprehensive income (loss) for the period	-	-	-	-	992,506	992,506	169,823	(108,164)	61,659	-	1,054,165
Appropriation and distribution of retained earnings:											
Appropriation of legal reserve	-	-	75,957	-	(75,957)	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	(5,848)	5,848	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(297,961)	(297,961)	-	-	-	-	(297,961)
Liquidate an overseas subsidiary	-	-	-	-	-	-	(2,485)	-	(2,485)	-	(2,485)
Treasury stock repurchase	-	-	-	-	-	-	-	-	-	(19,499)	(19,499)
Balance as of December 31, 2024	**$ 1,489,803**	**3,244,157**	**366,650**	**240,380**	**2,436,192**	**3,043,222**	**(20,995)**	**(160,211)**	**(181,206)**	**(19,499)**	**7,576,477**

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Inpaq Technology Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

		2024	2023
Cash flows from (used in) operating activities:			
Profit before income tax	$	1,110,470	733,564
Adjustments:			
Adjustments to reconcile profit:			
Depreciation expense		275,997	248,012
Amortization expense		7,909	7,337
Finance cost		51,495	43,013
Interest income		(71,770)	(72,604)
Dividend income		(2,020)	(1,626)
Provision for inventory obsolescence and devaluation loss		14,926	19,642
Share of gain of subsidiaries and associates accounted for using the equity method		(965,771)	(651,669)
Gain on disposal of property, plant and equipment		(1,144)	(1,020)
Gain from liquidate an overseas subsidiary		(2,485)	-
Unrealized profit (loss) from sales		16,873	(11,252)
Share-based payment transactions		-	5,444
Others		(17,940)	(3,180)
Total adjustments to reconcile profit		(693,930)	(417,903)
Changes in operating assets and liabilities:			
Notes receivable		727	(57)
Accounts receivable		(164,942)	(212,509)
Accounts receivable due from related parties		(183,664)	(3,520)
Other receivable due from related parties		4,787	(4,559)
Inventories		(115,047)	8,228
Other current assets		(33,938)	8,161
Notes and accounts payable		(15,301)	110,602
Accounts payable to related parties		249,565	116,549
Other payables due to related parties		19,283	-
Salary and bonus payable		63,532	52,067
Other current liabilities		24,607	30,879
Total adjustments		(844,321)	(312,062)
Cash flows generated from operations		266,149	421,502
Interest received		68,933	67,132
Dividends received		2,020	1,626
Interest paid		(52,300)	(43,242)
Income taxes paid		(19,941)	(37,066)
Net cash flows from operating activities		264,861	409,952

(Continued)

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Inpaq Technology Co., Ltd.

Statements of Cash Flows (Continued)

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(688,677)	(2,500)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	275,342
Acquisition of financial assets at amortised cost	(1,080,185)	(3,786,170)
Proceeds from disposal of financial assets at amortised cost	782,590	3,816,173
Establish an overseas subsidiary	(41,940)	-
Liquidate an overseas subsidiary	32,915	-
Acquisition of property, plant and equipment	(239,975)	(402,299)
Proceeds from disposal of property, plant and equipment	6,756	3,426
Increase in refundable deposits	(1,758)	(1,501)
Other receivables due from related parties	212,833	(15,471)
Acquisition of intangible assets	(1,981)	(10,114)
Increase in other non-current assets	(26,556)	(38,117)
Net cash flows used in investing activities	(1,045,978)	(161,231)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	3,150,000	1,850,000
Repayment of short-term borrowings	(3,150,000)	(1,750,000)
Proceeds from issuance of convertible bonds	-	758,169
Increase in long-term borrowings	800,000	400,000
Repayment of long-term borrowings	(429,677)	(1,156,100)
Increase in guarantee deposits received	12	-
Payment of lease liabilities	(12,385)	(11,580)
Cash dividends paid	(297,961)	(238,307)
Capital increase by cash	-	393,015
Treasury stock repurchase	(19,499)	-
Treasury shares transferred to employees	-	1,419
Net cash flows from financing activities	40,490	246,616
Net increase (decrease) in cash and cash equivalents	(740,627)	495,337
Cash and cash equivalents at beginning of period	1,137,307	641,970
Cash and cash equivalents at end of period	**$ 396,680**	**1,137,307**

See accompanying notes to parent-company-only financial statements.

Inpaq Technology Co., Ltd.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

1. Company history:

Inpaq Technology Co., Ltd. (hereinafter referred to as the "Company") was established with the approval of the Ministry of Economic Affairs on June 23, 1998, and its registered address is 11 Keyi Street, Zhunan Town, Miaoli County. The Company's shares have been listed for trading at the Taipei Exchange in R.O.C. since June 29, 2004.

The Company is mainly engaged in the research, development, manufacturing and sales of integrated protection components, microwave composite miniature antennas and modules, and multilayer microwave communication components and their modules.

2. Approval date and procedures of the financial statements:

The parent-company-only financial statements were authorized for issue by the Board of Directors on February 20, 2025.

3. New standards, amendments and interpretations adopted:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its parent-company-only financial statements:

- Amendments to IAS 21 "Lack of Exchangeability"

(3) The impact of IFRS Accounting Standards issued by International Accounting Standards Board ("IASB"), but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the IASB, but have yet to be endorsed by the FSC:

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

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

4. Summary of material accounting policies:

The material accounting policies presented in the parent-company-only financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(1) Statement of compliance

The Company's accompanying parent-company-only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(2) Basis of preparation

A. Basis of measurement

Except for the following significant accounts, the parent-company-only financial statements have been prepared on a historical cost basis:

(a) Financial assets at fair value through other comprehensive income (FVOCI) are measured at fair value;

(b) Financial liabilities at fair value through profit or loss (FVTPL) are measured at fair value; and

(c) The net defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

B. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The parent-company-only financial statements are presented in New Taiwan Dollar (TWD), which is the Company's functional currency. All financial information presented in TWD has been rounded to the nearest thousand.

(3) Foreign currencies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

(a) an investment in equity securities designated as at fair value through other comprehensive income;

(b) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

(c) qualifying cash flow hedges to the extent that the hedges are effective.

B. Foreign operations

The assets and liabilities of foreign operations are translated to TWD using the exchange rates at the reporting date with the exception of shareholders' equity, which is translated at historical cost rates, and income and expenses, which are translated to TWD at the average rate for the period. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(4) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

D. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

A. It is expected to be settled in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be settled within twelve months after the reporting period; or

D. The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(5) Cash and cash equivalents

Cash comprise cash on hand, demand deposits and checking deposits. Cash equivalents are short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are recognized as cash equivalents.

(6) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue.A trade receivable without a significant financing component is initially measured at the transaction price.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income (FVOCI) –debt investment; FVOCI – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above re measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) Impairment of financial assets

The Company recognizes loss allowances for expected credit loss (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, receivables, other financial assets and refundable deposits), debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivable are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company' s historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due and the borrower is unlikely to pay its credit obligations to the Company in full.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(e) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(d) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in TWD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(e) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(f) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(g) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

C. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(7) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is calculated using the weighted-average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(8) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The parent-company-only financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Unrealized gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(9) Investment in subsidiaries

When preparing the parent-company-only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, net income, other comprehensive income and equity in the parent-company-only financial statements are equivalent to those of the profit, other comprehensive income and equity which are attributable to parent company shareholders in the consolidated financial statements.

The changes in the parent's ownership interest in its subsidiaries that do not result in a loss of control are accounted as equity transactions.

(10) Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(a) Buildings: 3 to 51 years

(b) Machinery and equipment: 1 to 15 years

(c) Other equipment: 1 to 20 years

Buildings and construction constitute mainly buildings, mechanical and electrical power equipment, laboratory engineering, related engineering, etc. Each constituent is depreciated based on its useful life between 50 years and 20 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(11) Leases

A. Identifying a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

B. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus, any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(a) fixed payments (including in substance fixed payments);

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under a residual value guarantee; and

(d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(a) there is a change in future lease payments arising from the change in an index or rate; or

(b) there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee; or

(c) there is a change in the assessment regarding the purchase option; or

(d) there is a change in the assessment on whether the Company will exercise an extension or a termination option; or

(e) there is any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(12) Intangible assets

A. Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less, accumulated amortization and any accumulated impairment losses.

Other intangible assets, including computer software that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

(a) Computer software: 1~10 years

(b) Others: 3 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(14) Revenue from contract with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below:

A. Sale of goods

The Company involves in research, develop, design, manufacture and sales of integrated protection components, microwave composite miniature antennas and modules. The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company often offers volume discounts to its customer's. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales of goods are made, which is consistent with the market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

B. Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(15) Government grants and government assistance

The Company recognizes an unconditional government grant related to the long-term borrowing in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(16) Employee benefits

A. Defined contribution plans

Obligations for contributions to the defined contribution plans are expensed as the related service is provided.

B. Defined benefit plans

The Company's net obligation in respect of the defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability. Net interest expense and other expenses related to the defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(17) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(18) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

The Company has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases.

Deferred taxes are recognized except for the following:

A. Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

B. Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

C. Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

   (a) the same taxable entity; or

   (b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(19) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee remuneration through the issuance of shares.

(20) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company). Operating results of the operating segment are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these parent-company-only financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent-company-only financial statements is as follows:

Valuation of inventories

Inventories are stated at the lower of cost or net realizable value, the Company uses judgments and estimates to determine the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period. It also writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. However, due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to note 6(4) for further description of the valuation of inventories.

The Company's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss.

The Company's finance department conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. The Company's financial department also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to Note 6(22) for assumptions used in measuring fair value.

6. Explanation of significant accounts:

(1) Cash and cash equivalents

		December 31, 2024	December 31, 2023
Cash on hand and demand deposits	$	396,680	681,814
Time deposits		-	455,493
	$	**396,680**	**1,137,307**

As of December 31, 2024 and 2023, deposits with original maturities of more than three months were $300 and $184,410, respectively, and were recorded in current financial assets measured at amortized cost. Please refer to note 6(5).

Please refer to note 6(22) for the exchange rate risk of the financial assets and liabilities of the Company.

(2) Financial assets at fair value through other comprehensive income — non-current

		December 31, 2024	December 31, 2023
Debt investments at fair value through other comprehensive income:			
Foreign listed corporate bonds	$	**184,177**	**183,710**
Equity investments at fair value through other comprehensive income:			
Stocks listed on domestic markets	$	609,699	-
Domestic unlisted company stocks		46,187	42,637
		655,886	42,637
	$	**840,063**	**226,347**

A. Debt investment at fair value through other comprehensive income

The Company has assessed that the following securities were held within a business model whose objective was achieved by both collecting the contractual cash flows and by selling securities. Therefore, they have been classified as debt investments at fair value through other comprehensive income.

B. Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for strategic purposes.

The Company sold the stock of APAQ Technology Co., Ltd. in second quarter of 2023. The fair value at the time of disposal was $275,342, and the accumulated disposal benefit amounted to $42,495. Other interests are transferred to retained earnings.

In the second and third quarters of the 2024, the Company purchased common shares of TXC Corporation. The fair value at the time of acquisition was $688,677 , with a shareholding ratio of 1.97%.

The Company designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes. These investments were classified as fair value through other comprehensive income.

Please refer to note 6(21) for the dividends income received from the equity investments at fair value through other comprehensive income during the years ended December 31, 2024 and 2023.

