

**CHICONY ELECTRONICS CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of CHICONY ELECTRONICS CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of Chicony Electronics Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 consolidated financial statements section of our report. We are independent of the Group 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. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2024 consolidated financial statements is stated as follows:

Revenue recognition of smart building system service - valuation of the stage of completion

Description

Refer to Notes 4(32), 5(2) and 6(23) for accounting policy, accounting estimates and assumptions, and details related to revenue recognition of smart building system service.

For smart building system service provided by the Group, revenue is recognised based on the stage of completion during the contract period. The stage of completion of a contract is measured by the proportion of costs incurred for work performed to date to the estimated total costs for the contract. As the estimation of total contract costs has a high degree of estimation uncertainty and involves management's subjective judgement, the determination of the stage of completion and recognition of revenue may be affected. Thus, we considered the valuation of the stage of completion as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the internal controls in evaluating estimated total costs and selected samples of estimated total costs on material contracts and verified whether the estimation was consistent with the workflow and internal controls.
2. For contracts with significant additions or significant modification to the estimated total costs for the current period, selected samples of the approved estimated total costs, including the related supporting documents of current significant supplementary constructions.
3. Obtained the details of current input costs, performed related statistical procedures, including selecting current incurred costs and tracing them to related vouchers and confirming whether the current input costs had been accounted appropriately.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$9,005,937 thousand and NT\$7,991,711 thousand, constituting 8.55% and 8.80% of the consolidated total assets as at December 31, 2024 and 2023, respectively, and the net operating revenue amounted to NT\$1,934,392 thousand and NT\$1,291,816 thousand, constituting 1.91% and 1.31% of the consolidated total operating revenue for the years then ended, respectively.

Other matter - Parent company only financial reports

We have audited and expressed an unmodified opinion with an *Other matter* section on the parent company only financial statements of Chicony Electronics Co., Ltd. as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated 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 controls 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding 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 consolidated 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Liang, Hua-Ling Liao, Fu-Ming
For and on behalf of PricewaterhouseCoopers, Taiwan
March 5, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024 AMOUNT	December 31, 2023 AMOUNT
Current assets				
1100	Cash and cash equivalents	6(1)	\$ 26,185,305	\$ 19,154,156
1110	Financial assets at fair value through profit or loss - current	6(2)	2,420,579	2,140,246
1120	Financial assets at fair value through other comprehensive income - current	6(3)	3,698,195	3,010,154
1140	Current contract assets	6(23)	2,502,069	929,805
1150	Notes receivable, net	6(5) and 8	117,767	108,350
1170	Accounts receivable, net	6(5)	24,573,849	21,431,883
1180	Accounts receivable - related parties	7	268,964	261,627
1200	Other receivables		466,373	496,914
130X	Inventories, net	6(6)	16,561,792	15,788,364
1410	Prepayments		2,017,091	1,887,790
1460	Non-current assets classified as held for sale, net	6(7)	-	364,560
1470	Other current assets	8	4,705	3,993
11XX	Total current assets		<u>78,816,689</u>	<u>65,577,842</u>
Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current	6(2)	3,304,977	2,923,200
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	245,327	268,633
1535	Financial assets at amortised cost - non-current	6(4)	527,276	493,749
1550	Investments accounted for using equity method	6(8)	241,917	234,466
1600	Property, plant and equipment, net	6(9)	16,817,056	16,012,250
1755	Right-of-use assets	6(10)	501,331	497,844
1760	Investment property - net	6(11) and 8	3,624,797	3,612,744
1780	Intangible assets	6(12)	187,055	127,785
1840	Deferred income tax assets	6(30)	248,726	286,753
1900	Other non-current assets	6(13) and 8	855,133	753,549
15XX	Total non-current assets		<u>26,553,595</u>	<u>25,210,973</u>
1XXX	Total assets		<u>\$ 105,370,284</u>	<u>\$ 90,788,815</u>

(Continued)

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024 AMOUNT	December 31, 2023 AMOUNT
Current liabilities				
2100	Short-term borrowings	6(14) and 8	\$ 6,251,245	\$ 1,395,742
2120	Financial liabilities at fair value through profit or loss - current	6(2)	182,843	705,324
2130	Contract liabilities - current	6(23)	890,618	558,662
2150	Notes payable		18,248	12,367
2170	Accounts payable		23,827,794	22,666,128
2180	Accounts payable - related parties	7	614,502	554,543
2200	Other payables	6(15)	14,804,358	14,100,867
2230	Income tax liabilities		3,394,521	3,066,331
2280	Lease liabilities - current		134,812	122,973
2320	Long-term liabilities, current portion	6(16)	30,905	-
2399	Other current liabilities		142,888	777,756
21XX	Total current liabilities		<u>50,292,734</u>	<u>43,960,693</u>
Non-current liabilities				
2540	Non-current portion of non-current borrowings	6(16)	133,919	-
2570	Deferred income tax liabilities	6(30)	297,485	258,628
2580	Lease liabilities - non-current		86,750	106,683
2600	Other non-current liabilities	6(17)	349,548	249,154
25XX	Total non-current liabilities		<u>867,702</u>	<u>614,465</u>
2XXX	Total liabilities		<u>51,160,436</u>	<u>44,575,158</u>
Equity attributable to owners of parent				
	Share capital	6(19)		
3110	Common stock		7,600,532	7,600,532
	Capital surplus	6(20)		
3200	Capital surplus		10,347,999	9,427,277
	Retained earnings	6(21)		
3310	Legal reserve		8,167,280	7,423,933
3320	Special reserve		2,435,105	2,654,468
3350	Unappropriated retained earnings		17,235,603	14,696,631
	Other equity interest	6(22)		
3400	Other equity interest		661,517 (	2,429,485)
3500	Treasury stocks	6(19) and 8	(273,574) (	299,200)
31XX	Equity attributable to owners of the parent		<u>46,174,462</u>	<u>39,074,156</u>
36XX	Non-controlling interest	4(3)	<u>8,035,386</u>	<u>7,139,501</u>
3XXX	Total equity		<u>54,209,848</u>	<u>46,213,657</u>
	Significant contingent liabilities and unrecognised contract commitments	9		
	Significant events after the balance sheet date	11		
3X2X	Total liabilities and equity		<u>\$ 105,370,284</u>	<u>\$ 90,788,815</u>

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

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

				Year ended December 31	
				2024	2023
Items	Notes			AMOUNT	AMOUNT
4000 Sales revenue	6(23) and 7	\$		101,478,259	\$ 98,322,545
5000 Operating costs	6(6)(28)(29) and 7	(		81,008,683)	(79,294,233)
5900 Net operating margin				20,469,576	19,028,312
Operating expenses	6(28)(29)				
6100 Selling expenses		(		2,927,838)	(2,623,762)
6200 General and administrative expenses		(		3,404,852)	(3,325,562)
6300 Research and development expenses		(		3,858,989)	(3,631,911)
6450 Impairment gain (loss) determined in accordance with IFRS 9	12(2)			34,736	38,073)
6000 Total operating expenses		(		10,156,943)	(9,619,308)
6900 Operating profit				10,312,633	9,409,004
Non-operating income and expenses					
7100 Interest income	6(24)			1,065,206	630,325
7010 Other income	6(25)			1,117,790	655,259
7020 Other gains and losses	6(26)			938,909	694,516
7050 Finance costs	6(27)	(		133,429)	(125,913)
7060 Share of profit or loss of associates and joint ventures accounted for using equity method	6(8)	(		5,293)	9,726
7000 Total non-operating income and expenses				2,983,183	1,863,913
7900 Profit before income tax				13,295,816	11,272,917
7950 Income tax expense	6(30)	(		2,591,930)	(2,273,203)
8200 Profit for the year		\$		10,703,886	\$ 8,999,714
Other comprehensive income					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311 Actuarial gain (loss) on defined benefit plan	6(17)	\$		29,556	(\$ 2,287)
8316 Unrealized gain or loss on equity instruments at fair value through other comprehensive income	6(3)			701,034	686,619
8310 Other comprehensive income that will not be reclassified to profit or loss				730,590	684,332
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations				2,620,258	(540,650)
8370 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(8)			12,744	(3,933)
8360 Other comprehensive income (loss) that will be reclassified to profit or loss				2,633,002	(544,583)
8300 Total other comprehensive income for the year		\$		3,363,592	\$ 139,749
8500 Total comprehensive income for the year		\$		14,067,478	\$ 9,139,463
Profit attributable to:					
8610 Owners of the parent		\$		9,045,405	\$ 7,463,959
8620 Non-controlling interest		\$		1,658,481	\$ 1,535,755
Comprehensive income attributable to:					
8710 Owners of the parent		\$		12,148,834	\$ 7,658,454
8720 Non-controlling interest		\$		1,918,644	\$ 1,481,009
Earnings per share (in NTD dollars)					
9750 Basic earnings per share	6(31)	\$		12.43	\$ 10.35
9850 Diluted earnings per share	6(31)	\$		12.27	\$ 10.24

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

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent													

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

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 13,295,816	\$ 11,272,917
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(9)(10)(28)	2,730,597	2,959,476
Intangible assets amortization	6(12)(28)	85,594	73,918
Other non-current assets recognized as expenses	6(28)	19,466	19,361
Impairment (gain) loss determined in accordance with IFRS 9		(34,736)	38,073
Share-based payments	6(18)	446	1,284
Interest income	6(24)	(1,065,206)	(630,325)
Dividend income	6(25)	(454,568)	(155,275)
Interest expense	6(27)	133,429	125,913
Net (gain) loss on financial assets and liabilities at fair value - derivative	6(2)(26)	(611,367)	311,739
Net loss (gain) on financial assets and liabilities at fair value - others	6(2)(26)	560,561	(780,279)
Gain on disposal of non-current assets classified as held for sale	6(26)	(762,267)	-
Share of profit or loss of associates accounted for using equity method	6(8)	5,293	(9,726)
Impairment loss recognised in profit or loss, property, plant and equipment	6(9)(26)	63,612	-
Gain on disposal of property, plant and equipment	6(26)	(40,385)	(34,695)
Gain on fair value adjustment of investment property	6(11)(26)	(12,053)	(5,148)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss - current		154,928	(5,068)
Contract asstes		(1,612,264)	(634,523)
Notes receivable		(9,417)	(24,686)
Accounts receivable		(3,067,230)	3,454,428
Accounts receivable - related parties		(7,337)	33,249
Other receivables		30,485	(18,787)
Inventories		(773,428)	2,670,003
Prepayments		(129,301)	(173,831)
Other current assets		(712)	15,232
Changes in operating liabilities			
Contract liabilities - current		331,956	(79,349)
Notes payable		5,881	(6,739)
Accounts payable		1,161,666	2,097,006
Accounts payable - related parties		59,959	213,870
Other payables		816,604	(105,826)
Other current liabilities		(135,157)	(10,616)
Other non-current liabilities		100,394	11,817
Cash inflow generated from operations		10,841,259	20,623,413
Interest received		1,066,162	603,356
Dividends received		453,668	155,200
Interest paid		(129,572)	(127,643)
Income tax paid		(2,140,469)	(2,521,819)
Net cash flows from operating activities		10,091,048	18,732,507

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CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets and liabilities at fair value through profit or loss - others		(\$ 2,519,662)	(\$ 1,331,160)
Disposal of financial assets and liabilities at fair value through profit or loss - others		1,336,850	953,313
Acquisition of financial assets at fair value through other comprehensive income - others		-	(70,550)
Disposal of financial assets at fair value through other comprehensive income	6(3)	53,185	308,811
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		3,510	-
Acquisition of property, plant and equipment	6(33)	(1,509,075)	(3,142,394)
Proceeds from disposal of property, plant and equipment		151,798	231,272
Acquisition of investment property		769,484	499,215
Acquisition of intangible assets	6(12)	(58,264)	(63,779)
Increase in other non-current assets		(1,470,891)	(834,453)
Increase in refundable deposits		(43,677)	(25,821)
Net cash flows used in investing activities		(3,286,742)	(3,475,546)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		49,432,772	37,341,048
Decrease in short-term borrowings		(44,577,361)	(38,843,354)
Increase in long-term borrowings	6(34)	164,824	-
Repayment of lease liabilities	6(34)	(141,932)	(142,047)
Payments to acquire treasury shares		(5,675,982)	(5,420,175)
Change in non-controlling interests	6(32)	(112,816)	-
Cash dividends distributed by subsidiaries		(1,157,158)	(1,231,716)
Proceeds from sale of treasury shares	6(19)	582,130	316,041
Exercise of employee share options		3,718	3,136
Net cash flows used in financing activities		(1,481,805)	(7,977,067)
Effect of exchange rate changes		1,708,648	(282,083)
Net increase in cash and cash equivalents		7,031,149	6,997,811
Cash and cash equivalents at beginning of year	6(1)	19,154,156	12,156,345
Cash and cash equivalents at end of year	6(1)	\$ 26,185,305	\$ 19,154,156

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

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars,
except as otherwise indicated)

1. HISTORY AND ORGANISATION

Chicony Electronics Co., Ltd. (the “Company”) was incorporated in 1983 as a company limited by shares under the provisions of the Company Law of the Republic of China. The Company has been a listed company since 1999. The Company and its subsidiaries (collectively referred herein as the “Group”) are engaged in the manufacturing and sales of keyboards and other computer peripheral components.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 5, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:.

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB issued the amendments to:

- (a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

- i. the practical ability to withdraw, stop or cancel the payment instruction;
- ii. the practical ability to access the cash used for settlement; and
- iii. significant settlement risk.

- (b) Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Investment property measured subsequently using the fair value model.
- (d) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

- B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
Chicony Electronics Co., Ltd. (CEC)	Chicony Overseas Inc. (COI)	Sales of computer peripherals and management of overseas acquisitions and investments	100%	100%	
"	Unikey Electronics Co., Ltd. (UNIKEY)	Manufacturing and sales of computers and computer peripherals	100%	100%	
"	Hipro Overseas (BVI) Inc. (HOI)	Sales of switching power supplies and other electronic parts and management of overseas acquisitions and investments	100%	100%	
"	Hipro Electronics Ltd. (HEC)	Sales of switching power supplies and other electronic parts	100%	100%	
"	XAVi Technology Co., Ltd. (XAVi)	Researching, manufacturing and sales of DSL bridges and routers	40.30%	41.02%	Note A
"	Chicony Electronics (Thailand) Co., Ltd. (CET)	Manufacturing and sales of computer peripherals	100%	100%	Note C
"	Chicony Global Inc. (CGI)	Sales of computer peripherals	100%	100%	
"	Chicony Power Technology Co., Ltd. (CP)	Manufacturing and sales of plastic goods	52.20%	52.10%	
COI	Chicony America Inc. (CAI)	Sales of computer peripherals	100%	100%	
"	Chicony Electronics (Dong Guan) Co., Ltd. (CEM2)	Manufacturing and sales of computers and computer peripherals	100%	100%	
"	Mao-Feng International Inc. (Mao-Feng)	Sales of computer peripherals and management of overseas acquisitions and investments	100%	100%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
COI	Chicony Electronics (Suzhou) Co., Ltd. (CEM3)	Manufacturing and sales of computers and computer peripherals	100%	100%	
"	Global Faith Inc. (GFI)	Sales of computer peripherals and management of overseas acquisitions and investments	60%	60%	
"	Real Young Electronics Co., Ltd. (Real Young)	Design and sales of computer peripherals and management of overseas acquisitions and investments	100%	100%	
"	Maorui Electronics (DongGuan) Co., Ltd. (Mao rui)	Manufacturing of electronic parts, keyboards and plastic products	100%	100%	
"	Suzhou Mao-Qun Electronics Co., Ltd. (Mao-Qun)	Manufacturing of electronic parts, keyboards and plastic products	60%	60%	
"	Chicony Electronics CEZ s.r.o. (CEZ)	Sales of computer peripherals	60%	60%	
"	Suzhou Qun-Yang Electronics Co., Ltd. (Qun-Yang)	Manufacturing and sales of electronic parts, keyboard and plastic products	100%	100%	
"	Chicony Electronics Japan Co., Ltd. (CEJ)	Sales of computer peripherals	100%	100%	
"	Kuang Mao International Inc. (Kuang Mao)	Sales of computer peripherals and management of overseas acquisitions and investments	100%	100%	
"	Chicony America Group Inc. (CAGI)	Internet solution for E-Commerce solution	100%	100%	
"	Chicony Electronics (Chong-Qing) Co., Ltd. (CEM5)	Manufacturing and sales of computer peripherals	100%	100%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
HEC	Quansun Investment Corp. Ltd. (Quansun)	Investment holdings	100%	100%	
"	Qun-Jing Power Co., Ltd. (Qun-Jing)	Sales of computer peripherals and consumer equipment	100%	100%	
CP	Chicony Power Holdings Inc. (CPH)	Investment holdings	100%	100%	
"	Chicony Power Technology (Thailand) Co., Ltd. (CPTH)	Manufacturing and sales of switching power supplies and other electronic parts	100%	100%	
"	Chicony Power International Inc. (CPI)	Investment holdings	100%	100%	
"	Chicony Power USA Inc. (CPUS)	Manufacturing and sales of switching power supplies and other electronic parts	100%	100%	Note C
"	Chicony Power Technology HongKong Limited (CPHK)	Research and development centre and investment holdings	100%	100%	
"	WitsLight Technology Co., Ltd. (WTS)	Design, researching and developing LED lighting modules and investment holdings	100%	100%	
WTS	WitsLight Technology (Kunshan) Co., Ltd. (WTK)	International trade sales of LED lighting modules	100%	100%	
"	Zhuzhou Torch Auto Lamp CO., Ltd. (Zhuzhou Torch)	Production and sales of automotive and motorcycle components, electric machine and device, lamps and plastic products	100%	100%	
"	Carlight Technology Co., Ltd. (CT)	Design, researching and developing and sales of automotive and motorcycle lamps and other components	100%	100%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
CPHK	Chicony Power Technology (DongGuan) Co., Ltd. (CPDG) (Formerly Hipro Electronics (Dong Guan) Co., Ltd.)(HDG)	Manufacturing and sales of switching power supplies and other electronic parts	100%	100%	
"	Chicony Power Technology (Suzhou) Co., Ltd. (CPSZ)	Production and sales of electronic equipment (high-performance power supply, power module and voltage transformer) and LED lighting equipment	100%	100%	
"	Quang Sheng Electronics (Nanchang) Co., Ltd. (GSE)	Production and sales of electronic equipment (magnetic element, circuit board and keyboard) and voltage transformer	100%	100%	
"	Chicony Power Technology (Chong-Qing) Co., Ltd. (CPCQ)	Production and sales of electronic equipment (high-performance power supply, power module and voltage transformer) and LED lighting equipment	100%	100%	
"	Chicony Energy Saving Technology (Shanghai) Co., Ltd. (CPSH)	Consultation, transfer and service of energy-saving technology, energy management and sales and installation of energy-saving lighting equipment	100%	100%	
"	Chicony Power Technology Trading (Dong Guan) Co., Ltd. (CPDGT)	Importing and exporting of switching power supplies, LED lighting equipment, and other electronics	0%	100%	Note B

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
XAVi	Directmax International Ltd.	Management of overseas acquisitions and investments	100%	100%	
"	(Directmax) XAVi Technologies (Thailand) Co., Ltd. (XAVi Thailand)	Manufacturing, and sales of communication products	100%	100%	
"	XAVi Overseas Ltd. (XAVi Overseas)	Management of overseas acquisitions and investments	100%	100%	
"	Systemax Development Ltd. (Systemax)	Sales of DSL bridges and routers	100%	100%	
"	XAVi Technologies (Suzhou) Co., Ltd.	Manufacturing and sales of DSL bridges and routers	100%	100%	

Note A: Although the Company holds less than 50% of the voting shares directly or indirectly, the remaining shares of these companies are extremely dispersed. The participation of other shareholders in the previous shareholders' meeting indicates that the Company has the current ability to direct the relevant activities of these companies and there is no sign that there is a collective decision-making agreement made among other shareholders. Under the assessment, the Company has control over the entity which was included in the consolidated financial statements.

Note B: The Board of Directors during its meeting on March 25, 2024 resolved to dissolve CPDGT, and the registration of liquidation was completed on November 8, 2024.

Note C: The financial statements of certain subsidiaries were audited by other independent auditors.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2024 and 2023, the non-controlling interest amounted to \$8,035,386 and \$7,139,501, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest December 31, 2024		Non-controlling interest December 31, 2023	
		Amount	Ownership (%)	Amount	Ownership (%)
Chicony Power Technology Co., Ltd.	Taiwan	\$ 7,421,458	47.80%	\$ 6,612,641	47.90%

Summarised financial information of the subsidiaries:

Balance sheets

	Chicony Power Technology Co., Ltd.	
	December 31, 2024	December 31, 2023
Current assets	\$ 25,716,839	\$ 22,162,282
Non-current assets	8,535,625	7,827,190
Current liabilities	(18,258,351)	(16,005,988)
Non-current liabilities	(468,051)	(178,389)
Total net assets	\$ 15,526,062	\$ 13,805,095

Statements of comprehensive income

	Chicony Power Technology Co., Ltd.	
	Years ended December 31,	
	2024	2023
Revenue	\$ 37,176,448	\$ 36,310,819
Profit before income tax	4,148,485	4,167,976
Income tax expense	(807,436)	(873,299)
Profit for the year	3,341,049	3,294,677
Other comprehensive income (loss), net of tax	496,654	(118,293)
Total comprehensive income for the year	\$ 3,837,703	\$ 3,176,384
Comprehensive income attributable to non-controlling interest	\$ 1,834,422	\$ 1,521,488
Dividends paid to non-controlling interest	\$ 1,157,158	\$ 1,127,671

Statements of cash flows

	Chicony Power Technology Co., Ltd.	
	Years ended December 31,	
	2024	2023
Net cash provided by operating activities	\$ 2,335,282	\$ 6,962,947
Net cash used in investing activities	(1,799,297)	(1,646,976)
Net cash used in financing activities	(814,716)	(2,301,721)
Effect of exchange rates	101,733	(93,644)
(Decrease) increase in cash and cash equivalents	(176,998)	2,920,606
Cash and cash equivalents, beginning of year	4,188,460	1,267,854
Cash and cash equivalents, end of year	\$ 4,011,462	\$ 4,188,460

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are measured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - (i) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - (ii) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - (iii) All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group still retains partial interest in the former foreign associate or joint arrangements after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets and liabilities at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Leasing arrangements (lessor) - lease receivables / operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(15) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives are 14~55 years for buildings and structures, 1~13 years for machinery and testing equipment, 1~9 years for molding equipment and 1~20 years for other equipment.

(17) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - (a) The amount of the initial measurement of lease liability; and
 - (b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the fair value model. A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss.

(19) Intangible assets

A. Trademarks and licenses

Separately acquired trademarks and licenses are stated at historical cost. Trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licenses have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 1~15 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1~12 years.

C. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

D. Other intangible assets are mainly technical skill and amortised on a straight-line basis over its estimated useful life of 1~9 years.

(20) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(23) Financial liabilities at fair value through profit or loss

- A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(24) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(25) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(26) Non-hedging and embedded derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. And ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. Restricted stocks:
- (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.
 - (b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
 - (c) For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the Group and the Group must refund their payments on the stocks, the Group recognises the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognises the payments from the employees who are expected to be eventually vested with the stocks in 'capital surplus – others'.

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures, employees' training costs and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(30) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(31) Dividends

Under the Company's Articles of Incorporation, cash dividends are recorded as liabilities in the Company's financial statements in the period in which they are resolved by the Company's Board of Directors. Stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(32) Revenue recognition

A. Sales of goods

- (a) Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion 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, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) According to the contracts with customers, as the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognises the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

C. Smart building system service

- (a) The Group provides services related to planning, design, construction and maintenance of smart building systems. Revenue is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual cost spent relative to the total expected cost. The

customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

- (b) Some contracts include sales and installation services of equipment. Some equipment and the installation services provided by the Group are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customisation and modification. The Group recognises revenue on the basis of costs incurred relative to the total expected costs of that performance obligation.
- (c) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(33) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are presented by deducting the grants from the asset's carrying amount and are amortised to profit or loss over the estimated useful lives of the related assets as reduced depreciation expense.

(34) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical accounting judgements - Evaluation of investment property

The Group follows the guidance of IAS 40 “Investment property” to determine the assets to be measured at fair value. Unless in extreme circumstances that there is a definite evidence that the fair value of investment property cannot be reliably measured on an ongoing basis, the investment property of the Group is measured at fair value after the initial recognition.

(2) Critical accounting estimates and assumptions

A. Revenue recognition of smart building system service

The Group’s revenue recognition of smart building system service is calculated by the proportion of costs incurred relative to the estimated total costs. The Group regularly reviews the reasonableness of the estimated total costs. However, fluctuations in raw material prices and construction progress may lead to changes in the estimated total costs, which could affect the amount of revenue recognised by the Company.

B. Evaluation of investment property

The Group’s investment properties are measured at fair value. The fair value is evaluated using the income approach by an external appraiser. It involves critical assumptions including occupancy rate, rent growth rate, discount rate, etc.. Those assumptions may be affected by the economic conditions, market needs, etc. that may change.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 7,868	\$ 8,279
Checking accounts and demand deposits	20,614,690	13,441,888
Time deposits	<u>5,562,747</u>	<u>5,703,989</u>
	<u>\$ 26,185,305</u>	<u>\$ 19,154,156</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of cash and cash equivalents pledged as collateral are provided in Note 8.

(2) Financial assets and liabilities at fair value through profit or loss

Items	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 2,785,848	\$ 2,885,567
Unlisted stocks	94,085	34,611
Beneficiary certificates	-	73,244
Corporate bonds	22,140	-
Non-hedging derivatives		
Forward exchange contracts	32,645	58,611
Exchange rate swaps	248	40,324
	2,934,966	3,092,357
Valuation adjustment	(514,387)	(952,111)
	<u>\$ 2,420,579</u>	<u>\$ 2,140,246</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Non-hedging derivatives		
Forward exchange contracts	\$ 154,854	\$ 700,583
Exchange rate swaps	27,989	4,741
	<u>\$ 182,843</u>	<u>\$ 705,324</u>
Items	December 31, 2024	December 31, 2023
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	\$ 1,302,648	\$ 1,180,332
Beneficiary certificates	2,069,580	1,494,433
	3,372,228	2,674,765
Valuation adjustment	(67,251)	248,435
	<u>\$ 3,304,977</u>	<u>\$ 2,923,200</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	December 31, 2024	December 31, 2023
Equity instruments	(\$ 472,605)	\$ 805,437
Debt instruments	(248)	630
Beneficiary certificates	(87,708)	(25,788)
Derivatives	611,367	(311,739)
	<u>\$ 50,806</u>	<u>\$ 468,540</u>

- B. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

Derivative instruments	December 31, 2024		
	Contract amount (Notional Principal) (In thousands)		Due Date
Forward foreign exchange contracts			
-SELL NTD/BUY USD	USD	169,500	2025.01.06~2025.05.06
-SELL USD/BUY RMB	USD	139,500	2025.01.02~2025.03.31
-SELL THB/BUY USD	USD	2,000	2025.03.31
Exchange rate swaps			
-SELL RMB/BUY USD	USD	29,000	2025.01.15~2025.03.20
-SELL USD/BUY NTD	USD	6,000	2025.02.19
-SELL USD/BUY NTD	USD	2,000	2025.01.02

Derivative instruments	December 31, 2023		
	Contract amount (Notional Principal) (In thousands)		Due Date
Forward foreign exchange contracts			
-SELL NTD/BUY USD	USD	640,000	2024.01.02~2024.02.15
-SELL USD/BUY RMB	USD	582,500	2024.01.03~2024.07.11
-SELL THB/BUY USD	USD	146,500	2024.01.02~2024.03.29
-SELL RMB/BUY USD	USD	215,835	2024.01.04~2024.01.05
-SELL USD/BUY NTD	USD	15,235	2024.01.02~2024.01.04
Exchange rate swaps			
-SELL USD/BUY NTD	USD	37,000	2024.01.23~2024.03.20
-SELL NTD/BUY USD	USD	6,000	2024.03.15

Forward foreign exchange contracts / Foreign exchange swap contracts

The Group entered into forward foreign exchange contracts and foreign exchange swap contracts to buy (sell) foreign exchange swap and interest rate swap to hedge exchange rate risk of import and export proceeds. However, these forward foreign exchange contracts and foreign exchange swap contracts are not accounted for under hedge accounting.

- C. The Group has no financial assets and liabilities at fair value through profit or loss pledged to others.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2024	December 31, 2023
Current items:		
Listed stocks	\$ 3,742,378	\$ 3,952,257
Unlisted stocks	287,625	102,483
	<u>4,030,003</u>	<u>4,054,740</u>
Valuation adjustment	(331,808)	(1,044,586)
	<u>\$ 3,698,195</u>	<u>\$ 3,010,154</u>
Non-current items:		
Listed stocks	\$ 1,661,618	\$ 1,683,644
Unlisted stocks	(1,416,291)	(1,415,011)
	<u>\$ 245,327</u>	<u>\$ 268,633</u>

- A. The Group has elected to classify equity investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income - current and financial assets at fair value through other comprehensive income - non-current. The fair value of such investments as of December 31, 2024 and 2023 was equivalent to their carrying amount.
- B. The Group sold \$53,185 and \$308,811 equity investments at fair value which resulted in cumulative losses on disposal of \$10,464 and \$28,871 and were transferred as a deduction item to unappropriated retained earnings during the years ended December 31, 2024 and 2023, respectively.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 701,034</u>	<u>\$ 686,619</u>
Cumulative losses reclassified to retained earnings due to derecognition	<u>(\$ 10,464)</u>	<u>(\$ 28,871)</u>
Dividend income recognised in profit or loss held at end of year	<u>\$ 110,275</u>	<u>\$ 98,152</u>
	<u>\$ 520</u>	<u>\$ 25</u>

- D. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Non-current items:		
Corporate bonds	\$ 527,276	\$ 493,749

A. Interest income from financial assets measured at amortised cost for the years ended December 31, 2024 and 2023 amounted to \$10,332 and \$10,027, respectively.

B. The Group has no financial assets at amortised cost pledged to others.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(5) Accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 117,767	\$ 108,350
Accounts receivable	\$ 24,698,991	\$ 21,629,955
Less: Allowance for uncollectible accounts	(125,142)	(198,072)
	\$ 24,573,849	\$ 21,431,883

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 24,244,098	\$ 117,767	\$ 21,184,979	\$ 108,350
1 to 30 days	326,497	-	207,726	-
31 to 120 days	43,340	-	85,952	-
121 to 215 days	3,650	-	4,020	-
Over 365 days	81,406	-	147,278	-
	\$ 24,698,991	\$ 117,767	\$ 21,629,955	\$ 108,350

The above ageing analysis was based on past due date.

B. As of December 31, 2024 and 2023, the balances of accounts and notes receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to \$25,008,048.

C. Details of the Group's notes receivable pledged to others as collateral are provided in Note 8. The Group has no accounts receivable pledged to others as collateral.

D. As of December 31, 2024 and 2023, the Group had discounted notes receivable to banks amounting to \$42,041 and \$63,742, respectively. The Group has payment obligation when the drawers of the notes refuse to pay for the notes at maturity. However, in general, the Group does not expect that the drawers of the notes would refuse to pay for the notes at maturity. The liabilities arising on discounted notes receivable were presented as short-term borrowings.

E. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents notes and accounts receivable held by the Group was equal to carrying amount.

F. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 6,950,777	(\$ 1,009,159)	\$ 5,941,618
Work in progress	2,724,936	(281,289)	2,443,647
Finished goods	8,893,565	(717,038)	8,176,527
	<u>\$ 18,569,278</u>	<u>(\$ 2,007,486)</u>	<u>\$ 16,561,792</u>

December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 7,154,021	(\$ 1,156,684)	\$ 5,997,337
Work in progress	2,833,585	(329,420)	2,504,165
Finished goods	8,109,418	(822,556)	7,286,862
	<u>\$ 18,097,024</u>	<u>(\$ 2,308,660)</u>	<u>\$ 15,788,364</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2024	2023
Cost of goods sold	\$ 80,889,814	\$ 79,011,426
(Gain from price recovery) loss on decline in market value	(323,281)	9,776
Others	442,150	273,031
	<u>\$ 81,008,683</u>	<u>\$ 79,294,233</u>

In the year 2024, the Group's inventory, which had previously been written down due to impairment losses, was liquidated. As a result, the net realizable value of the inventory increased, leading to a reduction in the cost of goods sold.

The other losses (gains) represent the loss (gain) on physical count and income from sale of scraps and wastes.

(7) Non-current assets held for sale

On November 7, 2023, the Board of Directors of the second-tier subsidiary, CEM3, resolved to sell the land use rights, plants and its equipments of Jiulong Road, Wujiang Economic and Technological Development Zone in Suzhou City, in order to comply with the government's policy of relocation, and the related assets were reclassified as disposal group held for sale. The price of the land and real estate repurchase agreement signed with the Management Committee of Wujiang Economic and Technological Development Zone amounted to RMB288,270 thousand. The disposal procedure was completed in September 2024, and the Group recognised gain on disposal of non-current assets held for sale amounting to \$762,267, which was shown as other gains and losses. All the proceeds had been collected.

A. Assets of disposal group held for sale:

	<u>December 31, 2023</u>
Buildings	\$ 274,463
Land use right	87,795
Other current asset	1,232
Other equipment	1,070
	<u>\$ 364,560</u>

(8) Investments accounted for using equity method

A. Investments accounted for using the equity method were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Associate:		
Sky-Fine Investment Limited (Sky-Fine)	\$ -	\$ 4,269
Swift Success Holdings Limited		
(Swift Success)	241,917	230,197
	<u>\$ 241,917</u>	<u>\$ 234,466</u>

On December 31, 2024, the net assets value of Sky-Fine became negative, therefore, the Group had no intention to continually invest in Sky-Fine. Accordingly, the investment amount was \$0 as of December 31, 2024.