(3) Notes and accounts receivable (included related parties)

A. Notes receivable

		December 31, 2024	December 31, 2023
Notes receivable from operating activities	$	**1,797**	**2,524**

B. Accounts receivable, net

	December 31, 2024	December 31, 2023
Accounts receivable	$ 1,200,218	1,035,276
Less: Loss allowance	(799)	(799)
	$ 1,199,419	**1,034,477**

C. Accounts receivable due from related parties:

	December 31, 2024	December 31, 2023
Accounts receivable due from related parties	**$ 454,447**	**270,783**

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The loss allowance provisions in Taiwan were determined as follows:

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,605,242	-	-
1 to 90 days past due	50,224	0.02%	8
91 to 180 days past due	564	63.65%	359
More than 181 days past due	432	100%	432
	$ 1,656,462		**799**

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,278,269	-	-
1 to 90 days past due	30,003	1.63%	488
91 to 180 days past due	160	100%	160
More than 181 days past due	151	100%	151
	$ 1,308,583		**799**

The movements in the allowance for notes and accounts receivable were as follows:

	2024	2023
Balance at December 31(as balance at January 1)	**$ 799**	**799**

(4) Inventories

		December 31, 2024	December 31, 2023
Raw materials	$	142,095	128,713
Work in progress and semi-finished goods		99,611	77,472
Finished goods and merchandise		228,115	163,515
	$	**469,821**	**369,700**

The details of operating costs were as follows:

		2024	2023
Cost of goods sold	$	3,727,378	3,237,919
Provision for inventory obsolescence and devaluation loss		14,926	19,642
Revenue from sales of scrap		(20,155)	(28,762)
	$	**3,722,149**	**3,228,799**

As of December 31, 2024 and 2023, the Company's inventories were not pledged.

(5) Financial assets measured at amortized cost－current and non-current

		December 31, 2024	December 31, 2023
Current:			
Time deposit (over three-month)	$	300	184,410
Others		16,149	26,263
	$	**16,449**	**210,673**
Non-current:			
Foreign and domestic corporate bonds	**$**	**738,691**	**218,574**

The Company has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

Information on foreign corporate bonds is as follows:

	December 31, 2024	December 31, 2023
Maturity date	February 2028~May 2034	February 2028~ September 2028
Coupon rate	3.50%~5.80%	5.25%~5.65%
Effective rate	4.52%~5.83%	4.52%~5.83%

As of December 31, 2024 and 2023, the Company did not provide any financial assets measured at amortized cost as collateral for its loans.

(6) Investments accounted for using the equity method

	December 31, 2024	December 31, 2023
Subsidiaries	$ 5,099,401	3,925,898
Associates	11,931	14,566
Less: unrealized transaction gain or loss between related companies	(27,033)	(10,160)
	$ 5,084,299	**3,930,304**

The Company holds 22.46% of the voting shares of Joyin Co., Ltd., making it the single largest shareholder. Although the remaining 77.54% of the shares held by Joyin Co., Ltd. are not concentrated among specific shareholders, the Company still cannot obtain a majority of Joyin Co., Ltd. director seats, and has not obtained more than half of the voting rights of the shareholders present at the shareholders' meeting. Therefore, the Company concluded that the Company has only significant influence on Joyin Co., Ltd.

A. Subsidiaries

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

B. Associates

The Company's financial information for investments accounted for using the equity method as follows:

	December 31, 2024	December 31, 2023
Total assets	**$ 103,565**	**125,552**
Total liabilities	**$ 64,468**	**79,844**

	2024	2023
Revenue	**$ 117,750**	**91,978**
Net income (loss)	**$ (5,425)**	**6,158**

In 2024 and 2023, the Company's share of the net income (loss) of associates was as follows:

	2024	2023
Subsidiary	$ 967,870	648,634
Associates	(2,099)	3,035
Profit from continuing operations	**$ 965,771**	**651,669**

(7) Property, plant and equipment

		Land	Buildings and construction	Machinery and equipment	Other facilities	Construction in progress and testing equipment	Total
Cost:							
Balance on January 1, 2024	$	236,558	1,144,971	2,460,005	450,367	256,743	4,548,644
Additions		-	45,465	73,072	24,088	58,213	200,838
Disposal and obsolescence		-	-	(20,937)	(2,519)	-	(23,456)
Reclassification		-	199,879	83,639	7,401	(240,601)	50,318
Balance on December 31, 2024	$	**236,558**	**1,390,315**	**2,595,779**	**479,337**	**74,355**	**4,776,344**
Balance on January 1, 2023	$	236,558	426,504	2,282,748	478,633	781,705	4,206,148
Additions		-	69,307	117,458	15,980	199,782	402,527
Disposal and obsolescence		-	(531)	(75,748)	(52,381)	-	(128,660)
Reclassification		-	649,691	135,547	8,135	(724,744)	68,629
Balance on December 31, 2023	$	**236,558**	**1,144,971**	**2,460,005**	**450,367**	**256,743**	**4,548,644**
Accumulated depreciation:							
Balance on January 1, 2024	$	-	168,885	1,413,476	324,856	-	1,907,217
Depreciation for the year		-	34,413	195,181	33,898	-	263,492
Disposal and obsolescence		-	-	(15,325)	(2,519)	-	(17,844)
Balance on December 31, 2024	$	**-**	**203,298**	**1,593,332**	**356,235**	**-**	**2,152,865**
Balance on January 1, 2023	$	-	145,551	1,311,275	342,493	-	1,799,319
Depreciation for the year		-	23,865	177,662	34,744	-	236,271
Disposal and obsolescence		-	(531)	(75,461)	(52,381)	-	(128,373)
Balance on December 31, 2023	$	**-**	**168,885**	**1,413,476**	**324,856**	**-**	**1,907,217**
Carrying amounts:							
Balance on December 31, 2024	$	**236,558**	**1,187,017**	**1,002,447**	**123,102**	**74,355**	**2,623,479**
Balance on January 1, 2023	$	**236,558**	**280,953**	**971,473**	**136,140**	**781,705**	**2,406,829**
Balance on December 31, 2023	$	**236,558**	**976,086**	**1,046,529**	**125,511**	**256,743**	**2,641,427**

Please refer to note 7 for the Company's transaction of property, plant and equipment with related parties.

The property, plant and equipment of the Company had been pledged as collateral for long-term borrowings; please refer to note 8.

(8) Right-of-use assets

The Company leased several assets including land and buildings. Information about leases for which the Company as a lessee was presented below:

		Land	Buildings	Total
Cost:				
Balance at January 1, 2024	$	13,586	14,374	27,960
Additions		670	21,333	22,003
Disposals		-	(13,065)	(13,065)
Balance at December 31, 2024	**$**	**14,256**	**22,642**	**36,898**
Balance at January 1, 2023	$	13,586	17,921	31,507
Additions		-	35,073	35,073
Disposals		-	(38,620)	(38,620)
Balance at December 31, 2023	**$**	**13,586**	**14,374**	**27,960**
Accumulated depreciation:				
Balance at January 1, 2024	$	4,528	5,500	10,028
Depreciation for the year		1,488	11,017	12,505
Disposals		-	(5,817)	(5,817)
Balance at December 31, 2024	**$**	**6,016**	**10,700**	**16,716**
Balance at January 1, 2023	$	3,170	17,921	21,091
Depreciation for the year		1,358	10,383	11,741
Disposals		-	(22,804)	(22,804)
Balance at December 31, 2023	**$**	**4,528**	**5,500**	**10,028**
Carrying amount:				
Balance at December 31, 2024	**$**	**8,240**	**11,942**	**20,182**
Balance at January 1, 2023	**$**	**10,416**	**-**	**10,416**
Balance at December 31, 2023	**$**	**9,058**	**8,874**	**17,932**

As of December 31, 2024 and 2023, the Company’s right-of-use assets were not pledged.

(9) Intangible assets

The cost and amortization of the intangible assets of the Company for the years ended December 31, 2024 and 2023 were as follows:

		Computer software and others
Costs:		
Balance at January 1, 2024	$	152,147
Additions		1,981
Balance at December 31, 2024	**$**	**154,128**
Balance at January 1, 2023	$	142,033
Additions		10,114
Balance at December 31, 2023	**$**	**152,147**
Accumulated amortization:		
Balance at January 1, 2024	$	123,796
Amortization for the year		7,909
Balance at December 31, 2024	**$**	**131,705**
Balance at January 1, 2023	$	116,459
Amortization for the year		7,337
Balance at December 31, 2023	**$**	**123,796**
Carrying value:		
Balance at December 31, 2024	**$**	**22,423**
Balance at January 1, 2023	**$**	**25,574**
Balance at December 31, 2023	**$**	**28,351**

As of December 31, 2024 and 2023, the Company's intangible assets were not pledged.

(10) Other current assets and other non-current assets

The other current assets and other non-current assets of the Company were as follows:

		December 31, 2024	December 31, 2023
Prepayments for business facilities	$	30,005	53,768
Net input VAT		10,110	9,071
Prepaid expenses		9,832	4,698
Tax receivables		6,482	13,395
Prepayments to suppliers		2,575	427
Others		1,423	1,268
	$	**60,427**	**82,627**

	December 31, 2024	December 31, 2023
Other current assets	$ 30,421	28,859
Other non-current assets	30,006	53,768
	$ 60,427	**82,627**

(11) Short-term and long-term borrowings

A. Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured bank loans	**$ 200,000**	**200,000**
Unused credit lines	**$ 3,205,620**	**2,364,700**
Range of interest rate	**1.878%**	**1.750%**

B. Long-term borrowings:

Financial institution	Objective	Maturity date	December 31, 2024	December 31, 2023
Chang Hwa Bank	Working capital	August, 2027	$ 378,969	524,745
CTBC Bank	Purchase of additional equipment	December, 2026	388,060	388,044
Chang Hwa Bank	Purchase of additional building	April, 2031	314,138	347,951
E. Sun Bank	Purchase of additional equipment	March, 2025	54,970	304,954
Chang Hwa Bank	Working capital	July, 2028	300,000	300,000
Chang Hwa Bank	Working capita	June, 2028	200,000	-
Far Eastern International Bank	Working capital	November, 2027	600,000	-
Less: Long-term borrowings, current portion			(498,241)	(429,676)
			$ 1,737,896	**1,436,018**
Unused credit lines			**$ 400,000**	**600,000**
Range of interest rate			**1.775% 2.125%**	**1.650%~ 2.000%**

Relevant information of exposure to liquidity risk and currency risk, please refer to note 6(22).

C. Government low-interest loan

According to "Loans for Returning Overseas Taiwanese Businesses", starting from March 2020, Company has successively obtained project loans from E. Sun Bank, Chang Hwa Bank and CTBC Bank, respectively. The total loans amounted to $1,833,820. The market interest rates of the loans were 1.775%, 1.825% and 2.125%, respectively, which were used to recognize and measure the book value of the loans. The preferential interest rates of the loans were 1.275%, 1.325% and 1.625%, respectively. The difference between the market interest rate and preferential interest rate was deemed as government subsidies. Please refer to note 6(13) for details.

(12) Convertible bonds payable

The Company issued the third unsecured convertible bonds on December 14, 2023. Information about the convertible bonds payable are as follows:

	December 31, 2024	December 31, 2023
Convertible bonds payable	$ 700,000	700,000
Unamortized discounted convertible bonds payable	(24,713)	(37,258)
Less: callable bonds with put option executable within one year	(675,287)	-
Carrying amount	$ -	662,742
Embedded derivative – call and put options, included in financial liabilities at fair value through profit or loss	$ 1,464	2,374
Equity component – conversion options (recorded in capital surplus – share options)	$ 94,718	94,718

	2024	2023
Embedded derivative instruments – call and put rights, included in financial liabilities at fair value through profit or loss	$ 910	(630)
Interest expenses	$ 12,545	1,035

The following are the issuance conditions:

A. Issue amount: The total amount of the issue is $700,000 thousand, with a face value of $100 thousand. Issued at 108.68% of face value.

B. Tenor: The bonds were issued for a period of 3 years. The issue date is December 14, 2023, and the maturity date is December 14, 2026.

C. Coupon rate: 0%.

D. Conversion period: One month after the issue date and 10 days before the maturity date.

E. Conversion price and adjustments:

The Company used November 24, 2023 as the base date for setting the conversion price. The base day (exclusive) is the business day before, the three business days before, and the five business days before the Company. Choose one of the simple arithmetic average of the closing prices of common stocks as the base price, and then multiply the base price by 110% as the calculation basis, which is the conversion price of the convertible corporate bonds (calculated to TWD cents, rounded off to the next cent). If there is ex-rights or ex-dividend before the pricing base date, the closing price that is sampled and used to calculate the conversion price should first be calculated as the post-ex-right or ex-dividend price; after the conversion price is determined and before the actual issuance date, if there is ex-right or ex-dividend, it should be adjusted according to the conversion price adjustment formula. The conversion price at the time of issuance was TWD92.0 per share. From the ex-dividend date of July 24, 2024, the conversion price was adjusted to TWD90.0 per share.

After the Company converts corporate the bonds except for the exchange of various securities issued by the Company (or private placement) with common stock conversion rights or stock options for common shares or the issuance of new shares due to employee bonuses, in the event that if the number of ordinary shares issued (or privately placed) increases, the Company shall adjust the conversion price according to the formula stipulated in the conversion regulations.

F. The Company’s right to redeem the above-mentioned converted corporate bonds:

(a) After 3 months of the issue date (March 15, 2024), if the closing price of the Company’s common shares on the stock exchange exceeds the current conversion price of the convertible bonds by not less than 30% for thirty consecutive business days, the Company may redeem the bonds forty days before the maturity date (November 4, 2026). The Company may notify the bondholders within the next thirty business days, and the bond will be redeemed from the bondholders in cash according to the face value of the bond.

(b) After 3 months of the issue date (March 15, 2024), if the balance of outstanding convertible bonds is less than 10% of the original total issued amount, the Company may redeem the bonds forty days before the maturity date (November 4, 2026). The Company may notify the bondholders at any time and redeem the bonds from the bondholders in cash according to the face value of the bond.

G. Bondholder’s put right:

The bondholers can sell back the bonds 2 years after the bonds issuance (December 14, 2025). A written notice is required to be given to the Company’s stock agency before 40 days of the sell back date to request to sell back the bonds with the face value of the bonds plus interest compensation. The aforementioned interest compensation is calculated at 100% of the face value of the bonds (the return of sell back is 0%). When the Company accepts the sell back request, it should be redeemed in cash within five business days after the sell back base date.

(13) Long-term deferred revenue

	December 31, 2024	December 31, 2023
Long-term deferred revenue - government grants	$ 30,900	31,020

If the Company does not comply with the specified project loan guidelines in note 6(11), the National Development Fund will cease to subsidize the Company, and the Company shall pay the interest according to the original agreed interest rate, plus the annual interest rate.

(14) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 4,269	10,181
Non-current	$ 16,293	8,047

For maturity analysis, please refer to note 6(22).

The amounts recognized in profit or loss was as follows:

	2024	2023
Interest on lease liabilities	$ 445	432
Expenses relating to short-term leases	$ 5,252	5,661

The amounts recognized in the statement of cash flows by the Company were as follows:

	2024	2023
Total cash outflow for leases	$ 18,082	17,673

A. Land and building leases

The Company leases land and buildings for its parking spaces, office space and factories. The leases of land typically run for a period of 10 years, and of buildings for 2 to 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases contain extension options exercisable by the Company. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

B. Other leases

The Company leases dormitories and vehicles, with lease terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Company has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(15) Employee benefits

A. Defined benefit plans

Reconciliations of the defined benefit obligation at present value and plan asset at fair value are as follows:

		December 31, 2024	December 31, 2023
Present value of the defined benefit obligations	$	49,299	58,471
Fair value of plan assets		(42,241)	(41,745)
Net defined benefit liabilities	**$**	**7,058**	**16,726**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

(a) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company' s Bank of Taiwan labor pension reserve account balance amounted to $42,241 as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(b) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Company were as follows:

		2024	2023
Defined benefit obligations at January 1	$	58,471	62,862
Current service costs and interest cost		730	857
Benefits paid from plan assets		(5,636)	(1,023)
Benefits paid from provision account		-	(2,450)
Remeasurements gain		(4,266)	(1,775)
Defined benefit obligations at December 31	**$**	**49,299**	**58,471**

(c) Movements of the defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Company were as follows:

		2024	2023
Fair value of plan assets at January 1	$	41,745	40,477
Contributions made		1,936	1,424
Interest income		532	564
Benefits paid from plan assets		(5,636)	(1,023)
Remeasurements gain		3,664	303
Fair value of plan assets at December 31	**$**	**42,241**	**41,745**

(d) Expenses recognized in profit or loss

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

		2024	2023
Net interest of net liabilities for the defined benefit obligations	**$**	**198**	**293**

(e) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.4961 %	1.2504 %
Future salary increase rate	2.50 %	3.00 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date for 2024 is $1,984.

The weighted-average lifetime of the defined benefits plans is 11 years.

(f) Sensitivity analysis

The Company's remeasurements of the net defined benefit liability as of December 31, 2024 and 2023 amounted to $7,058 and $16,726, respectively. If the future salary increase rate rises or falls by 0.25%, net defined benefit liability would have increase by $1,322 and $1,661 or decrease by $1,280 and $1,607, respectively.

B. Defined contribution plans

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

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $26,407 and $24,439 for the years ended December 31, 2024 and 2023, respectively.

(16) Income taxes

A. Income tax expenses

The components of income tax for the years ended December 31, 2024 and 2023 were as follows:

		2024	2023
Current tax expense			
Current period	$	17,437	23,469
Withholding tax on subsidiary earnings		85,629	-
Adjustment for prior periods		1,707	-
		104,773	23,469
Deferred tax expense			
Origination and reversal of temporary differences		21,121	(4,904)
		21,121	(4,904)
Income tax expense	**$**	**125,894**	**18,565**

The amounts of income tax recognized in other comprehensive income for the years ended December 31, 2024 and 2023 was as follows:

		2024	2023
Exchange differences on translation of foreign financial statements	**$**	**42,456**	**(9,777)**

Reconciliation of income tax and profit before tax for the years ended December 31, 2024 and 2023 was as follows:

		2024	2023
Profit before income tax	$	1,110,470	733,564
Income tax at the Company's domestic tax rate		222,094	146,713
Gain on investments accounted for using equity method and permanent differences		(182,412)	(132,604)
Tax incentives		(16,102)	(9,506)
Withholding tax on subsidiary earnings		85,629	-
Change in provision in prior periods		11,122	13,962
Additional tax on undistributed earnings		5,563	-
Total	**$**	**125,894**	**18,565**

B. Deferred tax assets and liabilities

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

(a) Unrecognized deferred tax liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2024 and 2023. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities amounting $400,343 and $271,849, respectively.

(b) Recognized deferred tax assets and liabilities

	January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2024
Temporary differences				
Provision for inventory obsolescence and devaluation loss	$ 11,346	948	-	12,294
Deferred unrealized gains	2,032	3,374	-	5,406
Exchange differences on translation of foreign financial statements	19,202	-	(42,456)	(23,254)
Share of subsidiary's profits recognized using the equity method	(214,516)	(7,108)	-	(221,624)
Tax and accounting differences in the disposal of fixed assets	200	-	-	200
Others	4,421	(18,335)	-	(13,914)
Deferred tax expense		**$ (21,121)**	**(42,456)**	
Deferred tax liabilities, net	**$ (177,315)**			**(240,892)**
The information presented in the balance sheet:				
Deferred tax assets	**$ 37,201**			**17,900**
Deferred tax liabilities	**$ (214,516)**			**(258,792)**

	January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2023
Temporary differences				
Provision for inventory obsolescence and devaluation loss	$ 9,065	2,281	-	11,346
Exchange differences on translation of foreign financial statements	9,425	-	9,777	19,202
Share of subsidiary's profits recognized using the equity method	(216,178)	1,662	-	(214,516)
Unrealized exchange gain or loss	4,283	(2,251)	-	2,032
Others	1,409	3,212	-	4,621
Deferred tax expense		$ **4,904**	**9,777**	
Deferred tax liabilities, net	$ **(191,996)**			**(177,315)**
The information presented in the balance sheet:				
Deferred tax assets	$ **24,182**			**37,201**
Deferred tax liabilities	$ **(216,178)**			**(214,516)**

C. The Company's tax returns have been assessed by the tax authorities through 2022, except for 2021.

(17) Capital and other equity

A. Ordinary shares

As of December 31, 2024 and 2023, the authorized ordinary shares of the Company amounted to $3,000,000, included the shares reserved for the exercising of employee share options of $150,000; the issued ordinary share capital with a par value of $10 per share amounted to $1,489,803.

On June 30, 2023, the Company's Board of Directors approved the issuance of 8,800 thousands ordinary shares for cash, with par value of $10 per share, amounting to $88,000. The price issued per share was $45, amounting to $396,000 (amount received after deducting the related issuance cost of $2,985 is $393,015). The Company has received approval from the Financial Supervisory Commission for this capital increase on August 4, 2023, with September 13, 2023 as the date of capital increase. The relevant statutory registration procedures have since been completed.

Reconciliation of shares outstanding for 2024 and 2023 was as follows (in thousands of shares):

	Ordinary shares	
	2024	**2023**
Balance on January 1	148,981	140,136
Add: Issued for cash	-	8,800
Add: Exercise of share options	-	45
Less:Treasury stock repurchase	(250)	-
Balance of December 31	**148,731**	**148,981**

B. Capital surplus

The balances of capital surplus as of December 31, 2024 and 2023 were as follows:

		December 31, 2024	December 31, 2023
Premium of common stock	$	2,977,270	2,977,270
Treasury shares transferred to employees		136,808	136,808
Premium of corporate bonds converted to common stock		15,722	15,722
Stock options－fair value differences of associates under equity method		16,570	16,570
Convertible bonds payable		94,718	94,718
Donation from shareholders		1,917	1,917
Effect of capital increase of associates		1,152	1,152
	$	**3,244,157**	**3,244,157**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock, treasury shares transferred to employees and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

C. Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

(a) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Special reserve

The Company chose to apply the exemption under IFRS 1 - " First-time Adoption of International Financial Reporting Standards" at its initial adoption of IFRS Accounting Standards. The cumulative translations adjustments originally reported under shareholders' equity were reclassified to retained earnings, amounting to $46,817. The net increase in retained earnings due to the first adoption of IFRS 1 on the conversion date was $9,173. The Company shall allocate the same amount in special reserve in accordance with the requirements issued by the Financial Supervisory Commission. When there is any subsequent use, disposal, or reclassification of the relevant assets, the Company may reverse and proportionately appropriate the earnings distribution originally allocated to special reserve. As of December 31, 2024 and 2023, the aforementioned special reserve both amounted to $9,173.

In accordance with abovementioned ruling, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(c) Earnings distribution

Earnings distribution for 2023 and 2022 was decided by the resolution adopted, at the general meeting of shareholders held on June 14, 2024 and June 16, 2023 as follows:

	2023		2022	
	Total amount	**Amount per share**	**Total amount**	**Amount per share**
Appropriation of legal reserve	$ 75,957		59,710	
Appropriation (reversal) of special reserve	(5,848)		127,315	
Cash dividends	297,961	2.00	238,307	1.70
	$ 368,070		**425,332**	

The related information is available on the Market Observation Post System website.