B. The share of profit (loss) of associates accounted for using equity method for the years ended December 31, 2024 and 2023 are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Associate:		
Sky-Fine	(\$ 5,020)	(\$ 7,486)
Swift Success	(273)	17,212
	<u>(\$ 5,293)</u>	<u>\$ 9,726</u>

C. Associates

As of December 31, 2024 and 2023, the carrying amount of the Group's individually immaterial associates amounted to \$241,917 and \$234,466, respectively. The Group's share of the operating results are summarised below:

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
(Loss) profit for the year from continuing operations	(\$ 5,293)	\$ 9,726
Other comprehensive income (loss), net of tax	12,744	(3,933)
Total comprehensive income	<u>\$ 7,451</u>	<u>\$ 5,793</u>

(9) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Tooling equipment</u>	<u>Testing equipment</u>	<u>Construction in progress</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2024</u>								
Cost	\$ 863,102	\$ 9,902,035	\$ 8,487,555	\$ 5,566,497	\$ 4,559,892	\$ 3,044,046	\$ 4,351,851	\$ 36,774,978
Accumulated depreciation and impairment	-	(3,455,121)	(5,662,445)	(4,888,411)	(3,354,745)	-	(3,402,006)	(20,762,728)
	<u>\$ 863,102</u>	<u>\$ 6,446,914</u>	<u>\$ 2,825,110</u>	<u>\$ 678,086</u>	<u>\$ 1,205,147</u>	<u>\$ 3,044,046</u>	<u>\$ 949,845</u>	<u>\$ 16,012,250</u>
<u>2024</u>								
Opening net book amount	\$ 863,102	\$ 6,446,914	\$ 2,825,110	\$ 678,086	\$ 1,205,147	\$ 3,044,046	\$ 949,845	\$ 16,012,250
Additions	-	24,127	124,926	40,921	118,880	1,067,724	193,382	1,569,960
Disposals	-	(56)	(27,485)	(44,254)	(22,428)	-	(17,190)	(111,413)
Reclassifications	-	1,861,385	375,614	120,294	609,774	(1,964,112)	308,844	1,311,799
Depreciation	-	(402,290)	(724,846)	(406,512)	(642,992)	-	(414,385)	(2,591,025)
Impairment loss	-	(180)	(46,665)	(14,251)	(2,002)	-	(514)	(63,612)
Net exchange differences	<u>17,528</u>	<u>257,131</u>	<u>129,468</u>	<u>23,363</u>	<u>55,126</u>	<u>153,729</u>	<u>52,752</u>	<u>689,097</u>
Closing net book amount	<u>\$ 880,630</u>	<u>\$ 8,187,031</u>	<u>\$ 2,656,122</u>	<u>\$ 397,647</u>	<u>\$ 1,321,505</u>	<u>\$ 2,301,387</u>	<u>\$ 1,072,734</u>	<u>\$ 16,817,056</u>
<u>At December 31, 2024</u>								
Cost	\$ 880,630	\$ 12,157,264	\$ 9,013,775	\$ 5,026,686	\$ 5,178,622	\$ 2,301,387	\$ 4,702,676	\$ 39,261,040
Accumulated depreciation and impairment	-	(3,970,233)	(6,357,653)	(4,629,039)	(3,857,117)	-	(3,629,942)	(22,443,984)
	<u>\$ 880,630</u>	<u>\$ 8,187,031</u>	<u>\$ 2,656,122</u>	<u>\$ 397,647</u>	<u>\$ 1,321,505</u>	<u>\$ 2,301,387</u>	<u>\$ 1,072,734</u>	<u>\$ 16,817,056</u>

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Tooling equipment</u>	<u>Testing equipment</u>	<u>Construction in progress</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2023</u>								
Cost	\$ 862,212	\$ 10,346,335	\$ 8,714,632	\$ 5,794,290	\$ 4,364,723	\$ 826,535	\$ 4,659,118	\$ 35,567,845
Accumulated depreciation and impairment	<u>-</u>	<u>(3,266,775)</u>	<u>(5,331,558)</u>	<u>(4,835,961)</u>	<u>(2,869,145)</u>	<u>-</u>	<u>(3,540,425)</u>	<u>(19,843,864)</u>
	<u>\$ 862,212</u>	<u>\$ 7,079,560</u>	<u>\$ 3,383,074</u>	<u>\$ 958,329</u>	<u>\$ 1,495,578</u>	<u>\$ 826,535</u>	<u>\$ 1,118,693</u>	<u>\$ 15,723,981</u>
<u>2023</u>								
Opening net book amount	\$ 862,212	\$ 7,079,560	\$ 3,383,074	\$ 958,329	\$ 1,495,578	\$ 826,535	\$ 1,118,693	\$ 15,723,981
Additions	-	89,416	103,386	44,525	151,361	2,422,827	108,392	2,919,907
Disposals	(1,102)	(3,037)	(29,822)	(86,676)	(37,131)	-	(38,809)	(196,577)
Reclassifications	-	(265,076)	171,440	347,623	253,206	(215,495)	192,145	483,843
Depreciation	-	(407,280)	(765,828)	(567,834)	(641,495)	-	(425,737)	(2,808,174)
Net exchange differences	<u>1,992</u>	<u>(46,669)</u>	<u>(37,140)</u>	<u>(17,881)</u>	<u>(16,372)</u>	<u>10,179</u>	<u>(4,839)</u>	<u>(110,730)</u>
Closing net book amount	<u>\$ 863,102</u>	<u>\$ 6,446,914</u>	<u>\$ 2,825,110</u>	<u>\$ 678,086</u>	<u>\$ 1,205,147</u>	<u>\$ 3,044,046</u>	<u>\$ 949,845</u>	<u>\$ 16,012,250</u>
<u>At December 31, 2023</u>								
Cost	\$ 863,102	\$ 9,902,035	\$ 8,487,555	\$ 5,566,497	\$ 4,559,892	\$ 3,044,046	\$ 4,351,851	\$ 36,774,978
Accumulated depreciation and impairment	<u>-</u>	<u>(3,455,121)</u>	<u>(5,662,445)</u>	<u>(4,888,411)</u>	<u>(3,354,745)</u>	<u>-</u>	<u>(3,402,006)</u>	<u>(20,762,728)</u>
	<u>\$ 863,102</u>	<u>\$ 6,446,914</u>	<u>\$ 2,825,110</u>	<u>\$ 678,086</u>	<u>\$ 1,205,147</u>	<u>\$ 3,044,046</u>	<u>\$ 949,845</u>	<u>\$ 16,012,250</u>

- A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows: None.
- B. None of the Group's property, plant and equipment are pledged as collateral.
- C. The reclassification of property, plant and equipment is transferred from other non-current assets and transferred to non-current assets held for sale.
- D. For the year ended December 31, 2024, some of the Group's equipment was idle due to updates in its production process, and the Group provided impairment loss amounting to \$63,612.

(10) Leasing arrangements - lessee

- A. The Group leases various assets including land use right, buildings, machinery and equipment, business vehicles, multifunction printers. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.
- B. Short-term leases with a lease term of 12 months or less comprise multifunction printers, low-value assets comprise warehouses, offices and business vehicles. Those were not included in right-of-use assets.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2024	December 31, 2023
	Book value	Book value
Buildings and structures	\$ 209,164	\$ 208,213
Land use right	292,167	289,631
	<u>\$ 501,331</u>	<u>\$ 497,844</u>
	Years ended December 31,	
	2024	2023
	Depreciation expense	Depreciation expense
Buildings and structures	\$ 132,107	\$ 140,754
Land use right	7,465	10,548
	<u>\$ 139,572</u>	<u>\$ 151,302</u>

- D. As of December 31, 2024, the Group signed a land use right contract with the Bureau of Land Resources for use of the land in the municipality of Chongqing, WuJiang City of Jiangsu Province and Dongguan City of Guangdong Province with a term of 50 years. All rentals had been paid on the contract date, shown as 'Long-term prepaid rents - Land use right'. The grants received from the local government, as a reward for the local investment, were deducted from the cost of land use right.
- E. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets (including changes in foreign exchange rate) were \$124,504 and \$66,509, respectively.

F. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 10,050	\$ 12,589
Expense on short-term lease contracts	158,200	141,015
Expense on leases of low-value assets	2,345	2,163

G. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were \$312,527 and \$297,814, respectively.

H. The Group has no right-of-use assets pledged to others.

I. On November 7, 2023, certain right-of-use assets of the second-tier subsidiary, CEM3, were reclassified as non-current assets held for sale. Refer to Note 6(7) for details.

(11) Investment property

	Years ended December 31,	
	2024	2023
At January 1	\$ 3,612,744	\$ 3,607,596
Gain on fair value adjustment	12,053	5,148
At December 31	<u>\$ 3,624,797</u>	<u>\$ 3,612,744</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Years ended December 31,	
	2024	2023
Rental income from investment property	<u>\$ 107,939</u>	<u>\$ 115,441</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 31,599</u>	<u>\$ 31,525</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ 2,694</u>	<u>\$ 1,543</u>

B. Basis of investment property at fair value:

The Group's investment properties are land and buildings of office building. Office buildings are located in Sanchong District and Wugu District in New Taipei City. They mainly earn from rental revenue with rental periods ranging from 1 to 10 years. The assumptions used for the years ended December 31, 2024 and 2023 are as follows:

(a) Details of the Group's investment property are as follows:

	December 31, 2024	
The subject	CEC Headquarter	Wugu Building
Location	Sanchong District, New Taipei City	Wugu District, New Taipei City
Valuation method	Income approach	Income approach
Valuation firm	Colliers	Colliers
Valuer	Chien Hui, Ku	Feng Ju, Ke
Evaluation basis date	December 31, 2024	December 31, 2024

	December 31, 2023	
The subject	CEC Headquarter	Wugu Building
Location	Sanchong District, New Taipei City	Wugu District, New Taipei City
Valuation method	Income approach	Income approach
Valuation firm	Colliers	Colliers
Valuer	Chien Hui, Ku	Feng Ju, Ke
Evaluation basis date	December 31, 2023	December 31, 2023

(b) The fair value of the Company's properties (including buildings and car parks) was evaluated using the discounted cash flow analysis of income approach.

The estimation process of the valuation method involves differentiating between rented and not yet rented. The former is calculated by contract rent and the latter is calculated by market price. It also considers comparative rent information of similar properties to determine annual growth range of rent; including idle loss, decoration offset loss, and the closing balance of disposal value of that property to calculate future cash inflow, then discounted by an appropriated discount rate accumulated until the valuation date. Future cash outflow which consists of expenses directly related to operations, i.e. land tax, house tax, insurance fee, management fee, maintenance fee, replacement allocation, amortization of agent fee, etc., is estimated based on the actual expenses incurred in the current year, considering the Company's current operating results and changes which may occur in the future.

(c) The rent, occupancy rate and income of past year of the Group's properties (including buildings and car parks) and comparative rent information of similar properties are as follows:

	Estimated rent (\$/3.3m ² /month)	Similar comparative subject in local or market	Occupancy rate	Income of past year
<u>Year ended December 31, 2024</u>				
CEC Headquarter	\$970~\$1,037	Equivalent to estimated rent	91.90%	\$ 83,158
Wugu Building	\$600~\$700	Equivalent to estimated rent	100.00%	24,781
<u>Year ended December 31, 2023</u>				
CEC Headquarter	\$944~\$1,010	Equivalent to estimated rent	95.13%	\$ 90,665
Wugu Building	\$600~\$700	Equivalent to estimated rent	100.00%	24,776

(d) Rent growth rate is evaluated by considering the lease contract and actual market situation. Discount rate is evaluated by risk premium approach which takes the return rate on investment of the most general goods as standard, adopted the floating interest rate on a 2-year time deposits of a small amount, as posted by the Chunghwa Post Co., Ltd. plus 0.75 percentage points(the current rate is 2.450%.); and explore the liquidity, risk level, value-added level and the ease of management of the subject. The rent growth rates and discount rates are as follows:

	<u>December 31, 2024</u>	
	<u>CEC Headquarter</u>	<u>Wugu Building</u>
Rent growth rate	1.20%	0.00%
Discount rate	3.700%	3.870%
	<u>December 31, 2023</u>	
	<u>CEC Headquarter</u>	<u>Wugu Building</u>
Rent growth rate	1.00%	0.00%
Discount rate	3.595%	3.745%

C. The fair value information about the investment property is provided in Note 12(3).

D. Information about the investment property that was pledged to others as collateral is provided in Note 8.

E. The maturity analysis of the lease payments receivables under the operating leases is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
2024	\$ -	\$ 91,423
2025	106,598	85,436
2026	98,487	75,399
2027	69,536	52,300
2028	5,832	2,451
After 2029	5,759	2,394
	<u>\$ 286,212</u>	<u>\$ 309,403</u>

(12) Intangible assets

	<u>Trademarks and patents</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2024</u>					
Cost	\$ 139,785	\$ 600,449	\$ 9,655	\$ 37,408	\$ 787,297
Accumulated amortisation and impairment	(121,174)	(501,529)	-	(36,809)	(659,512)
	<u>\$ 18,611</u>	<u>\$ 98,920</u>	<u>\$ 9,655</u>	<u>\$ 599</u>	<u>\$ 127,785</u>
<u>2024</u>					
Opening net book amount	\$ 18,611	\$ 98,920	\$ 9,655	\$ 599	\$ 127,785
Additions	18,654	38,610	-	1,000	58,264
Reclassifications	-	80,606	-	1,113	81,719
Amortisation	(16,115)	(68,794)	-	(685)	(85,594)
Net exchange differences	-	4,206	656	19	4,881
Closing net book amount	<u>\$ 21,150</u>	<u>\$ 153,548</u>	<u>\$ 10,311</u>	<u>\$ 2,046</u>	<u>\$ 187,055</u>
<u>At December 31, 2024</u>					
Cost	\$ 158,439	\$ 723,221	\$ 10,311	\$ 41,786	\$ 933,757
Accumulated amortisation and impairment	(137,289)	(569,673)	-	(39,740)	(746,702)
	<u>\$ 21,150</u>	<u>\$ 153,548</u>	<u>\$ 10,311</u>	<u>\$ 2,046</u>	<u>\$ 187,055</u>

	Trademarks and patents	Software	Goodwill	Others	Total
<u>At January 1, 2023</u>					
Cost	\$ 122,269	\$ 517,591	\$ 9,663	\$ 37,530	\$ 687,053
Accumulated amortisation and impairment	(107,079)	(450,378)	-	(36,325)	(593,782)
	<u>\$ 15,190</u>	<u>\$ 67,213</u>	<u>\$ 9,663</u>	<u>\$ 1,205</u>	<u>\$ 93,271</u>
<u>2023</u>					
Opening net book amount	\$ 15,190	\$ 67,213	\$ 9,663	\$ 1,205	\$ 93,271
Additions	17,516	46,263	-	-	63,779
Reclassifications	-	45,669	-	-	45,669
Amortisation	(14,095)	(59,232)	-	(591)	(73,918)
Net exchange differences	-	(993)	(8)	(15)	(1,016)
Closing net book amount	<u>\$ 18,611</u>	<u>\$ 98,920</u>	<u>\$ 9,655</u>	<u>\$ 599</u>	<u>\$ 127,785</u>
<u>At December 31, 2023</u>					
Cost	\$ 139,785	\$ 600,449	\$ 9,655	\$ 37,408	\$ 787,297
Accumulated amortisation and impairment	(121,174)	(501,529)	-	(36,809)	(659,512)
	<u>\$ 18,611</u>	<u>\$ 98,920</u>	<u>\$ 9,655</u>	<u>\$ 599</u>	<u>\$ 127,785</u>

A. Goodwill is allocated to the Group's cash-generating units identified according to operating segment as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
America	<u>\$ 10,311</u>	<u>\$ 9,655</u>

B. The reclassification of intangible assets is transferred from other non-current assets.

(13) Other non-current assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Guarantee deposits paid	\$ 230,096	\$ 186,419
Prepayments for business facilities	475,900	433,136
Others	149,137	133,994
	<u>\$ 855,133</u>	<u>\$ 753,549</u>

Information on other non-current assets that were pledged to others as collateral is provided in Note 8.

(14) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank unsecured borrowings	\$ 6,209,204	1.74%~3.45%	None
Secured borrowings	42,041	0.85%~1.05%	Notes receivable
	<u>\$ 6,251,245</u>		

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank unsecured borrowings	\$ 1,332,000	1.68%~1.75%	None
Secured borrowings	63,742	1.25%~2.6%	Notes receivable
	<u>\$ 1,395,742</u>		

- A. As of December 31, 2024, the Group had issued promissory notes as guarantee for the short-term-loans. See Note 9(1).
- B. Information about the collateral that the Company provided for the short-term borrowings is provided in Note 8.
- C. The Group has signed an agreement to offset financial assets and liabilities with financial institutions. The agreement meets the offsetting criteria of IAS 32, the financial assets and liabilities are offset and reported in the net amount in the balance sheet. Details of the offset as of December 31, 2024 and 2023 are as follows:

December 31, 2024			
Description	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities set off in the balance sheet	Net amount presented in the balance sheet
Bank deposit/ Bank borrowings	TWD3,579,783 (In thousands)	TWD3,579,783 (In thousands)	\$ -

December 31, 2023			
Description	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities set off in the balance sheet	Net amount presented in the balance sheet
Bank deposit/ Bank borrowings	TWD8,407,356 (In thousands)	TWD8,407,356 (In thousands)	\$ -

(15) Other payables

	December 31, 2024	December 31, 2023
Salary payable and annual bonus	\$ 3,745,350	\$ 3,105,688
Marketing allowance payable	3,452,078	3,934,820
Employees' dividends and directors' and supervisors' remuneration payable	2,010,304	1,745,695
Miscellaneous purchase payable	843,285	921,191
Processing expense payable	772,876	845,383
Construction and equipment expense payable	280,589	219,704
Others	3,699,876	3,328,386
	<u>\$ 14,804,358</u>	<u>\$ 14,100,867</u>

(16) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
	<u>Borrowing period is</u>			
Secured borrowings	from March 18, 2024 to March 18, 2029	4.20%~4.45%	None	\$ 164,824
Less: Current portion				(30,905)
				<u>\$ 133,919</u>

The Group's sub-subsidiary, CPTH, entered into a credit contract with Mega International Commercial Bank. The grace period is one year from the date of first drawdown, and only interest is repayable. After the grace period expires, the principal is paid quarterly in installments. The Group's main commitments during the contract period are as follows:

- A. CPTH shall provide a negative pledge, and CPTH's machinery and equipment and factories cannot be leased, pledged or transferred the superficies to any third party without the consent of the bank.
- B. The Company shall issue a letter of support, committing to directly or indirectly hold no less than 51% of CPTH's equity interest during the borrowing period and ensuring that CPTH's actions comply with its obligations and responsibilities under the credit contract.
- C. CPTH shall maintain a deposit balance at no less than three months of interest payable in the loan account. If this condition is not met, the loan interest rate would be increased by 0.25%.