D. Other equity, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	$ (188,333)	(52,047)	(240,380)
Exchange differences on translation of foreign financial statements	170,254	-	170,254
Share of other comprehensive income of associates accounted for using equity method	(431)	-	(431)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(108,164)	(108,164)
Disposal of investments accounted for using equity method	(2,485)	-	(2,485)
Balance at December 31, 2024	**$ (20,995)**	**(160,211)**	**(181,206)**

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2023	$ (149,223)	(97,005)	(246,228)
Exchange differences on translation of foreign financial statements	(38,882)	-	(38,882)
Share of other comprehensive income of associates accounted for using equity method	(228)	-	(228)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	87,453	87,453
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(42,495)	(42,495)
Balance at December 31, 2023	**$ (188,333)**	**(52,047)**	**(240,380)**

E. Treasury stock

The Company implements the treasury stock system, and the reasons for the repurchase were as follows:

Unit: Thousand shares

	2024			
Reason	**Outstanding at January 1**	**Granted during the year**	**Exercised during the year**	**Outstanding at December 31**
Transferred to employee	-	250	-	250

	2023			
Reason	**Outstanding at January 1**	**Granted during the year**	**Exercised during the year**	**Outstanding at December 31**
Transferred to employee	45	-	45	-

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

In 2024, the Company repurchased a total of 250,000 treasury shares to transfer to employees in accordance with the requirements of Securities and Exchange Act 28-2.

In February 2023, the Company transferred $1,419 treasury shares to employee. The Company used Black-Scholes option pricing model in measuring the fair value of the share-based payment at the grant date. The Company recognized compensation cost amounting to $1,066 for the year ended December 31, 2023.

F. Cash capital increase reserved for employee subscription

On June 30, 2023, the Company’s Board of Directors approved to reserve part of the cash capital increase shares for employee subscription. The Company used Black-Scholes option pricing model in measuring the fair value of the share-based payment at the grant date. The compensation cost arising from cash capital increase is $4,378.

(18) Earnings per share

The details on the calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Basic earnings per share:		
Net profit for the period attributable to the Company	$ **984,576**	**714,999**
Issued ordinary shares at 1 January (in thousands of shares)	148,981	140,136
Add: Exercise of share options	-	40
Less: Treasury stock repurchase	(29)	-
Add: Issued for cash	-	2,652
Weighted average number of ordinary shares (in thousands of shares)	**148,952**	**142,828**
Basic earnings per share	$ **6.61**	**5.01**
Diluted earnings per share:		
Net profit	984,576	714,999
Add: Interest expense on convertible bonds, net of tax	10,036	828
Net profit for the period attributable to the Company	$ **994,612**	**715,827**
Weighted average number of ordinary shares (in thousands of shares) (basic)	148,952	142,828
Effect of dilutive potential ordinary shares:		
Effect of employee share bonus	825	606
Effect of conversion of convertible bonds	7,778	375
Weighted average number of ordinary shares (in thousands of shares) (Diluted)	**157,555**	**143,809**
Diluted earnings per share	$ **6.31**	**4.98**

(19) Revenue from contracts with customers

A. Major products lines and primary geographical markets

	2024			**2023**		
	Antenna department	**Component department**	**Total**	**Antennat department**	**Component department**	**Total**
China	$ 698,808	1,632,199	2,331,007	543,350	1,706,930	2,250,280
Taiwan	315,480	466,034	781,514	120,009	277,786	397,795
Hong Kong	2,010	438,213	440,223	1,612	394,147	395,759
Others	404,580	522,209	926,789	337,001	551,779	888,780
	$ **1,420,878**	**3,058,655**	**4,479,533**	**1,001,972**	**2,930,642**	**3,932,614**

B. Contract balances

For details on accounts receivable and loss allowance, please refer to note 6(3).

(20) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 5% of the profit as employee remuneration and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director will have to be approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to $61,693 and $40,754, and directors' remuneration amounting to $24,677 and $16,301, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2024 and 2023. The numbers of shares to be distributed for 2024 and 2023 were calculated based on the closing price of the Company's ordinary shares on the day before the date of the board meeting. If there is any change on the actual amount incurred and estimated amount, this shall be accounted for change in accounting estimates and recognized as profit or loss in the following year.

The employee and directors' remuneration for the year 2023 and 2022 were approved by the Board of Directors on February 22, 2024 and February 23, 2023. For the years ended December 31, 2023 and 2022, the employee remuneration amounting to $40,754 and $37,004, and directors' remuneration amounting to $16,301 and $14,802, respectively, both were paid in cash. The appropriation of remunerations were in agreement with those amounts recognized in the 2023 and 2022 financial statements. The related information is available on the Market Observation Post System website.

(21) Non-operating income and expenses

A. Interest income

		2024	2023
Interest income from bank deposits	$	21,001	55,051
Interest income from financial assets measured at atamortised cost		31,464	1,432
Interest income from financial assets measured at fair value through other comprehensive income		8,163	7,791
Loans to other parties and interest income(Note)		11,093	8,270
Others		49	60
	$	**71,770**	**72,604**

Note: For related party transactions, please refer to note 7.

B. Other gains and losses

		2024	2023
Dividend income (Note)	$	2,020	1,626
Sales of raw materials (Note)		2,393	10,573
Patent income (Note)		14,982	12,237
Sample mold revenue		3,518	2,053
Technical service revenue		105	243
Government grant		-	11
Gain on disposal of property, plant and equipment		1,524	1,020
Gain on disposal of equity investments		2,485	-
Gain (Loss) on valuation of financial assets and liabilities		910	(630)
Others		708	2,485
	$	**28,645**	**29,618**

Note: For related party transactions, please refer to note 7.

C. Finance costs

		2024	2023
Interest expenses on borrowings	$	38,505	41,546
Interest expenses bonds		12,545	1,035
Interest expenses on lease liabilities (Note)		445	432
	$	**51,495**	**43,013**

Note: For related party transactions, please refer to note 7.

(22) Financial instruments

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The Company has a large customer base located in diverse areas and does not significantly concentrate on transactions with a single customer; therefore, there was no concentration of credit risk. In order to reduce credit risk, the Company also regularly and continuously evaluates the financial situation of its customers, but usually does not require customers to provide any collateral.

(c) Receivables and debt securities

For credit risk exposure of notes and accounts receivable, please refer to note 6(3).

Financial assets measured at amortized cost include time deposits with maturities of more than three months and investments in bonds, please refer to note 6(5) for details of relevant investments.

For debt investments at fair value through other comprehensive income, please refer to note 6(2).

All of these financial assets are considered to have low credit risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(6).

B. Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings	$ 200,000	207,490	3,745	203,745	-	-	-
Long-term borrowings (including current portion)	2,236,137	2,321,108	271,546	249,002	1,142,684	589,272	68,604
Notes and accounts payable (including related parties)	863,723	863,723	863,723	-	-	-	-
Salary and bonus payable	283,117	283,117	283,117	-	-	-	-
Payable on machinery and equipment	55,981	52,978	52,978	-	-	-	-
Bonds payable, current portion	675,287	700,000	-	-	700,000	-	-
Lease liabilities (current and non-current)	20,562	21,521	2,349	2,279	4,558	11,351	984
Guarantee deposits received	6,134	6,134	-	-	6,134	-	-
	$ 4,340,941	**4,456,071**	**1,477,458**	**455,026**	**1,853,376**	**600,623**	**69,588**

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2023							
Non derivative financial liabilities							
Short-term borrowings	$ 200,000	200,719	200,719	-	-	-	-
Long-term borrowings (including current portion)	1,865,694	1,960,522	214,376	234,777	516,439	872,542	122,388
Notes and accounts payable (including related parties)	610,176	610,176	610,176	-	-	-	-
Salary and bonus payable	219,585	219,585	219,585	-	-	-	-
Payable on machinery and equipment	95,118	95,118	95,118	-	-	-	-
Convertible bonds payable	662,742	700,000	-	-	-	700,000	-
Lease liabilities (current and non-current)	18,228	18,842	5,571	4,835	1,546	4,429	2,461
Guarantee deposits received	6,122	6,122	-	-	6,122	-	-
	$ 3,677,665	3,811,084	1,345,545	239,612	524,107	1,576,971	124,849

Except for the early repayment of some long-term borrowings, the Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

C. Foreign currency risk

(a) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk were as follows:

	December 31, 2024		
	Foreign currency	Exchange rate	TWD
Financial assets			
Monetary items			
USD	$ 84,352	32.7810	2,765,143
JPY	36,421	0.2099	7,645
Financial liabilities			
Monetary items			
USD	20,875	32.7810	684,303
JPY	14,306	0.2099	3,003

	December 31, 2023		
	Foreign currency	**Exchange rate**	**TWD**
Financial assets			
Monetary items			
USD	$ 78,703	30.7350	2,418,937
JPY	62,490	0.2171	13,567
Financial liabilities			
Monetary items			
USD	14,611	30.7350	449,069
JPY	8,846	0.2171	1,920

(b) Sensitivity analysis

The Company’ s exposure to foreign currency risk arises from the foreign currency exchange gains and losses resulted from the translation of cash and cash equivalents, accounts and other receivables (including related parties), financial assets at fair value through other comprehensive income, short-term borrowings, and accounts payable (including related parties) which are denominated in foreign currencies. A strengthening (weakening) of 1% of the TWD against the USD and the JPY as of December 31, 2024 and 2023, would have increased or decreased the net profit after tax by $16,684 thousand and $15,852 thousand, respectively. The analysis assumed that all other variables remain constant, and is performed on the same basis for both periods.

(c) Foreign exchange gain and loss on monetary items

Since the Company has different functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed in aggregate amount. For the years ended December 31, 2024 and 2023, foreign exchange gain (including realized and unrealized portions) amounted to $155,459 and $2,059, respectively.

D. Other market price risk

The sensitivity analyses for the changes in securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Impact to other comprehensive income:

Prices of securities at the reporting date	**2024**	**2023**
Increasing 5%	$ 33,603	9,054
Decreasing 5%	$ (33,603)	(9,054)

E. Fair value of financial instruments

(a) Fair value hierarchy

The management of the Company believes that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values in the financial statements. The fair value of financial assets at fair value through other comprehensive income and financial liabilities at fair value through profit or loss are measured on a recurring basis. Lease liabilities are not required to disclose of fair value information. The carrying amount and fair value of the Company' s financial assets and liabilities, including the information on fair value hierarchy were as follow:

	December 31, 2024				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Corporate bonds	$ 184,177	184,177	-	-	184,177
Stocks listed on domestic markets	609,699	258,285	351,414	-	609,699
Domestic unlisted company stocks	46,187	-	-	46,187	46,187
	$ 840,063	**442,462**	**351,414**	**46,187**	**840,063**
Financial liabilities at fair value through profit or loss					
Call option and put option	**$ 1,464**	**-**	**1,464**	**-**	**1,464**

	December 31, 2023				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive incomee					
Corporate bonds	183,710	183,710	-	-	183,710
Domestic unlisted company stocks	42,637	-	-	42,637	42,637
	$ 226,347	**183,710**	**-**	**42,637**	**226,347**
Financial liabilities at fair value through profit or loss					
Call option and put option	**$ 2,374**	**-**	**2,374**	**-**	**2,374**

(b) Valuation techniques for financial instruments not measured at fair value

The Company estimates its financial instruments not measured at fair value using the following methods and assumptions:

Financial assets and financial liabilities measured at amortized cost:

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

(c) Valuation techniques for financial instruments measured at fair value

(i) Non-derivative financial instruments

The Company held its foreign listed US dollar corporate bonds and domestic listed company stocks, which are measured at fair value according to standard provisions and conditions; the fair value is measured using the quoted prices in an active market.

Except for the above-mentioned financial instruments traded in active markets, the fair value of other financial instruments is based on the valuation techniques or refer to quoted price from counterparties. The fair value using valuation techniques refers to the current fair value of other financial instruments with similar conditions and characteristics, or using a discounted cash flow method, or other valuation techniques including a model using observable market data at the reporting date.

The categories and nature of the fair value for the Company's financial instruments which without an active market, the fair value for equity instruments which do not have public quoted price is measured based on net asset value of comparable companies. The main assumptions are based on the market multiples and net value of assets. The market multiples derived from the net value per share of investees and quoted price of EV/EBIT's comparable listed companies. The net asset value method reflects the overall value of the enterprise by evaluating the total value of individual assets and individual liabilities covered by the evaluation target. The estimated amount has adjusted the discounted effect due to the lack of liquidity in market for equity security.

(ii) Derivative financial instruments

Measurements of fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as embedded derivatives - call rights and put rights are used to evaluate financial instruments using the binary tree convertible bond evaluation model.

(d) There was no transfer between levels for the years ended December 31, 2024 and 2023.

(e) Reconciliation of Level 3 fair values

	Financial assets at FVOCI–equity investments without an active market
Opening balance, January 1, 2024	$ 42,637
Recognized in other comprehensive income	3,550
Ending balance, December 31, 2024	**$ 46,187**
Opening balance, January 1, 2023	$ 32,436
Addition	2,500
Recognized in other comprehensive income	7,701
Ending balance, December 31, 2023	**$ 42,637**

(f) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement.

The Company's financial instruments that use Level 3 inputs to measure fair value through other comprehensive income – equity investments.

The Company classified those third level of investment in non-active market equity instruments with multiple significant unobservable inputs. The significant unobservable input values of equity instrument investment without an active market are independent of each other, hence, there is no correlation.

Quantified information of significant unobservable inputs was as follows:

Items	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income equity investments without an active market	Market Method	· Price-book ratios (10.42%~12.81% and 14.91%~15.76% at Dec 31, 2024 and Dec 31, 2023, respectively.) · Discount rate (17.76%~18.37% and 15.59%~22.42% at Dec 31, 2024 and Dec 31,2023, respectively.)	· The higher the price-book ratio, the higher the fair value · The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income equity investments without an active market	Net Asset Value Method	· Net asset value · Discount rate (9% at Dec 31, 2024 and Dec 31, 2023.)	· The higher the net asssets, the higher the fair value · The higher the discount rate, the lower the fair value

Items	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income equity investments without an active market	Market Value Method	·Discount rate (16.75% at December 31, 2024)	· The higher the discount rate, the lower the fair value

(23) Financial risk management

A. Overview

The Company is exposed to the following risks from its financial instrument:

(a) credit risk

(b) liquidity risk

(c) market risk

The following likewise discusses the Company’ s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying parent-company-only financial statements.

B. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Company’ s establishment of the risk management policy is to identify and analyze the risks faced by the Company, through setting appropriate risk limits and controls, and supervising the compliance of risks and risk limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and operations of the management of the Company.

The Company’s financial management department provides services for various business units and to coordinate access to the domestic and international financial markets operation, and supervises and manages the financial risks related to the operation of the Company by analyzing internal risk reports based on risk level and breadth.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company’s exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company’s finance department. The Company only deals with banks, financial institutions and corporate organizations with good credit rating. The Company expects its counterparties to meet their obligations; hence, there is no significant credit risk arising from these counterparties.

The Company established a credit policy to obtain the necessary collateral to mitigate risks arising from financial loss due to default risk. The Company will transact with corporations having credit ratings equivalent to investment grade, and such ratings are provided by independent rating agencies. When it is not possible to obtain such information, the Company will assess the ratings based on other publicly available financial information and records of transactions with its major customers. The Company continuously monitors the exposure to credit risk and counterparty credit ratings, and establish sales limits based on the credit rating for each of its approved customer. The credit limits for each counterparty are approved and reviewed annually by the management of the Company.

The Company’ s policy stipulates that only fully owned subsidiaries can be provided with financial guarantees. As of December 31, 2024 and 2023, the Company only provided endorsement guarantee to its subsidiaries.

D. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’ s approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’ s reputation.

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company’s management supervises the banking facilities and ensures compliance with the terms of loan agreements.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, that will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company’ s entities, the currencies used in these transactions are the TWD, USD, CNY, EUR and JPY.

Loan interest is priced in the currency of the principal of the loan. Except for the US dollars, the currency of the loan is the same as the currency of the cash flow generated by the operation of the Company, which is mainly is the New Taiwan dollar. In this case, economic hedging is provided without the need to sign derivatives, so hedging accounting is not adopted.

Regarding other monetary assets and liabilities denominated in foreign currencies, when short-term imbalance occurs, the Company buys or sells foreign currencies at real-time exchange rates to ensure that the net risk of risk remains at an acceptable level.

(b) Interest rate risk

The short-term and long-term borrowings of the Company are carried at floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of short-term and long-term borrowings to change accordingly, which will cause fluctuations in future cash flows.

(c) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments as the management of the Company minimizes the risk by holding different investment portfolios.

(24) Capital management

The Company's objectives for managing capital are to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

Although the Company's life cycle is in a stable growth stage of operation, the industry of the Company is changeable, and it is deemed as technology intensive industry; hence, a material amount of capital is needed to sustain its development. The retained surplus must be used to respond to operating growth and investment needs. At this stage, a residual dividend policy is adopted. The cash dividends distributed by shareholder dividends shall not be less than 10% of the total distribution.

In order to maintain or adjust the capital structure semi-annually, the Company may adjust the dividend payment to its shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

There were no changes in the Company's approach to capital management during the year ended December 31, 2024.

The Company's debt-to-equity ratio at the end of the reporting period as of December 31, 2024 and 2023 is as follows:

		December 31, 2024	**December 31, 2023**
Total liabilities	$	4,910,653	4,122,885
Less: cash and cash equivalents and over three-month period time deposit		(396,980)	(1,321,717)
Net debt	**$**	**4,513,673**	**2,801,168**
Total equity	**$**	**7,576,477**	**6,842,257**
Debt-to-equity ratio		**59.57%**	**40.94%**

Note: On December 31, 2024, the debt-to-equity ratio increased primarily due to the investment of idle funds in stocks and bonds. Consequently, cash and cash equivalents decreased, leading to an increase in net debt.

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

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2024 and 2023, were as follows:

A. For right-of-use assets under leases, please refer to note 6(8).

B. Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes Increase (decrease) in this period	December 31, 2024
Short-term borrowings	$ 200,000	-	-	200,000
Long-term borrowings (including current portion)	1,865,694	370,323	120	2,236,137
Lease liabilities (current and non-current)	18,228	(12,385)	14,719	20,562
Convertible bonds payable	662,742	-	12,545	675,287
	$ 2,746,664	**357,938**	**27,384**	**3,131,986**

	January 1, 2023	Cash flows	Non-cash changes Increase (decrease) in this period	December 31, 2023
Short-term borrowings	$ 100,000	100,000	-	200,000
Long-term borrowings (including current portion)	2,621,715	(756,100)	79	1,865,694
Lease liabilities (current and non-current)	10,616	(11,580)	19,192	18,228
Convertible bonds payable	-	758,169	(95,427)	662,742
	$ 2,732,331	**90,489**	**(76,156)**	**2,746,664**

7. Related-party transactions:

(1) Parent company and ultimate controlling company

Walsin Technology Corporation ("Walsin") obtained a substantial control over the Company; therefore, became the parent company of the Company. Walsin has issued its consolidated financial statements available for public use.

(2) Names and relationship with the Company

The followings are entities that have had transactions with related party during the periods covered in the parent-company-only financial statements:

Name of related party	Relationship with the Company
Inpaq (BVI) Ltd. (Inpaq BVI)	The Company's subsidiary
Inpaq (Cayman Islands) Ltd. (Inpaq Cayman)	The Company's subsidiary
Canfield Ltd. (Canfield) (note 3)	The Company's subsidiary
Inpaq Technology USA, Inc (Inpaq USA)	The Company's subsidiary
Inpaq Technology Japan Co., Ltd. (Inpaq Japan)	The Company's subsidiary
Inpaq Malaysia Sdn. Bhd. (Inpaq Malaysia)	The Company's subsidiary
Inpaq (HK) Co., Limited (note 2)	The Company's subsidiary
Inpaq Technology (Suzhou) Co., Ltd.	The Company's subsidiary
Inpaq Technology (China) Co., Ltd.	The Company's subsidiary
Inpaq Trading (Suzhou) Co., Ltd (Inpaq Trading) (note 1)	The Company's subsidiary
Inpaq Trading (Suzhou) Co., Ltd	The Company's subsidiary
Holypaq (HK) Co., Limited	The Company's subsidiary
Taiwan Inpaq Electronic Co., Ltd.	The Company's subsidiary
Hunan Frontier Electronics Co., Ltd.	The Company's subsidiary
Eleceram Technology Co., Ltd.	The Company's subsidiary
Inpaq Korea Co., Ltd. (Inpaq Korea)	An associate
Inpaq Europe GmbH	An associate
Phoenix Innovation Venture Capital Co., Ltd. (Phoenix Innovation)	The Company is a corporate director of the entity
Walsin Technology Corporation (Walsin)	Parent company
Prosperity Dielectrics Co., Ltd. (Prosperity Dielectrics)	Subsidiary of Walsin
Kamaya Electric Co., Ltd.	Subsidiary of Walsin
Kamaya Electric (M) Sdn. Bhd.	Subsidiary of Walsin
HannStar Board Tech. (Jiangyin) Corp.	An associate of Walsin
Joyin Co., Ltd.	An associate of Walsin
Info-Tek Corporation	Other related party of Walsin
Hannstar Board Corporation	Other related party of Walsin
PSA Charitable Foundation	Other related party of Walsin
Career Technology (Mfg) Co., Ltd.	Other related party of Walsin
Career Foundation	Other related party of Walsin

Note 1: On 2023, Inpaq Trading completed its liquidation procedures on various rights and obligations; thus, cancelled its registration in 2023.

Note 2: On March 28, 2024, Inpaq (HK) Co., Limited completed its liquidation procedures on various rights and obligations; thus, cancelled its registration in 2024.

Note 3: On July 4, 2024, Canfield completed its liquidation procedures on various rights and obligations; thus, cancelled its registration in 2024.

(3) Significant transactions with related parties

A. Sales

The amounts of significant sales by the Company to its related parties were as follows:

	2024	2023
Associates	64,342	63,489
Parent company	95,973	41,997
Subsidiaries:		
Inpaq Technology (China) Co., Ltd.	783,028	689,000
Inpaq Technology (Suzhou) Co., Ltd.	57,361	79,651
Other subsidiaries	2,155	10
Others	44,872	36,946
	$ 1,047,731	**911,093**

The terms and pricing of sales transactions with related parties were not significantly different from those offered by other customers.

As of December 31, of 2024 and 2023, the unrealized gain or loss from sales were $19,909 and $2,160, respectively, recognized in investment accounted for using the equity method.

B. Purchases and processing fee

The amounts of purchases by the Company from related parties were as follows:

	2024	2023
Parent company	$ 2,056	1,250
Subsidiaries:		
Inpaq Technology (Suzhou) Co., Ltd.	1,310,555	859,241
Inpaq Technology (China) Co., Ltd.	624,442	552,750
Hunan Frontier Electronics Co., Ltd.	231,573	234,365
Others	1,371	1,190
	$ 2,169,997	**1,648,796**

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors.