As of December 31, 2024, the Group complied with the above three main commitments. The Group had no such transactions as of December 31, 2023.

(17) Pensions

A. Defined benefit plans: Employee contributions

- (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution to cover the deficit by next March.
- (b) The amounts recognised in the balance sheet are determined as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	(\$ 357,592)	(\$ 384,980)
Fair value of plan assets	<u>229,026</u>	<u>213,369</u>
Net defined benefit liability	<u>(\$ 128,566)</u>	<u>(\$ 171,611)</u>

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2024</u>			
Balance at January 1	(\$ 384,980)	\$ 213,369	(\$ 171,611)
Past service cost	(1,160)	-	(1,160)
Current service cost			
Interest (expense) income	(4,487)	2,614	(1,873)
	(390,627)	215,983	(174,644)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	19,399	19,399
Change in financial assumptions	6,170	-	6,170
Experience adjustments	3,987	-	3,987
	10,157	19,399	29,556
Pension fund contribution	-	16,522	16,522
Paid pension	22,878	(22,878)	-
Balance at December 31	(\$ 357,592)	\$ 229,026	(\$ 128,566)
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2023</u>			
Balance at January 1	(\$ 378,595)	\$ 212,120	(\$ 166,475)
Past service cost	(9,646)	-	(9,646)
Current service cost	(1,135)	-	(1,135)
Interest (expense) income	(4,851)	2,839	(2,012)
	(394,227)	214,959	(179,268)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,614	1,614
Change in financial assumptions	(3,368)	-	(3,368)
Experience adjustments	(533)	-	(533)
	(3,901)	1,614	(2,287)
Pension fund contribution	-	9,225	9,225
Paid pension	13,148	(12,429)	719
Balance at December 31	(\$ 384,980)	\$ 213,369	(\$ 171,611)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets As of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2024	2023
Discount rate	1.50%~1.60%	1.125%~1.25%
Future salary increases	2.75%~3.0%	2.75%~3.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 6,176)	\$ 6,361	\$ 6,144	(\$ 5,997)
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 6,931)	\$ 7,149	\$ 6,890	(\$ 6,718)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis during 2024 and 2023 are the same.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to \$4,391.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 6.6~8 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	22,492
1-2 years		43,451
2-5 years		102,460
Over 5 years		89,544
	\$	<u>257,947</u>

B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The overseas subsidiaries of the Company have defined contribution plans.

(c) The Company’s mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(d) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023 were \$1,335,102 and \$1,150,274, respectively.

(18) Share-based payment

A. For the years ended December 31, 2024 and 2023, XAVi’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	August 31, 2021	910 thousand shares	4 years	Vested immediately

Note: Stock option holders may exercise 50% of the initially granted stock options upon the second anniversary of the date on which such options are granted and the cumulative ratio of exercisable stock options upon the third anniversary of the grant date is 100%.

B. Details of XAVi's 1st employee stock options are as follows:

	2024		2023	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	441	\$ 13.40	802	\$ 15.00
Options exercised	(278)	13.40	(234)	13.40
Options expired	(45)	-	(127)	-
Options outstanding at December 31	<u>118</u>	13.40	<u>441</u>	13.40
Options exercisable at December 31	<u>118</u>	13.40	<u>103</u>	13.40

C. Exercise prices of stock options and weighted-average remaining contractual period

For the years ended December 31, 2024 and 2023, XAVi's exercise prices of stock options outstanding were \$13.4 (in dollars), and the weighted-average remaining contractual period were 0.25 years and 1.25 years, respectively.

D. XAVi's fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
1st employee stock options	August 31, 2021	\$ 15.95	\$ 15.00	34.49% (Note)	3.25 years	-	0.27%	\$ 4.3229

Note: Expected price volatility rate is estimated based on the average annualised standard deviation by using the daily rates of returns from the grant date back to 6 months ago as the hypothesised value.

E. Expenses incurred on share-based payment transactions are shown below:

	Years ended December 31,	
	2024	2023
Equity-settled	<u>\$ 446</u>	<u>\$ 1,284</u>

(19) Share capital

A. As of December 31, 2024, the Company's authorised capital was \$8,000,000, and the paid-in capital was \$7,600,532, with a par value of \$10 (in dollars) per share, and the outstanding common stock was 800 million shares.

Movements in the number of the Company's ordinary shares outstanding are as follows (shares in thousands):

	2024	2023
At January 1	724,460	714,484
Employee share compensation	-	8,206
Treasury share transactions	3,230	1,770
At December 31	727,690	724,460

B. On March 8, 2023, the Company's Board of Directors approved the employees' stock bonus amounting to \$778,000 at the previous closing price of \$94.8 (in dollars) before the day of the Board of Directors' meeting, issuing 8,206 thousand shares. The Company has obtained a letter of approval from the appropriate authorities. The issue date was set on March 31, 2023, and the Company had completed the related registration on April 12, 2023.

C. Treasury stock

(a) Reason for stocks reacquisition and movements in the number of the Company's treasury stocks are as follows:

		December 31, 2024		
Name of company holding the shares	Reason for reacquisition	Number of shares (in thousands)	Carrying amount	Fair value (in dollars) (per share)
UNIKEY	For investment	19,574	\$ 190,245	\$ 152.00
HEC	For investment	12,789	83,329	152.00
		32,363	\$ 273,574	

		December 31, 2023		
Name of company holding the shares	Reason for reacquisition	Number of shares (in thousands)	Carrying amount	Fair value (in dollars) (per share)
UNIKEY	For investment	21,004	\$ 204,143	\$ 175.00
HEC	For investment	14,589	95,057	175.00
		35,593	\$ 299,200	

(a) For the quarter ended March 31, 2024, UNIKEY and HEC disposed the shares of the Company amounting to 1,430 thousand shares and 1,800 thousand shares, respectively, and the proceeds from disposal of shares amounted to \$582,130, exceeding the carrying amounting of \$25,626, and the difference of \$556,504, was classified as a capital surplus-treasury share transaction.

(b) For the year ended December 31, 2023, UNIKEY and HEC disposed the shares of the Company amounting to 170 thousand shares and 1,600 thousand shares, respectively, and the proceeds from disposal of shares amounted to \$316,041, exceeding the carrying amounting of \$12,077, and the difference of \$303,964, was classified as a capital surplus-treasury share transaction.

(20) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the

Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

A summary of the Company's capital surplus as of December 31, 2024 and 2023 is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Share premium	\$ 5,579,953	\$ 5,579,953
Treasury share transactions	3,636,816	2,827,879
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	2,899
Changes in ownership interests in subsidiaries	1,130,059	1,015,375
Others	1,171	1,171
	<u>\$ 10,347,999</u>	<u>\$ 9,427,277</u>

(21) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, if any; and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance and as special reserve in accordance to relevant regulations when necessary; and the remainder, if any, to be appropriated shall be presented by the Board of Directors and resolved by the stockholders at the stockholders' meeting. Since June 5, 2019, the Board of Directors can distribute all or part of the distributable dividends and bonus, legal reserve and capital surplus in the form of cash as resolved by a majority vote at their meeting attended by two-thirds of the total number of directors and report to the shareholders which the aforementioned regulation of requiring resolution from the shareholders is not applicable.
- B. The Company's dividend policy is summarised below: the Company is in the development stage of the electronics industry. The dividend policy should be formulated by considering the capital requirements of the new products and promoting the return on equity simultaneously. Therefore, the total amounts of stockholders' dividends should not exceed 90% of the total distributable earnings, and then the cash dividends should not be less than 10% of the total amounts of stockholders' dividends. The above restrictions will not be applicable if the total amount of stockholders' dividends is less than \$0.5 (in dollars) per share.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

- (b) The amount of \$433,524 previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate- 1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- E. The appropriations of 2023 and 2022 earnings had been resolved at the shareholders' meeting on March 13, 2024 and March 8, 2023, respectively, and the details are summarised below:

	Years ended December 31,			
	2023		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 743,347		\$ 729,818	
Special reserve	(219,363)		(1,611,182)	
Cash dividends	5,928,415	\$ 7.80	5,700,399	\$ 7.50

The appropriations of 2023 and 2022 earnings, aside from the cash dividends which had been resolved by the Board of Directors and shall only be reported to the shareholders, had been resolved by the shareholders during their meeting on May 30, 2024 and 2023.

- F. Subsequent events: The appropriations of 2024 earnings had been proposed at the Board of Directors during its meeting on March 5, 2025, and the details are summarised below:

	Year ended December 31, 2024	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 899,137	
Reversal of special reserve	(1,983,577)	
Cash dividends	7,656,445	\$ 10.00

The appropriations of 2024 earnings, aside from the cash dividends which had been resolved by the Board of Directors and shall only be reported to the shareholders, have not yet been resolved by the shareholders as of March 5, 2025.

(22) Other equity interest

2024				
	Currency translation	Unrealised gains (losses) on valuation	Revaluation increment	Total
At January 1	(\$ 1,647,112)	(\$ 2,158,895)	\$ 1,376,522	(\$ 2,429,485)
Revaluation				
-Group	-	678,898	-	678,898
-Transfer	-	10,464	-	10,464
Currency translation differences:				
-Group	2,388,896	-	-	2,388,896
-Associates	12,744	-	-	12,744
At December 31	<u>\$ 754,528</u>	<u>(\$ 1,469,533)</u>	<u>\$ 1,376,522</u>	<u>\$ 661,517</u>
2023				
	Currency translation	Unrealised gains (losses) on valuation	Revaluation increment	Total
At January 1	(\$ 1,178,954)	(\$ 2,852,036)	\$ 1,376,522	(\$ 2,654,468)
Revaluation				
-Group	-	664,270	-	664,270
-Transfer	-	28,871	-	28,871
Currency translation differences:				
-Group	(464,225)	-	-	(464,225)
-Associates	(3,933)	-	-	(3,933)
At December 31	<u>(\$ 1,647,112)</u>	<u>(\$ 2,158,895)</u>	<u>\$ 1,376,522</u>	<u>(\$ 2,429,485)</u>

(23) Operating revenue

A. Disaggregation of revenue from contracts with customers

<u>Year ended December 31, 2024</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Europe</u>	<u>Total</u>
Revenue from contracts with customers					
Electronic component products	\$ 37,196,626	\$ 21,016,385	\$ 1,431,540	\$ 21,890	\$ 59,666,441
Consumer electronic products	36,412,307	2,102,757	523,598	270,447	39,309,109
Others	217,063	173,785	11,665	679	403,192
Revenue recognized over time from contracts with customers					
Smart building system service	2,091,700	7,817	-	-	2,099,517
	<u>\$ 75,917,696</u>	<u>\$ 23,300,744</u>	<u>\$ 1,966,803</u>	<u>\$ 293,016</u>	<u>\$ 101,478,259</u>

Year ended December 31, 2023	Taiwan	Asia	America	Europe	Total
Revenue from contracts with customers					
Electronic component products	\$ 35,227,042	\$ 18,601,285	\$ 1,110,718	\$ 1,316	\$ 54,940,361
Consumer electronic products	38,972,008	1,468,606	556,323	417,502	41,414,439
Others	275,754	90,311	78,543	2,381	446,989
Revenue recognized over time from contracts with customers					
Smart building system service	1,514,707	6,049	-	-	1,520,756
	<u>\$ 75,989,511</u>	<u>\$ 20,166,251</u>	<u>\$ 1,745,584</u>	<u>\$ 421,199</u>	<u>\$ 98,322,545</u>

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract assets	\$ 2,542,069	\$ 929,805	\$ 295,282
-construction contract			
Less: Loss allowance	(40,000)	-	-
Contract liabilities-payment	<u>\$ 2,502,069</u>	<u>\$ 929,805</u>	<u>\$ 295,282</u>
	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	(\$ 321,571)	(\$ 217,805)	(\$ 60,132)
-construction contract			
Contract liabilities			
- payment	(569,047)	(340,857)	(577,879)
	<u>(\$ 890,618)</u>	<u>(\$ 558,662)</u>	<u>(\$ 638,011)</u>

C. For the years ended December 31, 2024 and 2023, the opening balance of contract liabilities - payment was fully recognised as operating revenue.

D. Aggregate amount of the transaction price allocated to construction contracts that are partially or fully unsatisfied as at December 31, 2024 and 2023, amounted to \$3,588,547 and \$3,140,351, respectively. Management expects that the transaction price allocated to the unsatisfied contracts as of December 31, 2024 and 2023, will be satisfied in the following year or two years and be recognised as revenue.

Except for the abovementioned contracts, all other construction contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(24) Interest income

	Years ended December 31,	
	2024	2023
Interest income from bank deposits	\$ 1,054,874	\$ 620,298
Interest income from financial assets measured at amortised cost	10,332	10,027
	<u>\$ 1,065,206</u>	<u>\$ 630,325</u>

(25) Other income

	Years ended December 31,	
	2024	2023
Rental revenue	\$ 110,316	\$ 118,340
Government grants revenue	76,927	151,509
Dividend income	454,568	155,275
Others	475,979	230,135
	<u>\$ 1,117,790</u>	<u>\$ 655,259</u>

(26) Other gains and losses

	Years ended December 31,	
	2024	2023
Net gain (loss) on financial assets and liabilities at fair value through profit or loss - derivative instruments	\$ 611,367	(\$ 311,739)
Net (loss) gain on financial assets and liabilities at fair value through profit or loss - others	(560,561)	780,279
Net currency exchange gain	169,993	246,533
Gain on disposal of property, plant and equipment	40,385	34,695
Gain on fair value adjustment of investment property	12,053	5,148
Other gains and losses	(32,983)	(60,400)
	<u>\$ 938,909</u>	<u>\$ 694,516</u>

(27) Finance costs

	Years ended December 31,	
	2024	2023
Interest expense:		
Bank borrowings	\$ 123,379	\$ 113,324
Lease liability	10,050	12,589
	<u>\$ 133,429</u>	<u>\$ 125,913</u>

(28) Expenses by nature

	Year ended December 31, 2024		
	Cost of revenue	Operating expense	Total
Employee benefit expense	\$ 9,318,340	\$ 5,924,956	\$ 15,243,296
Depreciation	2,173,415	557,182	2,730,597
Amortisation on intangible assets	14,712	70,882	85,594
Other assets transferred to expense	11,714	7,752	19,466

	Year ended December 31, 2023		
	Cost of revenue	Operating expense	Total
Employee benefit expense	\$ 8,249,848	\$ 5,561,843	\$ 13,811,691
Depreciation	2,430,760	529,716	2,960,476
Amortisation on intangible assets	9,776	64,142	73,918
Other assets transferred to expense	13,048	6,313	19,361

(29) Employee benefit expense

	Year ended December 31, 2024		
	Cost of revenue	Operating expense	Total
Wages and salaries	\$ 7,412,599	\$ 5,240,752	\$ 12,653,351
Labor and health insurance fees	157,905	251,834	409,739
Pension costs	1,103,690	234,445	1,338,135
Other personnel expenses	644,146	197,925	842,071
	<u>\$ 9,318,340</u>	<u>\$ 5,924,956</u>	<u>\$ 15,243,296</u>

	Year ended December 31, 2023		
	Cost of revenue	Operating expense	Total
Wages and salaries	\$ 6,676,954	\$ 4,909,892	\$ 11,586,846
Labor and health insurance fees	128,785	234,718	363,503
Pension costs	929,714	233,353	1,163,067
Other personnel expenses	514,395	183,880	698,275
	<u>\$ 8,249,848</u>	<u>\$ 5,561,843</u>	<u>\$ 13,811,691</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 11% for employees' compensation and shall not be higher than 1% for directors' remuneration.
- B. For the years ended December 31, 2024 and 2023, employees' compensation was accrued at \$1,341,374 and \$1,123,964, respectively; directors' remuneration was accrued at \$83,336 and \$69,949, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 11.75% and 0.73% of distributable profit of current year for the year ended December 31, 2024, respectively. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$1,341,374 and \$83,336, respectively, and the employees' compensation will be distributed in the form of shares.