The amounts of processing fees by the Company to its related parties were as follows:

	2024	2023
Others	$ 2,514	398

C. Receivables from related parties

Account	Relationship	December 31, 2024	December 31, 2023
Accounts receivable	Inpaq Technology (China) Co., Ltd.	$ 369,591	229,295
Accounts receivable	Parent company	39,921	15,880
Accounts receivable	Associates	18,574	13,368
Accounts receivable	Inpaq Technology (Suzhou) Co., Ltd.	8,840	5,582
Accounts receivable	Subsidiary	249	10
Accounts receivable	Others	17,272	6,648
		$ 454,447	270,783

D. Payables to related parties

Account	Relationship	December 31, 2024	December 31, 2023
Accounts payable	Inpaq Technology (Suzhou) Co., Ltd.	$ 410,075	213,550
Accounts payable	Inpaq Technology (China) Co., Ltd.	139,599	94,230
Accounts payable	Hunan Frontier Electronics Co., Ltd.	67,430	59,461
Accounts payable	Parent company	1,196	254
Accounts payable	Others	9	1,249
		$ 618,309	368,744

E. Commission fee

	2024	2023
Associate:		
Inpaq Korea	$ 23,017	28,009
Subsidiary:		
Taiwan Inpaq Electronic Co., Ltd.	156,395	139,772
	$ 179,412	167,781

Account	Relationship		December 31, 2024	December 31, 2023
Notes payable	Taiwan Inpaq Electronic Co., Ltd.	**$**	**242**	**242**
Other payables	Taiwan Inpaq Electronic Co., Ltd.	$	65,516	46,636
	Inpaq Korea		8,446	9,190
		$	**73,962**	**55,826**

F. Acquisition of property, plant and equipment

			Acquisition Price	
Account	**Relationship**		**2024**	**2023**
Transportation equipment	Prosperity Dielectrics	$	-	1,198
Experiment equipment	Inpaq Technology (Suzhou) Co., Ltd		-	1,491
Mechanical equipment	Parent company		501	210
		$	**501**	**2,899**

G. Disposal of property, plant and equipment

		Disposal Price	
		2024	**2023**
Inpaq Technology (China) Co., Ltd.	$	6,650	3,169
Hunan Frontier Electronics Co., Ltd.		-	216
Eleceram Technology Co., Ltd.		-	12
	$	**6,650**	**3,397**

		Gain from disposal	
		2024	**2023**
Inpaq Technology (China) Co., Ltd.	$	969	3,081
Hunan Frontier Electronics Co., Ltd.		-	216
Eleceram Technology Co., Ltd.		-	12
	$	**969**	**3,309**

As of December 31, 2024 and 2023, the balances of unrealized gains or losses arising from the sales of fixed assets amounted to $6,092 and $6,471, respectively, recognized in investment accounted for using the equity method.

H. Lease

Account	Relationship	2024	2023
Rental expense	Info-Tek Corporation	$ **18**	**-**
Rental expense	Career Technology (Mfg) Co., Ltd.	$ **2,743**	**-**
Rental expense	Prosperity Dielectrics	$ **43**	**-**

Account	Relationship	December 31, 2024	December 31, 2023
Refundable deposits	Info-Tek Corporation	$ -	1,095
Guarantee deposits received	Taiwan Inpaq Electronic Co., Ltd.	12	-
		$ **12**	**1,095**

I. Other

Account	Relationship	2024	2023
Other income	Parent company	$ 145	161
	Taiwan Inpaq Electronic Co., Ltd.	73	-
	Inpaq Korea	3	-
Patents income	Inpaq Technology (China) Co., Ltd.	14,982	12,237
Sale of raw materials	Inpaq Technology (China) Co., Ltd.	15,157	96,029
	Subsidiary	1,918	1,883
Dividend income	Phoenix Innovation	2,020	1,626
		$ **34,298**	**111,936**
Cost of raw materials	Inpaq Technology (China) Co., Ltd.	$ 13,420	85,744
	Subsidiary	1,262	1,595
Other expenses	Others	1,435	2,460
	Parent company	-	156
		$ **16,117**	**89,955**

As of December 31, 2024 and 2023, the deferred unrealized gains (losses) arising from purchasing materials were $1,032 and $1,529, respectively, recognized in investment accounted for using the equity method.

Account	Relationship	December 31, 2024	December 31, 2023
Other receivables	Inpaq Technology (China) Co., Ltd.	$ 15,536	29,907
Other receivables	Subsidiary	14	464
Other receivables	Parent company	-	61
Other receivables	Others	1,095	-
		$ 16,645	**30,432**
Other payables	Parent company	$ 1,673	1,141
Other payables	Inpaq Technology (China) Co., Ltd.	1,234	331
Other payables	Others	1,041	1,329
		$ 3,948	**2,801**

J. Guarantee:

The guarantees provided by the Company for its subsidiaries were as follows:

	December 31, 2024	December 31, 2023
Inpaq Technology (China) Co., Ltd.	$ 131,124	199,778
Taiwan Inpaq Electronic Co., Ltd.	650,000	900,000
Hunan Frontier Electronics Co., Ltd.	65,562	122,940
	$ 846,686	**1,222,718**

K. Loans to related parties

The loans and the interest receivable to related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Other receivables	Taiwan Inpaq electronic Co., Ltd.	$ 471,937	680,581
Other receivables	Inpaq USA	26,548	21,737
		$ 498,485	**702,318**

The interest income charged by the Company to related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Interest income	Taiwan Inpaq electronic Co., Ltd.	$ 10,215	7,935
Interest income	Inpaq USA	878	335
		$ 11,093	**8,270**

(4) Key management personnel compensation

Key management personnel compensation comprised:

	2024	2023
Short-term employee benefits	$ 14,435	11,644
Post-employment benefits	108	170
Non-monetary benefits	739	292
	$ 15,282	**12,106**

8. Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2024	December 31, 2023
Land and buildings	Long-term borrowings	$ 798,267	812,217
Time deposit (classified as refundable deposits)	Tariff guarantee	6,000	3,800
Time deposit (classified as refundable deposits)	Guarantee for plant lease	9,331	9,331
		$ 813,598	**825,348**

9. Significant commitments and contingencies:

The contracted and unpaid construction cost of the Company on December 31, 2024 and 2023 were approximately $0 and $59,500 respectively.

10. Losses due to major disasters: None.

11. Subsequent events: None.

12. Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2024 Cost of Sales	2024 Operating Expense	2024 Total	2023 Cost of Sales	2023 Operating Expense	2023 Total
Employee benefits						
Salary	459,356	333,354	792,710	464,170	335,912	800,082
Labor and health insurance	45,178	24,213	69,391	42,829	19,618	62,447
Pension	13,849	12,756	26,605	13,852	13,436	27,288 (Note)
Remuneration to directors	-	25,432	25,432	-	17,167	17,167
Others	26,679	12,948	39,627	32,439	11,322	43,761
Depreciation	254,828	21,169	275,997	228,834	19,178	248,012
Amortization	2,416	5,493	7,909	2,618	4,719	7,337

Note: Includes a pension of $2,556 paid to retired employees in the current year.

Additional information on the number of employees and employee benefits were as follows:

	2024	2023
The numbers of employees	898	980
The number of directors who are not holding as a position of employee	7	7
The average of employee benefits	$ 1,042	959
The average of salaries	$ 890	822
The average of salary adjustment rate	8.27 %	
The remuneration to supervisors	$ -	-

The remuneration to supervisors of the Company is appropriated in accordance with the Company' s articles of association and other regulations; the articles of association clearly stipulate that if the Company makes a profit, a minimum of 3% shall be appropriated as directors' remuneration. The reasonableness of the directors' remuneration is based on the evaluation of the performance of the board of directors, the overall operating performance of the Company, the future operating needs and development of the industry, as well as taking into consideration the individual's contribution to the Company's operations, the salary level within the same peer industry, and the remuneration recommended by the remuneration committee and approved by the board. The remuneration to managers and employees is based on the Company's articles of association, as well as the salary and performance appraisal regulations, wherein it stipulates that if the Company makes a profit, a minimum of 5% of the profit shall be allocated as employee remuneration, which is subject to personal performance evaluation (such as target achievement rate, professional ethics and compliance with the regulations), contribution to the Company's overall operations, and the salary level within the same peer industry. The Company's remuneration payment policy does not cause any major uncertain future risks.

Inpaq Technology Co., Ltd.
Notes to the Financial Statements

13. Other disclosures:

(1) Information on significant transactions:

The following is the information on significant transactions of the Company required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers":

A. Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits (note 1)	Maximum limit of fund financing (note 1)
0	The Company	Taiwan Inpaq Electronic Co., Ltd.	Other receivables due from related parties	Yes	700,000	500,000	470,000	1.75%	2	-	Operating	-	NIL	500,000	1,894,119	3,030,591
0	The Company	Inpaq USA	Other receivables due from related parties	Yes	81,350	49,172	26,225	3%	2	-	Operating	-	NIL	49,172	1,894,119	3,030,591

Note 1: a. According to the financing company's financial management clauses, the financing limit of the Company in aggregate is 40% of net equity. An entity which has business transactions with the Company or related parties:

(1) For companies or entities with short-term financing needs, in which the Company directly holds 50% of the voting shares, the financing limit is 25% of the Company's net equity.

(2) For other companies or entities, and those fund loans approved by the Company's Board of Directors, the financing limit is both 10% of the Company's net equity.

b. According to the financing company's financial management clauses, for financing between foreign companies, in which the Company directly or indirectly holds 100% of the voting shares, the financing limit for each borrower and the aggregate financing limit are both 40% of net equity.

Note 2: 1. relate to business relationship.

2. relate to short-term financing.

B. Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company	Limitation on amount of guarantees and endorsements for a specific enterprise (note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (note 2)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	The Company	Inpaq Technology (China) Co., Ltd.	Subsidiaries indirectly hold 100% by the Company	1,515,295	211,510	131,124	-	-	1.73 %	3,030,591	Y	N	Y
0	The Company	Taiwan Inpaq Electronic Co., Ltd.	Subsidiaries indirectly hold 100% by the Company	1,515,295	900,000	650,000	-	-	8.58 %	3,030,591	Y	N	N
0	The Company	Hunan Frontier Electronics Co., Ltd.	Subsidiaries indirectly hold 100% by the Company	1,515,295	130,160	65,562	-	-	0.87 %	3,030,591	Y	N	Y

Note 1: The total amount of guarantee provided to any individual entity shall not exceed 20% of Inpaq's equity.

Note 2: The total amount of guarantee provided shall not exceed 40% of Inpaq's equity.

C. Securities held as of December 31, 2024 (excluding investment in subsidiaries and associates):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance			
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value
The Company	Corporate bonds – Union Bank of Switzerland	NA	Financial assets at amortised cost －non-current	-	131,883	-	133,943
The Company	Corporate bonds – Unitedhealth	NA	Financial assets at amortised cost －non-current	-	100,445	-	98,982
The Company	Corporate bonds – Saudi Arabian Oil Co.	NA	Financial assets at amortised cost －non-current	-	124,433	-	123,245
The Company	Corporate bonds – Toyota Motor Credit Corp	NA	Financial assets at amortised cost －non-current	-	202,821	-	200,757
The Company	Corporate bonds – BMW US Capital LLC	NA	Financial assets at amortised cost －non-current	-	97,157	-	96,858
The Company	Corporate bonds – Cathay United Bank Co., Ltd	NA	Financial assets at amortised cost －non-current	-	81,952	-	81,559
The Company	AICP Technology Corporation – Stock	NA	Financial assets at fair value through other comprehensive income－non-current	600,000	5,142	8.00 %	5,142
The Company	Phoenix Innovation Venture Capital Co., Ltd.– Stock	The Company is a corporate director of the entity	Financial assets at fair value through other comprehensive income－non-current	3,000,000	38,430	9.38 %	38,430
The Company	PAN WIN Biotechnology Inc.– Stock	NA	Financial assets at fair value through other comprehensive income－non-current	100,000	-	5.00 %	-
The Company	Silitech technolpgy Corporation – Stock	Affiliated companies of Walsin Technology Corporation	Financial assets at fair value through other comprehensive income－non-current	250,000	2,615	5.00 %	2,615
The Company	TXC Corporation – Stock	NA	Financial assets at fair value through other comprehensive income－non-current	6,770,000	609,699	1.97 %	609,699
The Company	Corporate bonds – Microsoft Corporation	NA	Financial assets at fair value through other comprehensive income－non-current	-	22,992	-	22,992
The Company	Corporate bonds – Apple Inc.	NA	Financial assets at fair value through other comprehensive income－non-current	-	74,923	-	74,923
The Company	Corporate bonds – Amazon.com, Inc.	NA	Financial assets at fair value through other comprehensive income－non-current	-	40,488	-	40,488
The Company	Corporate bonds – Saudi Arabian Oil Co.	NA	Financial assets at fair value through other comprehensive income－non-current	-	45,774	-	45,774
Inpaq (BVI)	Corporate bonds – Saudi Arabian Oil Co.	NA	Financial assets at amortised cost －non-current	-	130,629	-	126,000
Inpaq (BVI)	Corporate bonds – French Bank of Paris	NA	Financial assets at amortised cost－non-current	-	71,223	-	70,086
Inpaq (BVI)	Corporate bonds – Philip Morris International Inc.	NA	Financial assets at amortised cost－non-current	-	163,737	-	164,216
Inpaq (BVI)	Corporate bonds – Verizon Communications	NA	Financial assets at amortised cost－non-current	-	145,350	-	141,285
Inpaq (BVI)	Corporate bonds – Westpac New Zealand Limited	NA	Financial assets at amortised cost－non-current	-	99,362	-	98,833
Inpaq (BVI)	Corporate bonds – First Abu Dhabi Bank	NA	Financial assets at amortised cost－non-current	-	98,803	-	98,373
Inpaq (BVI)	Corporate bonds – Bank of New Zealand	NA	Financial assets at amortised cost－non-current	-	99,199	-	98,683
Inpaq (BVI)	Corporate bonds – PayPal Holdings Inc.	NA	Financial assets at amortised cost－non-current	-	57,899	-	57,465
Inpaq (BVI)	Corporate bonds – CPC Corporation Taiwan	NA	Financial assets at amortised cost－non current	-	65,143	-	66,234

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance			
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value
Inpaq (BVI)	Corporate bonds – American Transmission System	NA	Financial assets at amortised cost－non-current	-	20,442	-	19,461
Inpaq (BVI)	Corporate bonds – Nippon Telegraph and Telephone Corporation (NTT)	NA	Financial assets at amortised cost－non-current	-	170,208	-	163,708
Inpaq (BVI)	Corporate bonds – Mitsubishi	NA	Financial assets at amortised cost－non-current	-	229,514	-	222,244
Inpaq (BVI)	Corporate bonds – Banco Santander, S.A.	NA	Financial assets at amortised cost－non-current	-	240,030	-	229,320
Inpaq (BVI)	Corporate bonds – Bank of America	NA	Financial assets at fair value through other comprehensive income - non-current	-	48,665	-	48,665
Inpaq (BVI)	Corporate bonds - Commonwealth Bank of Australia	NA	Financial assets at fair value through other comprehensive income -current	-	229,490	-	229,490
Inpaq (BVI)	PSA Japan Investment Godo Kaisha	NA	Financial assets at fair value through other comprehensive income - non-current	-	172,051	12.00 %	172,051
Inpaq (BVI)	Japanese Funds - GLG Japan Corealpha	NA	Financial assets at fair value through profit or loss - non-current	3,089	24,968	-	24,968
Inpaq (BVI)	Japanese stock - Marubeni Corp	NA	Financial assets at fair value through profit or loss - non-current	21,300	10,697	-	10,697
Inpaq (BVI)	Japanese stock - Mitsui & Co Ltd.	NA	Financial assets at fair value through profit or loss - non-current	18,400	12,788	-	12,788
Inpaq (BVI)	Japanese stock - Kirin Holdings Co., Ltd.	NA	Financial assets at fair value through profit or loss - non-current	28,000	12,041	-	12,041
Inpaq (BVI)	Japanese stock - Japan Tobacco Inc.	NA	Financial assets at fair value through profit or loss - non-current	15,000	12,846	-	12,846
Inpaq (BVI)	Japanese stock - Nippon Telegraph & Telephone Corp	NA	Financial assets at fair value through profit or loss - non-current	760,000	25,205	-	25,205

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD$300 million or 20% of the capital stock:

Company holding securities	Security type and name	Account	counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	TXC Corporation – Stock	Financial assets at fair value through other comprehensive income－non-current	TXC Corporation / Shareholders of the public market	NA	-	-	6,770,000	688,677	-	-	-	-	6,770,000	609,699

E. Acquisition of individual real estate with amount exceeding the lower of TWD$300 million or 20% of the capital stock: None

F. Disposal of individual real estate with amount exceeding the lower of TWD$300 million or 20% of the capital stock: None.

G. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD$300 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Inpaq Technology (China) Co., Ltd.	Subsidiaries indirectly hold 100% by the Company	Sales	(783,028)	(11)%	According to the commercial terms agreed upon by both parties	-	Note	369,591	14%	
Inpaq Technology (Suzhou) Co., Ltd.	The Company	Parent company	Sales	(1,305,337)	(18)%	"	-	Note	410,075	16%	

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Inpaq Technology (Suzhou) Co., Ltd.	Taiwan Inpaq Electronic Co., Ltd.	Subsidiaries indirectly hold 100% by the Company	Sales	(191,947)	(3)%	"	-	Note	25,896	1%	
Inpaq Technology (Suzhou) Co., Ltd.	Walsin Passive (H.K.)	Subsidiaries of Walsin	Sales	(325,864)	(4)%	"	-	Note	100,675	4%	
Inpaq Technology (China) Co., Ltd.	The Company	Parent company	Sales	(617,616)	(8)%	"	-	Note	139,599	5%	
Inpaq Technology (China) Co., Ltd.	Inpaq Technology (Suzhou) Co., Ltd	Subsidiaries indirectly hold 100% by the Company	Sales	(282,940)	(4)%	"	-	Note	88,864	3%	
Hunan Frontier Electronics Co., Ltd.	The Company	Parent company	Sales	(230,598)	(3)%	"	-	Note	67,430	3%	

Note: The Company's sales price and credit term for related parties are not significantly different from those of the third parties.

H. Receivables from related parties with amounts exceeding the lower of TWD$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate (%)	Overdue		Amounts received in subsequent period (note 1)	Allowance for bad debts
					Amount	Action taken		
The Company	Inpaq Technology (China) Co., Ltd.	Subsidiaries indirectly hold 100% by the Company	385,127 (Note 2)	2.61 %	-	NA	50,442	-
Inpaq Technology (Suzhou) Co., Ltd.	The Company	Parent company	410,075	4.20 %	-	NA	134,664	-
Inpaq Technology (Suzhou) Co., Ltd.	Walsin Passive (H.K.)	Subsidiaries of Walsin	101,110 (Note 2)	3.08 %	-	NA	24,654	-
Inpaq Technology (China) Co., Ltd.	The Company	Parent company	140,834 (Note 2)	5.28 %	-	NA	37,848	-
The Company	Taiwan Inpaq Electronic Co., Ltd.	Subsidiaries indirectly hold 100% by the Company	471,937 (Note 3)	-	-	NA	470,676	-

Note 1: As of January 31, 2024.

Note 2: Including other receivables.

Note 3: Including other receivables from loans.

I. Trading in derivative instruments:Please refer to notes 6(12)

(2) Information on investees (excluding information on investees in Mainland China):

The following is the information on investees for the years ended December 31, 2024 (excluding information on investees in Mainland China):

Unit: Shares

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Inpaq BVI	BVI	General investing	1,258,296	1,258,296	39,908,842	100.00 %	4,899,815	994,831	992,264	Subsidiary
The Company	Inpaq Korea	Korea	Sales	12,864	12,864	76,828	44.77 %	8,492	(4,068)	(1,822)	Associate
The Company	Inpaq USA	U.S.A.	Sales	15,315	15,315	5,000,000	100.00 %	(25,324)	(11,198)	(11,198)	Subsidiary
The Company	Inpaq Europe GmbH	Germany	Sales	1,273	1,273	38,000	19.00 %	1,669	40	8	Associate
The Company	Canfield	Samoa	Sales	-	14,823	-	- %	-	785	785	Note 2
The Company	Yangtze Energy Technologies, Inc.	Taiwan	Production and sales of electronic components	7,000	7,000	311,097	19.89 %	1,770	(1,397)	(285)	Associate
The Company	Inpaq Japan	Japan	Sales	41,940	-	20,000	100.00 %	41,873	(108)	(108)	Subsidiary
The Company	Inpaq Malaysia	Malaysia	Production and sales of electronic components	-	-	-	100.00 %	-	-	-	Subsidiary
The Company	Eleceram Technology Co., Ltd.	Taiwan	Production and sales of electronic components	209,946	209,946	8,747,750	72.90 %	183,037	(16,792)	(13,873)	Subsidiary
Inpaq BVI	Inpaq Cayman	Cayman Islands	General Investing	1,002,550	1,002,550	32,150,000	100.00 %	2,592,581	927,907	927,907	Subsidiary
Inpaq BVI	Inpaq (HK) Co., Limited	Hong Kong	General Investing	-	277,988	-	- %	-	-	-	Note 1

Inpaq Technology Co., Ltd.
Notes to the Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
Inpaq Technology (Suzhou) Co., Ltd.	Holypaq (HK) Co., Limited	Hong Kong	General Investing	122,240	122,240	4,000,000	100.00 %	(99,252)	126,862	126,862	Subsidiary
Holypaq (HK) Co., Limited	Taiwan Inpaq Electronic Co., Ltd.	Taiwan	Production and sales of electronic components	122,240	122,240	-	100.00 %	(99,252)	126,862	126,862	Subsidiary

Note 1: On March 28, 2024, Inpaq (HK) Co., Limited completed its liquidation procedures on various rights and obligations; thus, cancelled its registration in 2024.

Note 2: On July 4, 2024, Canfield completed its liquidation procedures on various rights and obligations; thus, cancelled its registration in 2024.

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024 (Note 3)	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value (Notes 2 and 3)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Inpaq Technology (Suzhou) Co., Ltd.	Production and sales of electronic components	360,643	Note 1	360,643	-	-	360,643	904,078	100.00%	904,078	1,607,268	361,325
Inpaq Trading (Suzhou) Co., Ltd (Inpaq Trading)	Sales of electronic components	-	Note 5	23,179	-	-	23,179 (Note 5)	-	-	-	-	-
Inpaq Technology (China) Co., Ltd.	Production and sales of electronic components	894,480	Note 1	894,480	-	-	894,480	24,879	100.00%	24,879	958,808	-
Inpaq Trading (Suzhou) Co., Ltd.	Sales of electronic components	9,463	Note 4	-	-	-	-	1,677	100.00%	1,677	33,935	-
Hunan Frontier Electronics Co., Ltd.	Manufacturing and selling of transformer, coils and magnetic components	456,560	Note 4	-	-	-	-	(8,498)	100.00%	(8,498)	340,380	-

B. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA (Notes 5 and 6)	Upper Limit on Investment (Note 3)
1,278,302	916,977	4,545,886

Note 1: Investment in companies in Mainland China through the existing companies in the third regions.

Note 2: The amount was recognized based on the audited financial statements.

Note 3: The Company investment in Mainland China pursuant to “Principle of Investment or Technical Cooperation in Mainland China” did not exceed the investment amount or percentage limit.

Note 4: Inpaq Trading (Suzhou) Co., Ltd invested using its own funds; thus, it was not included in the calculation of the investment limit.

Note 5: Inpaq Trading has completed its liquidation procedures on various rights and obligations; thus, cancelled its registration in 2023. However, its cumulative investment of $23,179 still needs to be included in the cumulative amount of investments from Taiwan to China according to the regulations of the Investment Commission, MOEA.

Note 6: The cash dividend of $361,325 remitted by Inpaq Trading (Suzhou) Co.,Ltd. in 2020 was approved by the Investment Commission, MOEA on January 22, 2021, with approval number 10900410860 for reference.

C. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China were disclosed in “Information on significant transactions”.

(4) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Walsin Technology Corporation	55,975,658	37.57 %

The information of major shareholders in this table is based on the last business day of the end of each quarter by the China Insurance Company, who calculates that shareholders holding more than 5% of the Company's ordinary shares that have completed unregistered delivery (including treasury shares). As for the share capital recorded in the Company's financial report and the Company's actual number of shares delivered without physical registration, there may be differences or differences due to the bases of the calculation.