On March 13, 2024, employees' compensation and directors' remuneration for 2023 resolved at the meeting of Board of Directors amounted to \$1,123,964 and \$69,949, respectively. Initially, employees' compensation was distributed in the form of cash and dividends as resolved by the Board of Directors on March 13, 2024, and subsequently, employees' compensation was entirely distributed in the form of cash as resolved by the Board of Directors on April 16, 2024.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax expense

Components of income tax expense:

	Years ended December 31,	
	2024	2023
Current tax:		
Current tax on profits for the year	\$ 2,522,416	\$ 2,113,712
Tax on undistributed earnings	71,178	163,239
Prior year income tax over estimation	(78,548)	(16,781)
Total current tax	2,515,046	2,260,170
Deferred tax:		
Origination and reversal of temporary differences	76,884	13,033
Total deferred tax	76,884	13,033
Income tax expense	<u>\$ 2,591,930</u>	<u>\$ 2,273,203</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 4,044,229	\$ 3,546,668
Effect from items adjusted in accordance with tax regulation	(25,005)	(2,196)
Temporary differences not recognised as deferred tax assets/liabilities	(1,319,913)	(1,337,727)
Tax losses not recognised as deferred tax assets	5,989	-
Effect from investment tax credits	(106,000)	(80,000)
Prior year income tax overestimation	(78,548)	(16,781)
Undistributed earnings	71,178	163,239
Income tax expense	<u>\$ 2,591,930</u>	<u>\$ 2,273,203</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

2024			
	January 1	Recognised in profit or loss	December 31
Temporary differences:			
-Deferred tax assets:			
Unrealised exchange loss	\$ 7,082	(\$ 7,082)	\$ -
Unrealised financial asset evaluation loss	28,488	1,596	30,084
Provision for inventory price decline	83,966	(18,167)	65,799
Allowance for doubtful accounts in excess of tax limit	3,432	(2,579)	853
Unrealised accrued expenses	111,441	(12,256)	99,185
Temporary differences of government grants for tax and financial purposes	40,694	1,116	41,810
Others	11,650	(655)	10,995
	<u>\$ 286,753</u>	<u>(\$ 38,027)</u>	<u>\$ 248,726</u>
Temporary differences:			
-Deferred tax liabilities:			
Fair value adjustment of investment property	(\$ 160,951)	\$ 1,708	(\$ 159,243)
Unrealised exchange gain	(14,762)	(37,604)	(52,366)
Gain on long-term equity investment	(253)	-	(253)
Temporary differences of fixed assets for tax and financial purposes	(1,631)	(264)	(1,895)
Unrealised pension contribution			
Others	(81,031)	(2,334)	(83,365)
	<u>(\$ 258,628)</u>	<u>(\$ 38,857)</u>	<u>(\$ 297,485)</u>

2023			
	January 1	Recognised in profit or loss	December 31
Temporary differences:			
-Deferred tax assets:			
Unrealised exchange loss	\$ 22,698	(\$ 15,616)	\$ 7,082
Unrealised financial asset evaluation loss	14,166	14,322	28,488
Provision for inventory price decline	77,888	6,078	83,966
Allowance for doubtful accounts in excess of tax limit	-	3,432	3,432
Unrealised accrued expenses	116,940	(5,499)	111,441
Temporary differences of government grants for tax and financial purposes	44,474	(3,780)	40,694
Others	11,193	457	11,650
	<u>\$ 287,359</u>	<u>(\$ 606)</u>	<u>\$ 286,753</u>
Temporary differences:			
-Deferred tax liabilities:			
Fair value adjustment of investment property	(\$ 162,046)	\$ 1,095	(\$ 160,951)
Unrealised exchange gain	-	(14,672)	(14,672)
Gain on long-term equity investment	(253)	-	(253)
Temporary differences of fixed assets for tax and financial purposes	(1,890)	259	(1,631)
Unrealised pension contribution	(3,766)	3,766	-
Others	(78,246)	(2,785)	(81,031)
	<u>(\$ 246,201)</u>	<u>(\$ 12,337)</u>	<u>(\$ 258,538)</u>

D. As of December 31, 2024 and 2023, the amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2024	December 31, 2023
Deductible temporary differences	<u>\$ 1,035,372</u>	<u>\$ 429,132</u>

- E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2024 and 2023, the amounts of temporary differences unrecognised as deferred tax liabilities were \$57,360,526 and \$50,154,719, respectively.
- F. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority while the income tax returns through 2021 have not been assessed and approved.

- G. According to the Preferential Tax Policy Issues concerning Further Implementation of the Development of Western China regulated by the “Law of the People’s Republic of China on Enterprise Income Tax” and the State Taxation Administration, Ministry of Finance, industrial items that CEM5 and CPCQ set in the western region as specified in the “Catalogue of encouraging industries in Western China” were supervisory business. The enterprises whose main business income accounted for more than 70% of the total enterprise income in the current year are entitled to a 10% tax exemption before and in 2020 and extend the Preferential Tax Policy Issues concerning the Development of Western China after applying and obtaining approval from the competent tax authority. The enterprises whose main business income accounted for more than 60% of the total enterprise income in the current year are also entitled to a 10% of tax exemption from 2021 to 2030 after applying and obtaining approval from the competent tax authority. The tax rate is 15%.
- H. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
- I. The Group’s exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Since Pillar Two legislation was enacted in the Malaysia and Thailand, the jurisdictions in which some of the Group’s operating entities were incorporated, and will come into effect from January 1, 2025, the Group has no related current tax exposure as of December 31, 2024. In addition, Pillar Two legislation was enacted in the Czech Republic and Japan, the jurisdictions in which some of the Group’s non-operating entities were incorporated, and became effective from January 1, 2024, however, there is no significant impact to the Group under the Group’s assessment.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.

Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Group will continually assesses its exposure to the Pillar Two legislation for when it comes into effect.

(31) Earnings per share

Year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,045,405	727,599	\$ <u>12.43</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	9,801	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>9,045,405</u>	<u>737,400</u>	\$ <u>12.27</u>
Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 7,463,959	721,258	\$ <u>10.35</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	7,907	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>7,463,959</u>	<u>729,165</u>	\$ <u>10.24</u>

(32) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

For the year ended December 31, 2024, the Group acquired additional 0.32% outstanding shares of its subsidiary, CP, for a total cash consideration of \$152,806. The carrying amount of CP at the acquisition date was \$15,259,384. The transaction resulted in a decrease in the non-controlling interest by \$48,830 and a decrease in the equity attributable to owners of the parent by \$103,976. The effect of changes in interests in CP on the equity attributable to owners of the parent for the years ended December 31, 2024 is shown below:

	<u>Year ended December 31,</u> <u>2024</u>
Carrying amount of non-controlling interest acquired	\$ 48,830
Consideration paid to non-controlling interest	(152,806)
Capital surplus	
- difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	(\$ 103,976)

B. Disposal of equity interest in a subsidiary (that did not result in a loss of control)

For the year ended December 31, 2024, the Group sold 0.55% equity interest of the subsidiary, XAVi, for a total cash consideration of \$39,990. The carrying amount of XAVi at the disposal date was \$1,149,706. This transaction resulted in an increase in the non-controlling interest by \$6,322 and an increase in the equity attributable to owners of the parent by \$34,616. The effect of changes in interest in XAVi on the equity attributable to owners of the parent for the year ended December 31, 2024 is shown below:

	<u>Year ended December 31,</u> <u>2024</u>
Carrying amount of non-controlling interest acquired	(\$ 6,322)
Consideration received from non-controlling interest	39,990
Other equity (such as translation differences)	948
Capital surplus	
- difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	\$ 34,616

C. Changes in ownership interest in subsidiaries

(a) The subsidiary-XAVi, distributed and exercised employee stock options for the year ended December 31, 2024. This transaction resulted in an increase in the non-controlling interest by \$4,729 and a decrease in the equity attributable to owners of the parent by \$69 which increased shareholders' equity by \$4,660 (shown as 'capital surplus - recognition of changes in ownership interest in subsidiaries').

(b) The subsidiary-XAVi, distributed employee stock options for the year ended December 31, 2023. This transaction resulted in an increase in the non-controlling interest by \$653 and an increase in the equity attributable to owners of the parent by \$465 which increased shareholders' equity by \$1,118 (shown as 'capital surplus - recognition of changes in ownership interest in subsidiaries').

(c) The subsidiary-CP, distributed employee share compensation for the quarter ended June 30, 2024. This transaction resulted in an increase in the non-controlling interest by \$172,447 and an increase in the equity attributable to owners of the parent by \$115,432 which totally increased shareholders' equity by \$287,879 (shown as 'capital surplus - recognition of changes in ownership interest in subsidiaries').

- (d) The subsidiary-CP, distributed employee share compensation for the quarter ended March 31, 2023. This transaction resulted in an increase in the non-controlling interest by \$201,883 and an increase in the equity attributable to owners of the parent by \$86,239 which totally increased shareholders' equity by \$288,122 (shown as 'capital surplus - recognition of changes in ownership interest in subsidiaries').
- (e) The subsidiary, UNIKEY, disposed shares of XAVi for the year ended December 31, 2024. This transaction resulted in an increase in the non-controlling interest by \$679 and a decrease in the equity attributable to owners of the parent by \$679 (shown as 'capital surplus - recognition of changes in ownership interest in subsidiaries').

(33) Supplemental cash flow information

Investing activities with partial cash payments

	Years ended December 31,	
	2024	2023
Purchase of property, plant and equipment	\$ 1,569,960	\$ 2,919,907
Add: Opening balance of payable on construction and equipment	219,704	442,191
Less: Ending balance of payable on construction and equipment	(280,589)	(219,704)
Cash paid during the year	<u>\$ 1,509,075</u>	<u>\$ 3,142,394</u>

(34) Changes in liabilities from financing activities

	2024			
	Short-term borrowings	Long-term borrowings (Note)	Lease liability	Total
At January 1	\$ 1,395,742	\$ -	\$ 229,656	\$ 1,625,398
Changes in cash flow from financing activities	4,855,411	164,824	(141,932)	4,878,303
Impact of changes in foreign exchange rate	92	-	9,334	9,426
Changes in other non-cash items	-	-	124,504	124,504
At December 31	<u>\$ 6,251,245</u>	<u>\$ 164,824</u>	<u>\$ 221,562</u>	<u>\$ 6,637,631</u>

Note: Including current portion of long-term borrowings.

	2023		
	Short-term borrowings	Lease liability	Total
At January 1	\$ 2,898,048	\$ 309,705	\$ 3,207,753
Changes in cash flow from financing activities	(1,502,306)	(142,047)	(1,644,353)
Impact of changes in foreign exchange rate	-	(4,511)	(4,511)
Changes in other non-cash items	-	66,509	66,509
At December 31	<u>\$ 1,395,742</u>	<u>\$ 229,656</u>	<u>\$ 1,625,398</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Far Win (Kunshan) Co., Ltd.	Associate
Far Win (Dong guan) Co., Ltd.	Associate
ShunOn Electronic Co.	Associate
Jiaxing Chunxiang Electronic Technology Co., Ltd.	Associate
Newmax Technology Co., Ltd.	Other related party
Clevo Co.	Other related party
Chicony Square	Other related party
Kapok Computer (Kunshan) Co., Ltd.	Other related party
Hon Hui Co., Ltd. (including Shanghai, New Taipei, Ruiguang, etc)	Other related party
Jim Yu Plastic Electronic (Wujiang) Co., Ltd.	Other related party
Cheung Shun (Wujiang) Plastic Processing Technology Co., Ltd.	Other related party
Taipei Twin Towers Limited	Other related party

(2) Significant related party transactions

A. Operating revenue:

	Years ended December 31,	
	2024	2023
Sales of goods:		
Other related parties	<u>\$ 785,314</u>	<u>\$ 906,126</u>

The terms of the sales to related parties were the same as those to third parties.

B. Purchases:

	Years ended December 31,	
	2024	2023
Purchases of goods:		
Other related parties	<u>\$ 1,996,383</u>	<u>\$ 1,837,477</u>

The terms of the purchases from related parties were the same as those to third parties.

C. Receivables from related parties:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable:		
Other related parties	<u>\$ 268,964</u>	<u>\$ 261,627</u>

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. There was no allowance for doubtful accounts pertaining to accounts receivable from related parties.

D. Payables to related parties:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts payable:		
Other related parties	<u>\$ 614,502</u>	<u>\$ 554,543</u>

The payables from related parties arise mainly from purchase transactions. The payables are unsecured in nature and bear no interest.

E. Dividend income:

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Clevo Co.	<u>\$ 104,069</u>	<u>\$ 94,382</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Salaries and other short-term employee benefits	\$ 187,344	\$ 231,346
Termination benefits	2,979	2,601
Share-based payments	315,643	199,909
	<u>\$ 505,966</u>	<u>\$ 433,856</u>

8. PLEDGED ASSETS

(1) The Group's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Book value</u>	<u>Book value</u>	<u>Purpose</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Bank deposits	\$ 4,705	\$ 3,233	Guarantee for acceptance bill
(shown as other current assets)			
Notes receivable	42,041	63,742	Discounted bank financing
Refundable deposits	153,171	119,489	Performance guarantee and bid bond
(shown as other non-current assets)			
"	76,925	66,930	Deposits and guarantee for plant and operating leases
	<u>\$ 276,842</u>	<u>\$ 253,394</u>	

(2) As of December 31, 2024 and 2023, UNIKEY has pledged the Company's common stock (shown as "treasury stock") amounting to 3,700,000 shares, as collateral for loans.

- (3) As of December 31, 2024 and 2023, HEC has pledged the Company's common stock (shown as "treasury stock") amounting to 5,000,000 shares, as collateral for loans.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

- (1) As of December 31, 2024, for bank loans, financing forward exchange contracts and bill purchased, the Group provided standby promissory notes totaling \$45,913,495 as security.
- (2) As of December 31, 2024, the amount of notes issued by various banks for the Group is approximately \$1,035,502.
- (3) As of December 31, 2024, the Group has issued guarantee notes for performance guarantee totaling \$77,837.
- (4) As of December 31, 2024, the unpaid amounts for construction in progress and acquisition of machinery and equipment amounted to approximately \$327,106.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Please see Notes 6(21) and 6(29) for the details of appropriations of the 2024 earnings and proposal for employees' compensation and directors' remuneration distribution.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets mandatorily measured at fair value through profit or loss	\$ 5,725,556	\$ 5,063,446
Financial assets at fair value through other comprehensive income - designation of equity instrument	3,943,522	3,278,787
Financial assets at amortised cost		
Cash and cash equivalents	26,185,305	19,154,156
Financial assets at amortised cost	527,276	493,749
Notes receivable	117,767	108,350
Accounts receivable (including related parties)	24,842,813	21,693,510
Other receivables	466,373	496,914
Other current assets	4,705	3,233
Guarantee deposits paid	230,096	186,419
	<u>\$ 62,043,413</u>	<u>\$ 50,478,564</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss	\$ 182,843	\$ 705,324
Financial liabilities at amortised cost		
Short-term borrowings	6,251,245	1,395,742
Notes payable	18,248	12,367
Accounts payable (including related parties)	24,442,296	23,220,671
Other accounts payable	14,804,358	14,100,867
Long-term borrowings (including current portion)	164,824	-
Lease liability	221,562	229,656
	<u>\$ 46,085,376</u>	<u>\$ 39,664,627</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange contracts and foreign exchange swap contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
 - (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).
- C. Significant financial risks and degrees of financial risks
- (a) Market risk
 - Foreign exchange risk
 - i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
 - ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
 - iii. The Group hedges exchange rate risk by foreign exchange rate and foreign exchange swap rate. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
 - iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024			Year ended December 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or (loss)	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	USD 960,427	32.7900	\$ 31,492,401	1%	\$ 314,924	\$ -
USD:RMB (Note)	USD 1,255,913	7.3225	41,181,387	1%	411,814	-
USD:THB (Note)	USD 114,473	34.3171	3,753,570	1%	37,536	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	USD 1,363,054	32.7900	\$ 44,694,541	1%	(\$ 446,945)	\$ -
USD:RMB (Note)	USD 394,502	7.3225	12,935,721	1%	(129,357)	-
USD:THB (Note)	USD 261,918	34.3171	8,588,291	1%	(85,883)	-
RMB:THB (Note)						
	December 31, 2023			Year ended December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or (loss)	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	USD 837,916	30.7050	\$ 25,728,211	1%	\$ 257,282	\$ -
USD:RMB (Note)	USD 1,149,646	7.0945	35,299,880	1%	352,999	-
USD:THB (Note)	USD 75,978	34.2041	2,332,904	1%	23,329	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	USD 1,322,041	30.7050	\$ 40,593,269	1%	(\$ 405,933)	\$ -
USD:RMB (Note)	USD 426,741	7.0945	13,103,082	1%	(131,031)	-
USD:THB (Note)	USD 237,472	34.2041	7,291,578	1%	(72,916)	-
RMB:THB (Note)	USD 85,192	4.8071	368,711	1%	(3,687)	-

Note: The functional currencies of certain subsidiaries belonging to the Group are not NTD, thus, this information has to be considered when reporting. For example, when a subsidiary's functional currency is RMB, the subsidiary's segments that are involved with USD have to be taken into consideration.

Total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023, amounted to \$169,993 and \$246,533, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares, debt securities comprise bonds and open-end funds issued by the domestic and foreign companies. The prices of financial instruments would change due to the change of the future value of investee companies. If the prices of these financial instruments had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$56,927 and \$49,645, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$39,435 and \$32,788, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2024 and 2023, the Group's borrowings at variable rate were denominated in the NTD, USD and JPY. At December 31, 2024 and 2023, if market interest rates had been 25bp higher with all other variables held constant, other comprehensive income for the years ended December 31, 2024 and 2023 would have been \$0.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost and at fair value through profit or loss.
- ii. According to the Group's internal management policy, the Group only trades with banks with good credit. According to the credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group classifies customer's accounts receivable, contract assets and rents receivable in accordance with customer types. The Group applies the simplified approach using a provision matrix, based on the loss rate methodology to estimate expected credit loss.
- v. According to the Group's internal management policy, the default occurs when the contract payments are past due over 360 days.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable (including related parties). On December 31, 2024 and 2023, the provision matrix is as follows:

<u>December 31, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~0.2%	\$ 24,513,062	\$ 23,240
1-30 days past due	2%~9%	326,497	9,428
31-120 days past due	9%~26%	43,340	9,169
121-125 days past due	26%~85%	3,650	1,899
Over 360 days past due	100%	81,406	81,406
		<u>\$ 24,967,955</u>	<u>\$ 125,142</u>
<u>December 31, 2023</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~0.2%	\$ 21,446,606	\$ 22,130
1-30 days past due	2%~9%	207,726	12,219
31-120 days past due	9%~26%	85,952	15,276
121-125 days past due	26%~85%	4,020	1,169
Over 360 days past due	100%	147,278	147,278
		<u>\$ 21,891,582</u>	<u>\$ 198,072</u>

- viii. The Group recognises loss allowance for contract assets based on lifetime expected credit losses (ECLs). If there has been a significant increase in credit risk on contract assets since initial recognition, loss allowance for contract assets is assessed and recognised individually. The amount of loss allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate.
- ix. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

2024			
	Accounts receivable	Contract Assets	Total
At January 1	\$ 198,072	\$ -	\$ 198,072
(Reversal of allowance)			
provision for impairment loss	(74,736)	40,000	(34,736)
Effect of foreign exchange	1,806	-	1,806
At December 31	<u>\$ 125,142</u>	<u>\$ 40,000</u>	<u>\$ 165,142</u>
2023			
	Accounts receivable	Contract Assets	Total
At January 1	\$ 160,374	\$ -	\$ 160,374
Provision for impairment loss	38,073	-	38,073
Effect of foreign exchange	(375)	-	(375)
At December 31	<u>\$ 198,072</u>	<u>\$ -</u>	<u>\$ 198,072</u>

- x. Movements in loss allowance for investments in debt instruments carried at amortised cost are as follows:

December 31, 2024				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	<u>\$ 527,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 527,276</u>
December 31, 2023				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	<u>\$ 493,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 493,749</u>

The financial assets at amortised cost held by the Group were corporate bonds. As their expected loss rates were remote under the assessment, there was no loss allowance on December 31, 2024 and 2023.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.
- ii. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As at December 31, 2024 and 2023, the Group held money market position of \$32,263,318 and \$24,197,342, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expiring within one year	\$ 33,842,322	\$ 38,045,731
Expiring beyond one year	<u>379,811</u>	<u>-</u>
	<u>\$ 34,222,133</u>	<u>\$ 38,045,731</u>

- iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2024

<u>Non-derivative financial liabilities</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>
Short-term borrowings	\$ 6,264,347	\$ -
Notes payable	18,248	-
Accounts payable (including related parties)	24,442,296	-
Other payables	14,804,358	-
Lease liability	142,589	90,188
Long-term borrowings (including current portion)	38,025	156,800

Derivative financial liabilities:

Financial liabilities at fair value through profit or loss	\$ 182,843	\$ -
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December 31, 2023

<u>Non-derivative financial liabilities</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>
Short-term borrowings	\$ 1,398,505	\$ -
Notes payable	12,367	-
Accounts payable (including related parties)	23,220,671	-
Other payables	14,100,867	-
Lease liability	128,508	110,814

Derivative financial liabilities:

Financial liabilities at fair value through profit or loss	\$ 705,324	\$ -
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(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks (including emerging stocks), beneficiary certificates and convertible bonds, is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in most derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in certain stock instruments, beneficiary certificates and investment property is included in Level 3.

- B. The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, short-term borrowings, accounts payable (including related parties) and other payables are approximate to their fair values.
- C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2024 and 2023 are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2024				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets mandatorily measured at fair value through profit or loss - current				
Equity securities	\$ 2,351,121	\$ -	\$ 14,673	\$ 2,365,794
Beneficiary certificates	21,892	-	-	21,892
Non-hedging derivatives				
Forward exchange contracts	-	32,645	-	32,645
Exchange rate swaps	-	248	-	248
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Equity securities	-	-	1,478,830	1,478,830
Beneficiary certificates	27,540	-	1,798,607	1,826,147
Financial assets at fair value through other comprehensive income - current				
Equity securities	3,656,282	41,913	-	3,698,195
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	-	-	245,327	245,327
Investment property (Note)	-	-	3,624,797	3,624,797
	<u>\$ 6,056,835</u>	<u>\$ 74,806</u>	<u>\$ 7,162,234</u>	<u>\$ 13,293,875</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss - current				
Non-hedging derivatives				
Forward exchange contracts	\$ -	\$ 154,854	\$ -	\$ 154,854
Exchange rate swaps	-	27,989	-	27,989
	<u>\$ -</u>	<u>\$ 182,843</u>	<u>\$ -</u>	<u>\$ 182,843</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2023				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets mandatorily measured at fair value through profit or loss - current				
Equity securities	\$ 1,957,759	\$ -	\$ 14,673	\$ 1,972,432
Beneficiary certificates	68,879	-	-	68,879
Non-hedging derivatives				
Forward exchange contracts	-	58,611	-	58,611
Exchange rate swaps	-	40,324	-	40,324
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Equity securities	-	-	1,617,870	1,617,870
Beneficiary certificates	32,760	-	1,272,570	1,305,330
Financial assets at fair value through other comprehensive income - current				
Equity securities	3,010,154	-	-	3,010,154
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	-	-	268,633	268,633
Investment property (Note)	-	-	3,612,744	3,612,744
	<u>\$ 5,069,552</u>	<u>\$ 98,935</u>	<u>\$ 6,786,490</u>	<u>\$ 11,954,977</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
- current				
Non-hedging derivatives				
Forward exchange contracts	\$ -	\$ 700,583	\$ -	\$ 700,583
Exchange rate swaps	-	4,741	-	4,741
	<u>\$ -</u>	<u>\$ 705,324</u>	<u>\$ -</u>	<u>\$ 705,324</u>

Note: Investment property measured at fair value.

(b) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Emerging stock</u>	<u>Open-end fund</u>	<u>Convertible bond</u>
Market quoted price	Closing price	Average trades price	Net asset value	Closing price

D. Because Merrimack Pharmaceuticals, Inc. and ASLAN Pharmaceuticals, Limited were delisted since May 2024 and July 2024, therefore, the Group transferred the fair value from Level 1 to Level 2 at the end of the month when the event occurred.

E. For the years ended December 31, 2023, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	<u>2024</u>		
	<u>Beneficiary certificates</u>	<u>Equity instruments</u>	<u>Total</u>
At January 1	\$ 1,272,570	\$ 1,901,176	\$ 3,173,746
Acquired during the year	567,285	147,869	715,154
Sold during the year	(6,933)	(13,258)	(20,191)
Proceeds from capital reduction during the year	-	(29,063)	(29,063)
Recognised in profit or loss	(96,435)	(295,900)	(392,335)
Recognised in other comprehensive income	-	(1,280)	(1,280)
Effect of exchange rate changes	62,120	29,286	91,406
At December 31	<u>\$ 1,798,607</u>	<u>\$ 1,738,830</u>	<u>\$ 3,537,437</u>
Movement of unrealised gain or loss in profit or loss of assets and liabilities held as at December 31, 2024 (Recorded as non-operating income and expense)	<u>(\$ 96,435)</u>	<u>(\$ 295,900)</u>	<u>(\$ 392,335)</u>

	2023		
	Beneficiary certificates	Equity instruments	Total
At January 1	\$ 1,211,616	\$ 1,244,831	\$ 2,456,447
Acquired during the year	109,758	572,941	682,699
Sold during the year	(6,425)	(147,209)	(153,634)
Recognised in profit or loss	(39,902)	232,846	192,944
Recognised in other comprehensive income	-	39,252	39,252
Effect of exchange rate changes	(2,477)	(41,185)	(43,662)
At December 31	<u>\$ 1,272,570</u>	<u>\$ 1,901,476</u>	<u>\$ 3,174,046</u>
Movement of unrealised gain or loss in profit or loss of assets and liabilities held as at December 31, 2023 (Recorded as non-operating income and expense)	<u>(\$ 39,902)</u>	<u>\$ 232,846</u>	<u>\$ 192,944</u>

Information about the movements of the investment property in Level 3 is provided in Note 6(10).

G. For the years ended December 31, 2024 and 2023, there was no transfer into or out from Level 3.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 143,349	Discounted cash flow	Weighted average cost of capital	9.56%	The higher the weighted average cost of capital, the lower the fair value
"	412	Discounted cash flow	Weighted average cost of capital	9.77%	The higher the weighted average cost of capital, the lower the fair value
"	1,595,069	Net asset value	N/A	-	N/A
Private equity fund investment	1,798,607	Net asset value	N/A	-	N/A
Investment property	3,624,797	Income approach	Revenue growth rate, discount rate	-	The higher the revenue growth rate, the higher the fair value; the higher the discount rate, the lower the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 155,651	Discounted cash flow	Weighted average cost of capital	9.74%	The higher the weighted average cost of capital, the lower the fair value
"	753	Discounted cash flow	Weighted average cost of capital	10.35%	The higher the weighted average cost of capital, the lower the fair value
"	1,744,772	Net asset value	N/A	-	N/A
Private equity fund investment	1,272,570	Net asset value	N/A	-	N/A
Investment property	3,612,744	Income approach	Revenue growth rate, discount rate	-	The higher the revenue growth rate, the higher the fair value; the higher the discount rate, the lower the fair value

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2024		
		Recognised in profit or loss		
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instruments	Weighted average cost of capital	±0.5%	\$ 12,360	(\$ 10,797)
		December 31, 2023		
		Recognised in profit or loss		
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instruments	Weighted average cost of capital	±0.5%	\$ 12,600	(\$ 11,042)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- Loans to others: Please refer to table 1.
- Provision of endorsements and guarantees to others: Please refer to table 2.
- Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 6.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 7.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 8.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 9.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 10.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 11.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 13(1).

(4) Major shareholders information

Major shareholders information: Please refer to table 12.

14. SEGMENT INFORMATION

(1) General information

The Group operates business from a geographic perspective; geographically, the Group currently focuses on wholesale in Taiwan, Mainland China, America, and Europe.

(2) Measurement of segment information

The Chief Operating Decision-Maker evaluates the performance of the operating segments based on a measure of adjusted EBITDA. Interest income and expense are not allocated to operating segments, as this type of activity is driven by the Group central treasury, which manages the cash position of the Group. The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Taiwan	Asia	America	Europe	Reconciliation and elimination	Total
<u>Year ended December 31, 2024</u>						
Revenue from external customers	\$ 75,917,696	\$ 23,300,744	\$ 1,966,803	\$ 293,016	\$ -	\$ 101,478,259
Inter-segment revenue	5,791,314	87,852,422	-	955	(93,644,691)	-
Segment revenue	<u>\$ 81,709,010</u>	<u>\$ 111,153,166</u>	<u>\$ 1,966,803</u>	<u>\$ 293,971</u>	<u>(\$ 93,644,691)</u>	<u>\$ 101,478,259</u>
Segment profit	<u>\$ 5,942,551</u>	<u>\$ 7,132,775</u>	<u>\$ 6,885</u>	<u>(\$ 5,186)</u>	<u>\$ 71,265</u>	<u>\$ 13,148,290</u>
 <u>Year ended December 31, 2023</u>						
Revenue from external customers	\$ 75,989,511	\$ 20,166,251	\$ 1,745,584	\$ 421,199	\$ -	\$ 98,322,545
Inter-segment revenue	5,454,443	86,321,910	-	834	(91,777,187)	-
Segment revenue	<u>\$ 81,443,954</u>	<u>\$ 106,488,161</u>	<u>\$ 1,745,584</u>	<u>\$ 422,033</u>	<u>(\$ 91,777,187)</u>	<u>\$ 98,322,545</u>
Segment profit	<u>\$ 4,247,320</u>	<u>\$ 8,075,019</u>	<u>(\$ 46,492)</u>	<u>(\$ 2,332)</u>	<u>\$ 201,243</u>	<u>\$ 12,474,758</u>

(4) Reconciliation for segment income

The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment profit or loss to the profit before tax and discontinued operations for the years ended December 31, 2024 and 2023 is provided as follows:

	Years ended December 31,	
	2024	2023
Reportable segments income	\$ 13,148,290	\$ 12,474,758
Related loss not yet classified	(2,835,657)	(3,065,754)
Total non-operating income and expenses	2,983,183	1,863,913
Income before tax from continuing operations	<u>\$ 13,295,816</u>	<u>\$ 11,272,917</u>

(5) Information on products and services

Revenue from third parties is mainly derived from the sale of computer peripheral products, consumer electronic products and other electronic products as follows:

	Years ended December 31,	
	2024	2023
Electrical components products	\$ 59,666,441	\$ 54,940,361
Consumer Electrical products and other electronic products	39,309,109	41,414,439
Smart building system service	2,099,517	1,520,756
Others	403,192	446,989
	<u>\$ 101,478,259</u>	<u>\$ 98,322,545</u>

(6) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 75,917,696	\$ 6,621,583	\$ 75,989,511	\$ 6,776,565
Asia	23,300,744	15,082,148	20,166,251	14,048,580
America	1,966,803	39,126	1,745,584	33,668
Europe	293,016	928	421,199	2,710
	<u>\$ 101,478,259</u>	<u>\$ 21,743,785</u>	<u>\$ 98,322,545</u>	<u>\$ 20,861,523</u>

The Group's geographical revenue information is determined based on the area collecting the accounts receivable.

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, but excluding financial assets and deferred income tax assets.

(7) Major customer information

For the years ended December 31, 2024 and 2023, details of customers accounting for at least 10% of the Group's operating revenues in the consolidated comprehensive income statement are as follows:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Revenue	Segment	Revenue	Segment
A customer	\$ 11,854,664	Asia	\$ 9,898,673	Asia

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Loans to others

Year ended December 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2024	Balance at December 31, 2024	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Collateral			Limit on loans granted to a single party (Note 1,2)	Ceiling on total loans granted (Note 1,2)	Footnote
					(Note 4)	(Note 5)						Allowance for doubtful accounts	Item	Value			
0	The Company	Qun-Jing	Other receivables	Yes	\$ 200,000	\$ 200,000	\$ 187,000	0.60%	2	\$ -	Working capital	\$ -	-	\$ -	\$ 13,852,339	\$ 18,469,785	-
0	The Company	Quansun	"	"	650,000	300,000	265,000	0.60%	2	-	"	-	-	-	13,852,339	18,469,785	-
0	The Company	UNIKEY	"	"	1,500,000	1,500,000	152,000	0.60%	2	-	"	-	-	-	13,852,339	18,469,785	-
0	The Company	CET	"	"	1,642,250	1,639,500	-	0.30%	2	-	"	-	-	-	13,852,339	18,469,785	-
0	The Company	HEC	"	"	500,000	-	-	0.60%	2	-	"	-	-	-	13,852,339	18,469,785	-
1	CGI	The Company	"	"	4,656,180	4,656,180	4,265,979	0.00%	2	-	"	-	-	-	5,615,165	5,615,165	-
2	COI	The Company	"	"	6,131,730	6,131,730	5,535,280	0.00%	2	-	"	-	-	-	35,731,954	35,731,954	-
2	COI	CGI	"	"	1,182,420	1,180,440	295,110	0.00%	2	-	"	-	-	-	35,731,954	35,731,954	-
2	COI	KUM	"	"	262,760	262,320	230,186	0.00%	2	-	"	-	-	-	35,731,954	35,731,954	-
3	Mao-Feng	The Company	"	"	2,311,960	2,308,088	2,308,088	0.00%	2	-	"	-	-	-	14,380,915	14,380,915	-
3	Mao-Feng	CGI	"	"	32,845	32,790	17,769	0.00%	2	-	"	-	-	-	14,380,915	14,380,915	-
4	CEM3	Mao-Qun	"	"	181,680	179,120	179,120	0.00%	2	-	"	-	-	-	12,117,100	12,117,100	-
5	CEM5	CEM3	"	"	286,650	-	-	1.50%	2	-	"	-	-	-	5,499,574	5,499,574	-
5	CEM5	CEM2	"	"	545,040	537,360	537,360	1.50%	2	-	"	-	-	-	5,499,574	5,499,574	-
6	HEC	The Company	"	"	420,000	420,000	-	0.60%	2	-	"	-	-	-	991,489	991,489	-
7	HOI	CGI	"	"	1,592,983	1,590,315	1,590,315	0.00%	2	-	"	-	-	-	3,027,509	3,027,509	-
7	HOI	RealYoung	"	"	111,673	111,486	111,486	0.00%	2	-	"	-	-	-	3,027,509	3,027,509	-
7	HOI	The Company	"	"	1,297,378	1,295,205	1,295,205	0.00%	2	-	"	-	-	-	3,027,509	3,027,509	-
8	CP	CPUS	"	"	492,675	491,850	209,856	1.00%	2	-	"	-	-	-	6,210,425	6,210,425	-
8	CP	CPHK	"	"	189,510	65,580	-	1.00%	2	-	"	-	-	-	6,210,425	6,210,425	-
8	CP	CPTH	"	"	3,350,190	3,147,840	2,000,190	1.00%	2	-	"	-	-	-	6,210,425	6,210,425	-
8	CP	WTS	"	"	98,370	98,370	40,660	1.00%	2	-	"	-	-	-	6,210,425	6,210,425	-
8	CP	CT	"	"	100,000	90,000	47,600	1.00%	2	-	"	-	-	-	6,210,425	6,210,425	-

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2024 (Note 4)	Balance at December 31, 2024 (Note 5)	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Collateral			Limit on loans granted to a single party (Note 1,2)	Ceiling on total loans granted (Note 1,2)	Footnote
					Allowance for doubtful accounts	Item						Value					
9	CPDG	Zhuzhou Torch	Other receivables	Yes	\$ 511, 835	\$ 511, 835	\$ 505, 566	1. 60%	2	\$ -	Working capital	-	-	-	\$ 1, 806, 232	\$ 1, 806, 232	-
10	CPI	CPHK	"	"	1, 484, 594	1, 482, 108	1, 452, 269	0. 00%	2	-	"	-	-	-	11, 156, 737	11, 156, 737	-
11	XAVi	XAVi Thailand	"	"	325, 550	262, 320	262, 320	2. 00%	1	1, 532, 752	-	-	-	-	614, 702	1, 229, 403	-
12	Directmax	XAVi	"	"	98, 535	98, 370	98, 370	0. 00%	2	-	Working capital	-	-	-	493, 522	493, 522	-
13	Systemax	XAVi	"	"	229, 915	229, 530	229, 530	0. 00%	2	-	"	-	-	-	254, 975	254, 975	-

Note 1: In accordance with the financing procedures of the Company, total financing amount should not exceed 40% of the Company’s stockholders’ equity and

- a. the total financing amount to any individual party should not exceed 30% of the Company’s stockholders’ equity and the amount of sales/purchase during the year for the purpose of business.
- b. the total financing amount to any individual party should not exceed 30% of the Company’s stockholders’ equity for the purpose of loan.
- c. for the purpose of loan between the Company's foreign subsidiaries or from foreign subsidiaries to the Company, for which the Company both have 100% shares directly or indirectly, the total financing amount should not exceed the borrower's stockholders' equity, and the lending period may not exceed 3 years; and the financing amount to single company shall be subject to the following restrictions:
 - (a) the total financing amount should not exceed the borrower's stockholders' equity and the amount of sales/purchase during the year for the purpose of business.
 - (b) the total financing amount should not exceed the borrower's stockholders' equity for the purpose of loan.
- d. except for c., the financing period should not exceed one year.