14. Segment information:

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

Inpaq Technology Co., Ltd.

Statement of cash and cash equivalents

December 31, 2024

Expressed in：
(1) thousands of New Taiwan Dollars;
or
(2) Foreign Currencies Dollars

Item	Descriptions	Amount
Cash	Cash on hand	$ 164
	Petty cash	110
Bank deposits	Check deposits	6
	Demand deposits	127,578
	Foreign currency deposits (USD: 7,420,263.18；EUR: 460,241.94；JPY: 36,421,172.00；HKD: 25,370.62；CNY: 470,770.85)	268,822
	Total	**$ 396,680**

Note: Foreign exchange rates at the balance sheet date are as follows:

USD exchange rates: 32.7810

EUR exchange rates: 34.1398

JPY exchange rates: 0.2099

HKD exchange rates: 4.2221

CNY exchange rates: 4.4909

Inpaq Technology Co., Ltd.

Statement of notes and accounts receivable

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of customer	Amount
Client A	$ 225,601
Client C	74,069
Client E	71,240
Client D	66,114
Client F	54,422
Other (individual amount not exceeding 5% of the account balance)	710,569
	1,202,015
Less: loss allowance	(799)
Total	**$ 1,201,216**

Note: 1. All notes and accounts receivable are generated from operating activities.

2. Accounts receivable from related parties are not included above; please refer to note 7 for relevant information.

Inpaq Technology Co., Ltd.

Statement of inventories

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net realizable value	
Raw materials	$ 158,577		For the net realizable value of inventories, please refer to note 4(7) for relevant information.
Less: loss allowance	(16,482)		
Subtotal	142,095	147,163	
Work in progress and semi-finished goods	121,159		
Less: loss allowance	(21,548)		
Subtotal	99,611	204,487	
Finished goods and merchandises	253,460		
Less: loss allowance	(25,345)		
Subtotal	228,115	314,752	
	$ 469,821	**666,402**	

Inpaq Technology Co., Ltd.

Statement of financial assets measured at amortized cost－non-current

Financial assets	Beginning balance Amount	Increase Amount	Decrease Amount	Other (Note)	Ending balance Amount	Fair Value	Provision of pledge or guarantee	Note
Corporate bonds – Union Bank of Switzerland	$ 123,823	-	-	8,060	131,883	133,943	NA	
Corporate bonds – Unitedhealth	94,751	-	-	5,694	100,445	98,982	NA	
Corporate bonds – Saudi Arabian Oil Co.	-	118,553	-	5,880	124,433	123,245	NA	
Corporate bonds – Toyota Motor Credit Corp	-	195,677	-	7,144	202,821	200,757	NA	
Corporate bonds – BMW US Capital LLC	-	96,164	-	993	97,157	96,858	NA	
Corporate bonds – Cathay United Bank Co.,Ltd.	-	81,425	-	527	81,952	81,559	NA	
	$ 218,574	**491,819**	**-**	**28,298**	**738,691**	**735,344**		

Note: It’s includes unrealized valuation gains and losses and foreign currency valuations.

Inpaq Technology Co., Ltd.

Statement of other current assets

December 31, 2024

Please refer to note 6(10) for further information on “other current assets”.

Inpaq Technology Co., Ltd.

Statement of financial assets at fair value through other comprehensive income－non-current

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Financial assets	Beginning balance		Increase		Decrease		Other	Ending balance		Accumulated	Provision of pledge or	
	Shares/Units	Amount	Shares	Amount	Shares	Amount	(Note)	Shares/Units	Fair Value	impairment	guarantee	Note
Phoenix Innovation Venture Capital Co., Ltd. – Stock	3,000,000	32,370	-	-	-	-	6,060	3,000,000	38,430	-	NA	
PAN WIN Biotechnology Inc. – Stock	100,000	-	-	-	-	-	-	100,000	-	-	NA	
AICP Technology Corporation – Stock	600,000	6,942	-	-	-	-	(1,800)	600,000	5,142	-	NA	
Silitech Technology Corporation – Stock	250,000	3,325	-	-	-	-	(710)	250,000	2,615	-	NA	
TXC Corporation – Stock	-	-	6,770,000	688,677	-	-	(78,978)	6,770,000	609,699	-	NA	
Corporate bonds – Apple Inc.	-	77,276	-	-	-	-	(2,353)	-	74,923	-	NA	
Corporate bonds – Amazon.com, Inc.	-	41,391	-	-	-	-	(903)	-	40,488	-	NA	
Corporate bonds – Microsoft Corporation	-	21,818	-	-	-	-	1,174	-	22,992	-	NA	
Corporate bonds – Saudi Arabian Oil Co.		43,225		-		-	2,549		45,774	-	NA	
		$ 226,347		688,677		-	(74,961)		840,063	-		

Note: It’s includes unrealized valuation gains and losses and foreign currency valuations.

Inpaq Technology Co., Ltd.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars and in thousands of shares)

	Beginning balance		Increase		Decrease					Net change of unrealized gains (losses) from transactions between affiliates	Ending balance (Note 1)			Market value or equity net worth	
Name of investee	Shares	Amount	Shares	Amount	Shares	Amount	Invest income/loss	Cumulative translation adjustment	Other adjustments		Shares	Amount	% of ownership	Unit price	Total
Subsidiaries:															
Inpaq (BVI) Ltd.	39,909	$ 3,711,350	-	-	-	-	992,264	212,408	(16,207) (Note 2)	-	39,909	4,899,815	100.00%	-	4,899,815
Inpaq Technology USA Inc.	5,000	(12,965)	-	-	-	-	(11,198)	(1,161)	-	-	5,000	(25,324)	100.00%	-	(25,324)
Inpaq Technology Japan Co., Ltd.	-	-	20	41,940	-	-	(108)	41	-	-	20	41,873	100.00%	-	41,873
Canfield Ltd.	600	30,603	-	-	(600)	(32,915)	785	1,527	-	-	-	-	- %	-	-
Eleceram Technology Co., Ltd.	8,748	196,910					(13,873)				8,748	183,037	72.90		183,037
Associates:															
Inpaq Korea Co., Ltd.	77	10,869	-	-	-	-	(1,822)	(555)	-	-	77	8,492	44.77%	-	8,492
Inpaq Europe GmbH	38	1,642	-	-	-	-	8	19	-	-	38	1,669	19.00%	-	1,669
Yangtze Energy Technologies, Inc.	311	2,055	-	-	-	-	(285)	-	-	-	311	1,770	19.89%	-	1,770
		3,940,464		41,940		(32,915)	965,771	212,279	(16,207)	-		5,111,332			5,111,332
Less: Unrealized gains (losses) from transactions between affiliates		10,160		-		-	-	-	-	16,873		27,033			-
		$ 3,930,304		41,940		(32,915)	965,771	212,279	(16,207)	(16,873)		5,084,299			5,111,332

Note 1: All of the above investments were not pledged as collateral.

Note 2: The number of changes in equity of investee was recognized by using the equity method.

Inpaq Technology Co., Ltd.

Statement of changes in property, plant and equipment

For the year ended December 31, 2024

Please refer to note 6(7) for further information on “property, plant and equipment”.

Statement of changes in right-of-use assets

Please refer to note 6(8) for further information on “right-of-use assets”.

Statement of changes in deferred tax assets

December 31, 2024

Please refer to note 6(16) for further information on “deferred tax assets”.

Inpaq Technology Co., Ltd.

Statement of other non-current assets

December 31, 2024

Please refer to note 6(10) for further information on “non-current assets”.

Statement of short-term borrowings

Please refer to note 6(11) for further information on “short-term borrowings”.

Statement of long-term borrowings

Please refer to note 6(11) for further information on “long-term borrowings”.

Statement of convertible bonds payable

Please refer to note 6(12) for further information on “convertible bonds payable”.

Inpaq Technology Co., Ltd.

Statement of accounts payable

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Vendor name	Amount
Everstar Technology Inc.	$ 11,802
Jung Shing Wire Industrial Co., Ltd.	16,506
Jiin Tech Industrial Co., Ltd	11,796
Solar Plus Company	10,130
Jiangsu Tianyi Superfine Metal Powder Co., Ltd	10,621
Others (individual amount not exceeding 5% of the amount balance)	106,407
Total	**$ 167,262**

Note 1: All notes and accounts payable were generated from operating activities.

Note 2: Accounts payable from related parties are not included above; please refer to note 7 for relevant information.

Statement of other current liabilities

Item	Amount
Income tax payable	$ 115,203
Accrued expense	37,176
Estimated expense payable - other	27,632
Accrued expense-other expense	18,068
Others (individual amount not exceeding 5% of the amount balance)	73,418
Total	**$ 271,497**

Inpaq Technology Co., Ltd.

Statement of lease liabilities

December 31, 2024

Please refer to note 6(14) for further information on “lease liabilities”.

Statement of changes in deferred tax liabilities

Please refer to note 6(16) for further information on “deferred tax liabilities”.

Statement of operating revenue

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Quantity	Amount
Passive component	18,752,744 thousand	$ 3,058,655
High frequency component	208,937 thousand	1,420,878
Total		**$ 4,479,533**

Inpaq Technology Co., Ltd.

Statement of operating costs

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Raw material used:	
Raw material, beginning of year	$ 142,873
Add: Raw material purchased	535,904
Less: Raw material, end of year	(158,577)
Sales in the period	(495)
Scrapped	(387)
Transferred to expenses and others	(105,920)
Direct raw material used	413,398
Direct labor	401,473
Manufacturing expenses	755,630
Manufacturing costs	1,570,501
Add: Work in progress and semi-finished products, beginning of year	100,490
Semi-finished products purchased	34,984
Less: Work in progress and semi-finished products end of year	(121,159)
Semi-finished products sold	(116,534)
Scrapped	(1,502)
Transferred to expenses	(4,662)
Cost of finished goods	1,462,118
Add: Finished goods, beginning of year	119,364
Less: Finished goods, end of year	(171,379)
Disposal of finished goods	(5,105)
Cost of finished goods	1,404,998
Sales of raw material	495
Sales of semi-finished products	116,534
Cost of production and sales	1,522,027
Merchandise, beginning of year	65,608
Add: Merchandise purchased	2,225,787
Less: Merchandise, end of year	(82,081)
Scrapped	(3,192)
Transferred to expenses	(771)
Cost of sales on merchandise	2,205,351
Provisions for inventory obsolescence and devaluation loss	14,926
Income from sales of scrap and wastes	(20,155)
Total cost of sales	**$ 3,722,149**

Inpaq Technology Co., Ltd.

Statement of selling expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Commission expense	$ 204,045
Payroll expense	54,614
Import and export expense	16,733
Others (individual amount not exceeding 5% of the amount balance)	53,663
Total	**$ 329,055**

Statement of general and administrative expenses

Item	Amount
Payroll expense	$ 184,555
Miscellaneous expense	26,938
Others (individual amount not exceeding 5% of the amount balance)	52,091
Total	**$ 263,584**

Inpaq Technology Co., Ltd.

Statement of research and development expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Payroll expense	$ 119,616
Depreciation expense	11,472
Labor insurance and health insurance expense	11,296
Others (individual amount not exceeding 5% of the amount balance)	64,292
Total	**$ 206,676**

Statement of interest income

Please refer to note 6(21) for further information on “interest income”.

Statement of other gains and losses

Please refer to note 6(21) for further information on “other gains and losses”.

Inpaq Technology Co., Ltd.

Statement of finance cost

For the year ended December 31, 2024

Please refer to note 6(21) for further information on “finance cost”.

Statement of current-period employee benefits, depreciation, and amortization by function

Please refer to note 12 for further information on “current-period employee benefits, depreciation, and amortization by function”.