Note 2: In accordance with the financing procedures of the subsidiary, total financing amount should not exceed the subsidiary’s stockholders’ equity audited or reviewed by CPA and

- a. the total financing amount to any individual party should not exceed 40% of the subsidiary’s stockholders’ equity for the purpose of short-term financing.
- b. the total financing amount to any individual party should not exceed 50% of the subsidiary’s stockholders’ equity and the amount of sales/purchase during the year for the purpose of business.
- c. the limit on the loans to granted between the subsidiary – CP’s foreign subsidiaries or from foreign subsidiaries to the Company for which the subsidiary – CP directly or indirectly holds 100% of its voting shares is the borrower’s net asset based on the latest audited or reviewed consolidated
 - (a) the total financing amount should not exceed the borrower's stockholders' equity and the amount of sales/purchase during the year for the purpose of business.
 - (b) the total financing amount should not exceed the borrower's stockholders' equity for the purpose of loan.
- d. the limit on the loans to granted between the subsidiary – Xavi’s foreign subsidiaries or from foreign subsidiaries to the Company for which the subsidiary – Xavi directly or indirectly holds 100% of its voting shares is the borrower’s net asset based on the latest audited or reviewed consolidated financial statements and the lending period may not exceed 3 years; and the financing amount to single company shall be subject to the following restrictionS:
 - (a) the total financing amount should not exceed the borrower's stockholders' equity and the amount of sales/purchase during the year for the purpose of business.
 - (b) the total financing amount should not exceed the borrower's stockholders' equity for the purpose of loan.
- e. except for c. and d., the financing period should not exceed one year.

Note 3: The numbers filled in the column of ‘Nature of loan are as follows:

- (1) The business transaction is ‘1’.
- (2) The short-term financing is ‘2’.

Note 4: The maximum balance is the maximum outstanding balance during the year ended December 31, 2024.

Note 5: The ending balance had been approved at the Board of Directors’ meeting.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Provision of endorsements and guarantees to others
Year ended December 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

		Party being endorsed/guaranteed							Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote	
Number	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2024	Outstanding endorsement/ guarantee amount at December 31, 2024	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral							
1	XAVi	XAVi Suzhou	2	\$ 307,351	\$ 130,220	\$ 65,580	\$ 19,205	\$ -	5.33%	\$ 614,702	Y	N	Y	-	

Note 1 : The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1)The Company is ‘0’.
- (2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is as follows:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
- (4) Between the endorser/guarantor parent company both owns directly or indirectly more than 90% voting shares of the endorsed/guaranteed subsidiaries.
- (5) Mutual guarantee of the trade as required by the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Performance guarantees for pre-sales sales contracts under the Consumer Protection Act.

Note 3: In accordance with the guarantee procedure of the Company, the total guarantee amount is limited to 50% of the Company’s capital. The Company’s guarantee to each entity is limited to 50% of the total guarantee amount.

- (1) The Company’s limit on total amount of endorsements/ guarantees shall not exceed 50% of net assets in latest audited or reviewed financial statements of the Company, and limit on endorsements/guarantees provided for a single party shall not exceed 50% of the total amount of endorsements/ guarantees.
- (2) The subsidiary’s limit on total amount of endorsements/ guarantees shall not exceed the net assets in latest audited or reviewed financial statements of the subsidiary, and limit on endorsements/guarantees provided for a single party shall not exceed 50% of the total amount of endorsements/ guarantees.
- (3) Limit on the total endorsements/guarantees of the Company and its subsidiaries as a whole shall not exceed 50% of net assets in latest audited or reviewed financial statements of the Company, and limit on endorsements/guarantees provided for a single party shall not exceed 50% of the total amount of endorsements/ guarantees.
- (4) In addition to the limitations mentioned in the first three items, for the companies having business relationship with the endorser/guarantor, endorsements/guarantees to any single party should not exceed the higher amount of sales/purchase during the year for the purpose of business.
- (5) Limit on the total endorsements/guarantees between companies that the Company directly or indirectly held 90% of voting shares shall not exceed 10% of net assets in latest audited or reviewed financial statements of the Company. However, the endorsements/guarantees between companies that the Company directly or indirectly held 100% of voting shares were not subjected.
- (6) In addition to the limitations mentioned in the first five items, endorsements/ guarantees provided by the Company or its subsidiaries to the company whose net asset was lower than one half of its paid-in capital, the total amount of endorsements/guarantees shall not exceed the net assets in latest audited or reviewed financial statements of the Company and its subsidiaries.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

					As of December 31, 2024				
Securities held by		Marketable securities	Relationship with the	General	Ownership				
		(Note 1)	securities issuer	ledger account	Number of shares	Book value	(%)	Fair value	Footnote
The Company	Common stock	Laster Tech Corporation Ltd.	-	Financial assets at fair value through profit or loss - current	5,246,987	\$ 182,070	4.56%	\$ 182,070	-
The Company	Common stock	Newmax Technology Co., Ltd.	Corporate director	"	10,069,605	293,529	5.47%	293,529	-
The Company	Common stock	GlobalWafers Co., Ltd	-	"	382,000	145,733	0.08%	145,733	-
The Company	Common stock	Eden Biologics, Inc.	"	"	290,000	870	0.09%	870	-
The Company	Common stock	MOSA INDUSTRIAL CORPORATION	"	"	445,000	9,679	0.22%	9,679	-
The Company	Common stock	Wiwynn Corporation	"	"	38,000	99,560	0.02%	99,560	-
The Company	Common stock	uPI Semiconductor Corp.	"	"	528,000	118,800	0.51%	118,800	-
The Company	Common stock	ALLIED SUPREME CORP.	"	"	326,000	100,082	0.41%	100,082	-
The Company	Common stock	Parade Technologies, Ltd.	"	"	181,000	138,827	0.02%	138,827	-
The Company	Common stock	ASLAN Pharmaceuticals Limited	"	"	5,500	-	0.70%	-	-
The Company	Common stock	Intelligo Technology Inc	"	"	111,111	13,803	0.19%	13,803	-
The Company	Bond	FLEXIUM INTERCONNECT INC	"	"	100,000	9,930	—	9,930	-
The Company	Bond	The sixth unsecured convertible bonds	"	"	20,000	2,032	—	2,032	-
		WPG HOLDINGS LIMITED							
The Company	Bond	The second unsecured convertible bonds	"	"	100,000	9,930	—	9,930	-
		TCC Group Holdings							
The Company	Common stock	The first unsecured convertible bonds	Corporate director	Financial assets at fair value through profit or loss - non-current	9,597,120	230,582	15.38%	230,582	-
		WK Venture Capital XI							
The Company	Common stock	WK Technology Fund IX II Ltd.	"	"	20,000,000	193,576	17.81%	193,576	-
The Company	Common stock	Taipei Tech innoFund II	"	"	3,000,000	30,000	10.00%	30,000	-
The Company	Common stock	Top Taiwan Venture Capital Group	-	"	5,118,750	55,377	9.38%	55,377	-
The Company	Common stock	Chengding Venture Capital Group	"	"	10,000,000	104,626	7.41%	104,626	-
The Company	Common stock	Sheng Da Venture Capital Group	"	"	5,653,000	80,648	14.02%	80,648	-
The Company	Common stock	Guangdong ePropulsion Technology Limited	"	"	556,582	67,170	0.91%	67,170	-
The Company	Preferred stock	Magi Capital Venture Co., Ltd	"	"	271,480	5,837	8.84%	5,837	-
The Company	Beneficiary certificate	Fuh Hwa Smart Energy Securities Investment Trust Fund	"	"	9,000,000	7,920	—	7,920	-
The Company	Beneficiary certificate	Fuh Hwa New Oriental Securities Investment Trust Fund	"	"	9,000,000	13,770	—	13,770	-
The Company	Beneficiary certificate	Fuh Hwa New Energy Efficient Securities Investment Trust Fund	"	"	8,700,000	91,872	—	91,872	-
The Company	Beneficiary certificate	Fuh Hwa Capital Technology Venture Capital Limited Partnership	"	"	55,674,000	56,921	—	56,921	-
The Company	Beneficiary certificate	NEXUS CVC Partners Fund LP.	"	"	150,000,000	147,675	—	147,675	-
The Company	Beneficiary certificate	Allianz Global Investors Taiwan Technology Fund	"	"	891,478	204,362	—	204,362	-
The Company	Beneficiary certificate	UPAMC Ben Teng Fund	"	"	372,426	100,540	—	100,540	-
The Company	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	28,000,608	1,447,631	4.43%	1,447,631	-
The Company	Common stock	Genesis Photonics Inc.	-	"	304,350	-	0.41%	-	-
The Company	Common stock	ShunOn Electronic Co.	Corporate director	"	10,752,254	293,537	7.27%	293,537	-
The Company	Private equity	Genesis Photonics Inc.	-	Financial assets at fair value through other comprehensive income - non-current	4,224,458	-	5.63%	-	-
The Company	Common stock	Taipei Tech innoFund	Corporate director	"	3,500,000	49,000	11.67%	49,000	-
The Company	Common stock	InnoFund V Co., Ltd.	"	"	3,000,000	30,000	7.03%	30,000	-
The Company	Common stock	Maxima Ventures II, Inc.	-	"	2,649,000	404	8.21%	404	-
The Company	Common stock	Taiwan Cultural and Creative Co., Ltd.	"	"	1,600,000	1,162	5.78%	1,162	-
The Company	Common stock	MKD Technology Inc.	"	"	1,600,000	412	5.87%	412	-

					As of December 31, 2024				
Securities held by	Marketable securities (Note 1)		Relationship with the securities issuer	General ledger account	Ownership				Footnote
					Number of shares	Book value	(%)	Fair value	
CP	Common stock	Newmax Technology Co., Ltd.	Corporate director	Financial assets at fair value through profit or loss - current	2,361,983	\$ 68,852	1.28%	\$ 68,852	-
CP	Common stock	Powertech Technology Inc.	-	"	290,000	35,380	0.04%	35,380	-
CP	Common stock	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	450,000	483,750	—	483,750	-
CP	Common stock	United Microelectronics Corporation	"	"	500,000	21,525	—	21,525	-
CP	Common stock	Nuvoton Technology Corporation	"	"	300,000	26,700	0.07%	26,700	-
CP	Common stock	ASE Technology Holding Co., Ltd.	"	"	150,000	24,300	—	24,300	-
CP	Common stock	SYNCMOLD ENTERPRISE CORP.	-	"	230,000	20,861	0.16%	20,861	-
CP	Common stock	DELTA ELECTRONICS INC.	"	"	50,000	21,525	—	21,525	-
CP	Common stock	WK Venture Capital XI	Corporate director	Financial assets at fair value through profit or loss - non-current	624,000	14,992	1.00%	14,992	-
CP	Common stock	Top Taiwan Venture Capital Group	Supervisor	"	5,118,750	55,377	9.38%	55,377	-
CP	Common stock	Chengding Venture Capital Group	Corporate director	"	10,000,000	104,626	7.41%	104,626	-
CP	Common stock	Taipei Tech innoFund II	"	"	3,000,000	30,000	10.00%	30,000	-
CP	Beneficiary certificate	Fuh Hwa New Oriental Securities Investment Trust Fund	-	"	6,000,000	9,180	—	9,180	-
CP	Beneficiary certificate	Fuh Hwa Smart Energy Securities Investment Trust Fund	"	"	21,000,000	18,480	—	18,480	-
CP	Beneficiary certificate	Fuh Hwa New Energy Efficient Securities Investment Trust Fund	"	"	6,295,868	66,484	—	66,484	-
CP	Beneficiary certificate	Fuh Hwa Capital Technology Venture Capital Limited Partnership	"	"	-	37,947	—	37,947	-
CP	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	4,538,000	234,615	0.72%	234,615	-
CP	Private equity	Genesis Photonics Inc.	-	Financial assets at fair value through other comprehensive income - non-current	1,979,291	-	2.64%	-	-
CP	Common stock	Taipei Tech innoFund	Corporate director	"	1,500,000	21,000	5.00%	21,000	-
HEC	Common stock	Newmax Technology Co., Ltd.	"	Financial assets at fair value through profit or loss - current	10,000,000	291,500	5.43%	291,500	-
HEC	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	4,570,823	236,312	0.72%	236,312	-
HEC	Common stock	The Company	The Company	"	12,788,935	1,943,918	1.68%	1,943,918	Note 2
UNIKEY	Common stock	Laster Tech Corporation Ltd.	-	Financial assets at fair value through profit or loss - current	1,732,820	60,129	1.50%	60,129	-
UNIKEY	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	23,530,000	1,216,501	3.72%	1,216,501	-
UNIKEY	Common stock	The Company	The Company	"	19,574,298	2,975,293	2.58%	2,975,293	Note 3
CGI	Preferred stock	PRP CE1 BC1 Inc.	-	Financial assets at fair value through profit or loss - non-current	122,487	3,219	—	3,219	-
CGI	Bond	PRP CE1 BC1	"	Financial assets at amortised cost - non-current	-	527,276	—	527,276	-
COI	Common stock	Q Technology (Group) Company Limited	"	Financial assets at fair value through profit or loss - current	5,636,000	154,230	0.48%	154,230	-
COI	Common stock	Valens Semiconductor Ltd.	"	"	300,000	25,576	0.29%	25,576	-
COI	Common stock	Wealth Guard Ventures Limited	"	Financial assets at fair value through profit or loss - non-current	602,373	142,110	17.28%	142,110	-
COI	Preferred stock	Rhombus Systems Inc.	"	"	408,121	65,580	1.17%	65,580	-
COI	Preferred stock	Verkada Inc.	"	"	1,208,822	295,110	0.31%	295,110	-
COI	Beneficiary certificate	Celesta Capital II, L.P.	"	"	6,280,119	305,510	—	305,510	-
COI	Beneficiary certificate	Celesta Capital IV, L.P.	"	"	9,700,000	309,508	—	309,508	-
COI	Beneficiary certificate	Celesta Capital V, L.P.	"	"	750,000	24,593	—	24,593	-
COI	Beneficiary certificate	MagiCapital Fund II, L.P.	"	"	4,335,723	119,265	—	119,265	-
COI	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	204,000	10,546	0.03%	10,546	-
COI	Common stock	Alpha Professional Holdings Limited	-	"	500	-	—	-	-
COI	Common stock	Merrimack Pharmaceuticals, Inc.	"	"	84,482	41,913	0.58%	41,913	-
CPI	Beneficiary certificate	Celesta Capital II, L.P.	"	Financial assets at fair value through profit or loss - non-current	3,140,058	152,776	—	152,776	-
CPI	Beneficiary certificate	Celesta Capital IV, L.P.	"	"	4,850,000	154,754	—	154,754	-
CPI	Common stock	Anxin-China Holdings Limited	"	Financial assets at fair value through other comprehensive income - current	8,300,000	-	0.27%	-	-
Quansun	Common stock	New Hung Kuan Enterprise Co., Ltd	"	Financial assets at fair value through other comprehensive income - non-current	8,140,000	143,349	21.71%	143,349	Note 4
Quansun	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	2,100,000	108,570	0.33%	108,570	-
Qun-Jing	Common stock	Clevo Co.	"	"	2,100,000	108,570	0.33%	108,570	-
XAVi	Common stock	Laster Tech Corporation Ltd.	-	Financial assets at fair value through profit or loss - current	821,681	28,513	0.71%	28,513	-
XAVi	Beneficiary certificate	Fuh Hwa New Oriental Securities Investment Trust Fund	"	Financial assets at fair value through profit or loss - non-current	3,000,000	4,590	—	4,590	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial instruments'.

Note 2: Provided 5,000,000 shares pledged for short-term loan.

Note 3: Provided 3,700,000 shares pledged for short-term loan.

Note 4: The Company holds over 20% ownership interest of the entity, however, based on objectives indicators; the Company has no significant influence on the entity.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Year ended December 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2024		Addition (Note 3)		Disposal (Note 3)			Gain (loss) on disposal	Balance as at December 31, 2024 (Note 4)	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value		Number of shares	Amount
HEC	The Company	Financial assets at fair value through other comprehensive income - current	—	—	14,588,935	\$ 95,057	-	\$ -	1,800,000	\$ 326,515	\$ 11,728	\$ 314,787	12,788,935	\$ 83,329

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: It is applicable to disclosure information when marketable securities were recognized as "investments accounted for using equity method".

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: It refers to the initial costs without considering the amortisation or valuation of exchange rate at the end of the year.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more
Year ended December 31, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:													
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
CPH	Buildings and Constructions (Note 4)	2022/2/10 (Date of contract signing)	\$1,290,876 (THB1,415,900 thousand)	\$ 1,226,332	China State Construction Engineering (Thailand) Co., Ltd.	None	-	-	-	\$ -	Contract	Plant (For the Purpose of Conducting Business)	None
CET	Construction in process	2022/10/8 (Date of contract signing)	\$1,137,045 (THB1,190,000 thousand)	999,758	China State Construction Engineering (Thailand) Co., Ltd.	None	-	-	-	-	Contract	Plant (For the Purpose of Conducting Business)	None

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Note 4: It had been transferred from unfinished construction in October 2024.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate disposed by	Real estate	Transaction date or date of the event	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
CEM3	Assets such as land use right, buildings and equipments	November 7, 2023	From August 30, 2008 to September 16, 2022	\$ 381,232	\$1,268,699 (RMB288,270 thousand)	\$1,268,699 (RMB288,270 thousand)	\$762,267 (Note 2)	The Management Committee of Wujiang Economic and Technological Development	-	Cooperate with the government's policy planning	Land and real estate repurchase agreement	The relocation of the entire site shall be completed within 9 months from the contract signing date.

Note 1: Transaction date or date of the event refers to the resolution date by the Board of Directors.

Note 2: The repurchase agreement price for land and properties is RMB 288,270 thousand. After deducting the carrying value of the disposal group held for sale, which is RMB 84,206 thousand, and various expenses incurred due to relocation, which amount to RMB 32,572 thousand, the disposal gain is RMB 171,492 thousand.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

							Differences in transaction terms compared to third party transactions				
			Transaction						Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty (Note 3)	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
The Company	CEM2	Subsidiary owned by COI	Purchases	\$ 2,080,879	6	60~180 days	Note 1	60~180 days	(\$ 4,482,345)	30	-
CEM2	The Company	The parent company of COI	Sales	(2,080,879)	67	60~180 days	Note 2	60~180 days	4,482,345	90	-
The Company	CEM3	Subsidiary owned by Mao-Feng	Purchases	12,708,970	35	60~180 days	Note 1	60~180 days	(5,488,157)	37	-
CEM3	The Company	The parent company of COI	Sales	(12,708,970)	51	60~180 days	Note 2	60~180 days	5,488,157	47	-
The Company	CEM5	Subsidiary owned by COI	Purchases	1,103,840	3	60~180 days	Note 1	60~180 days	(490,348)	3	-
CEM5	The Company	The parent company of COI	Sales	(1,103,840)	18	60~180 days	Note 2	60~180 days	490,348	20	-
The Company	Mao-Ray	Subsidiary owned by Real Young	Purchases	3,860,634	11	60~180 days	Note 1	60~180 days	(2,002,757)	13	-
Mao-Ray	The Company	The parent company of COI	Sales	(3,860,634)	58	60~180 days	Note 2	60~180 days	2,002,757	61	-
The Company	CET	Subsidiary owned by COI	Purchases	13,882,987	38	60~180 days	Note 1	60~180 days	(2,093,974)	14	-
CET	The Company	The parent company of COI	Sales	(13,882,987)	93	60~180 days	Note 2	60~180 days	2,093,974	87	-
CEM2	CET	Affiliated company	Sales	(462,383)	19	60~90 days	Note 2	60~90 days	249,539	5	-
CET	CEM2	Affiliated company	Purchases	462,383	4	60~90 days	Note 1	60~90 days	(249,539)	8	-
CGI	CEM3	Affiliated company	Sales	(471,149)	2	60~90 days	Note 2	60~90 days	146,334	2	-
CEM3	CGI	Affiliated company	Purchases	471,149	2	60~90 days	Note 1	60~90 days	(146,334)	2	-
CGI	CEM5	Affiliated company	Sales	(111,601)	-	90 days	Note 2	90 days	39,806	1	-
CEM5	CGI	Affiliated company	Purchases	111,601	2	90 days	Note 1	90 days	(39,806)	2	-
CGI	CAI	Affiliated company	Sales	(762,558)	3	60~90 days	Note 2	60~90 days	445,662	7	-
CAI	CGI	Affiliated company	Purchases	762,558	85	60~90 days	Note 1	60~90 days	(445,662)	89	-
CGI	CEZ	Affiliated company	Sales	(145,713)	1	60~90 days	Note 2	60~90 days	14,933	-	-
CEZ	CGI	Affiliated company	Purchases	145,713	52	60~90 days	Note 1	60~90 days	(14,933)	78	-
CEM2	CGI	Affiliated company	Sales	(587,372)	19	60~180 days	Note 2	60~180 days	-	-	-
CGI	CEM2	Affiliated company	Purchases	587,372	3	60~180 days	Note 1	60~180 days	-	-	-
Mao-Ray	CGI	Affiliated company	Sales	(2,701,355)	41	60~180 days	Note 2	60~180 days	1,131,056	35	-
CGI	Mao-Ray	Affiliated company	Purchases	2,701,355	14	60~180 days	Note 1	60~180 days	(1,131,056)	14	-
CEM3	CGI	Affiliated company	Sales	(10,455,549)	42	60~180 days	Note 2	60~180 days	5,443,559	46	-
CGI	CEM3	Affiliated company	Purchases	10,455,549	56	60~180 days	Note 1	60~180 days	(5,443,559)	65	-
CEM5	CGI	Affiliated company	Sales	(4,789,622)	80	60~180 days	Note 2	60~180 days	1,772,729	72	-
CGI	CEM5	Affiliated company	Purchases	4,789,622	26	60~180 days	Note 1	60~180 days	(1,772,729)	21	-
CET	CGI	Affiliated company	Sales	(169,284)	1	60~180 days	Note 2	60~180 days	4,927	-	-
CGI	CET	Affiliated company	Purchases	169,284	1	60~180 days	Note 1	60~180 days	(4,927)	-	-
CEM3	CET	Affiliated company	Sales	(226,149)	1	60~90 days	Note 2	60~90 days	131,872	1	-
CET	CEM3	Affiliated company	Purchases	226,149	4	60~90 days	Note 1	60~90 days	(131,872)	8	-
CPSZ	CEM3	Affiliated company	Sales	(150,237)	1	90 days	Note 2	90 days	42,926	1	-
CEM3	CPSZ	Affiliated company	Purchases	150,237	1	90 days	Note 1	90 days	(42,926)	1	-

							Differences in transaction terms compared to third party transactions				
			Transaction						Notes/accounts receivable (payable)		
					Percentage of total purchases				Percentage of total notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty (Note 3)	Purchases (sales)	Amount	(sales)	Credit term	Unit price	Credit term	Balance		Footnote
CP	CEM3	Affiliated company	Sales	(\$ 1,413,180)	4	90 days	Note 2	90 days	\$ 559,951	5	-
CEM3	CP	Affiliated company	Purchases	1,413,180	6	90 days	Note 1	90 days	(559,951)	8	-
CP	CEM2	Affiliated company	Sales	(150,360)	-	60~90 days	Note 2	60~90 days	24,152	-	-
CEM2	CP	Affiliated company	Purchases	150,360	6	60~90 days	Note 1	60~90 days	(24,152)	3	-
CP	CEM5	Affiliated company	Sales	(657,848)	2	90 days	Note 2	90 days	238,609	2	-
CEM5	CP	Affiliated company	Purchases	657,848	12	90 days	Note 1	90 days	(238,609)	14	-
CP	Mao-Ray	Affiliated company	Sales	(391,589)	1	90 days	Note 2	90 days	163,731	1	-
Mao-Ray	CP	Affiliated company	Purchases	391,589	6	90 days	Note 1	90 days	(163,731)	8	-
CP	CEZ	Affiliated company	Sales	(116,534)	-	120 days	Note 2	120 days	-	-	-
CEZ	CP	Affiliated company	Purchases	116,534	42	120 days	Note 1	120 days	-	-	-
CP	CPUS	Affiliated company	Sales	(988,934)	3	90 days	Note 2	90 days	475,760	4	-
CPUS	CP	Affiliated company	Purchases	988,934	100	90 days	Note 1	90 days	(475,760)	100	-
CPDG	CP	Affiliated company	Sales	(5,736,083)	92	45 days	Note 2	45 days	1,559,418	91	-
CP	CPDG	Affiliated company	Purchases	5,736,083	20	45 days	Note 1	45 days	(1,559,418)	12	-
CPDG	CPTH	Affiliated company	Sales	(158,643)	3	60 days	Note 2	60 days	31,275	2	-
CPTH	CPDG	Affiliated company	Purchases	158,643	7	60 days	Note 1	60 days	(31,275)	2	-
CPSZ	CP	Affiliated company	Sales	(13,350,964)	96	45 days	Note 2	45 days	5,989,495	96	-
CP	CPSZ	Affiliated company	Purchases	13,350,964	44	45 days	Note 1	45 days	(5,989,495)	47	-
CPSZ	CPTH	Affiliated company	Sales	(144,804)	1	60 days	Note 2	60 days	36,291	1	-
CPTH	CPSZ	Affiliated company	Purchases	144,804	6	60 days	Note 1	60 days	(36,291)	2	-
CPSZ	CPCQ	Affiliated company	Sales	(140,542)	1	60 days	Note 2	60 days	44,050	1	-
CPCQ	CPSZ	Affiliated company	Purchases	140,542	2	60 days	Note 1	60 days	(44,050)	2	-
CPCQ	CP	Affiliated company	Sales	(6,659,419)	97	45 days	Note 2	45 days	4,011,326	98	-
CP	CPCQ	Affiliated company	Purchases	6,659,419	23	45 days	Note 1	45 days	(4,011,326)	31	-
CPTH	CP	Affiliated company	Sales	(3,569,652)	99	45 days	Note 2	45 days	856,687	99	-
CP	CPTH	Affiliated company	Purchases	3,569,652	12	45 days	Note 1	45 days	(856,687)	7	-
GSE	CPSZ	Affiliated company	Sales	(147,929)	23	60 days	Note 2	60 days	59,733	27	-
CPSZ	GSE	Affiliated company	Purchases	147,929	1	60 days	Note 1	60 days	(59,733)	1	-
GSE	CPDG	Affiliated company	Sales	(197,474)	31	60 days	Note 2	60 days	72,064	32	-
CPDG	GSE	Affiliated company	Purchases	197,474	4	60 days	Note 1	60 days	(72,064)	3	-
CPDG	Zhuzhou Torch	Affiliated company	Sales	(110,888)	2	150 days	Note 2	150 days	69,045	4	-
Zhuzhou Torch	CPDG	Affiliated company	Purchases	110,888	24	150 days	Note 1	150 days	(69,045)	26	-
XAVi Suzhou	XAVi	Affiliated company	Sales	(652,629)	79	45~180 days	Note 2	45~180 days	-	-	-
XAVi	XAVi Suzhou	Affiliated company	Purchases	652,629	30	45~180 days	Note 1	45~180 days	-	-	-
XAVi Suzhou	XAVi Thailand	Affiliated company	Sales	(154,194)	19	45~180 days	Note 2	45~180 days	5,237	4	-
XAVi Thailand	XAVi Suzhou	Affiliated company	Purchases	154,194	11	45~180 days	Note 1	45~180 days	(5,237)	1	-
XAVi Thailand	XAVi	Affiliated company	Sales	(1,532,752)	95	45~180 days	Note 2	45~180 days	-	-	-
XAVi	XAVi Thailand	Affiliated company	Purchases	1,532,752	70	45~180 days	Note 1	45~180 days	-	-	-
CEM3	Newmax Technology Co., Ltd.	Associate	Purchases	208,642	1	60~90 days	Note 1	60~90 days	(2,895)	-	-
CEM3	Kapok Computer (Kunshan) Co., Ltd.	Other related party	Sales	(518,847)	2	60 days	Note 2	60 days	200,497	2	-
CEM3	Jiaxing Chunxiang Electronic Technology Co., Ltd.	Other related party	Purchases	398,909	2	90 days	Note 1	90 days	(176,705)	3	-
CEM3	Far win (Kunshan) Co., Ltd.	Other related party	Purchases	390,456	2	90 days	Note 1	90 days	(52,842)	1	-
CEM5	ShunOn Electronic Co.	Other related party	Purchases	329,700	6	90 days	Note 1	90 days	(120,583)	7	-
CEM5	Far win (Kunshan) Co., Ltd.	Other related party	Purchases	141,428	3	60~90 days	Note 1	60~90 days	(12,427)	1	-
CEM5	Jiaxing Chunxiang Electronic Technology Co., Ltd.	Other related party	Purchases	202,185	3	90 days	Note 1	90 days	(74,417)	4	-
Mao-Ray	Far win (Dongguan) Co., Ltd.	Other related party	Purchases	306,165	5	120 days	Note 1	120 days	(65,320)	3	-
CP	Kapok Computer (Kunshan) Co., Ltd.	Other related party	Sales	(259,933)	1	60 days	Note 2	60 days	68,090	1	-

Note 1: Purchases from related parties were basically the same as those from third parties.

Note 2: Sales to related parties were basically the same as those to third parties.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
December 31, 2024

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Accounts receivable								
CEM2	The Company	The parent company of COI	\$ 4,482,345	0.48	\$ -	-	\$ -	-
Mao-Ray	The Company	The parent company of COI	2,002,757	1.83	-	-	-	-
CEM3	The Company	The parent company of COI	5,488,157	1.82	-	-	-	-
CEM5	The Company	The parent company of COI	490,348	2.80	-	-	-	-
CEM3	Kapok Computer (Kunshan) Co., Ltd.	Other related party	200,497	2.73	-	-	-	-
CEM3	CGI	Affiliated company	5,443,559	2.71	-	-	-	-
CEM3	CET	Affiliated company	131,872	1.90	-	-	-	-
CEM2	CET	Affiliated company	249,539	1.26	-	-	-	-
CGI	CAI	Affiliated company	445,662	1.91	-	-	-	-
CGI	CEM3	Affiliated company	146,334	3.40	-	-	-	-
CET	The Company	Affiliated company	2,093,974	7.57	-	-	-	-
CEM5	CGI	Affiliated company	1,772,729	2.09	-	-	-	-
Mao-Ray	CGI	Affiliated company	1,131,056	3.20	-	-	-	-
CP	Mao-Ray	Affiliated company	163,731	2.44	-	-	-	-
CP	CEM3	Affiliated company	559,951	2.39	-	-	-	-
CP	CEM5	Affiliated company	238,609	2.75	-	-	-	-
CP	CPUS	Affiliated company	475,760	2.48	-	-	-	-
CPDG	CP	Affiliated company	1,559,418	4.27	-	-	-	-
CPSZ	CP	Affiliated company	5,989,495	2.49	-	-	-	-
CPCQ	CP	Affiliated company	4,011,326	1.71	-	-	-	-
CPTH	CP	Affiliated company	856,687	5.90	-	-	-	-
Other receivable								
The Company	UNIKEY	Subsidiary owned by the Company	\$ 153,464	-	\$ -	-	\$ -	-
The Company	Qun-Jing	Subsidiary owned by HEC	187,403	-	-	-	-	-
The Company	Quansun	Subsidiary owned by HEC	265,571	-	-	-	-	-
The Company	Real Young	Subsidiary owned by COI	423,756	-	-	-	-	-
The Company	CGI	Subsidiary owned by the Company	2,567,376	-	-	-	-	-
COI	The Company	The Company	5,535,280	-	-	-	-	-
COI	CGI	Affiliated company	295,110	-	-	-	-	-
COI	Kuang Mao	Affiliated company	230,186	-	-	-	-	-
CGI	The Company	The Company	4,265,979	-	-	-	-	-
CGI	CEM2	Affiliated company	277,877	-	-	-	-	-
CGI	CET	Affiliated company	1,858,364	-	-	-	-	-
Mao-Feng	The Company	The Company	2,308,088	-	-	-	-	-
Real Young	Mao-Ray	Subsidiary owned by Real Young	213,470	-	-	-	-	-
CEM2	The Company	The Company	570,271	-	-	-	-	-
CEM3	Mao-Qun	Affiliated company	184,828	-	-	-	-	-
CEM5	CEM2	Affiliated company	537,516	-	-	-	-	-
CET	The Company	Affiliated company	121,707	-	-	-	-	-
CP	CPUS	Affiliated company	210,448	-	-	-	-	-
CP	CPTH	Affiliated company	2,011,948	-	-	-	-	-
CPDG	Zhuzhou Torch	Affiliated company	521,333	-	-	-	-	-
CPI	CPHK	Affiliated company	1,452,269	-	-	-	-	-
HOI	CGI	Affiliated company	1,590,315	-	-	-	-	-
HOI	Real Young	Affiliated company	111,486	-	-	-	-	-
HOI	The Company	The Company	1,295,205	-	-	-	-	-
XAVi Overseas	Directmax	Affiliated company	127,275	-	-	-	-	-
Systemax	XAVi	Affiliated company	229,530	-	-	-	-	-
XAVi	XAVi Thailand	Affiliated company	262,320	-	-	-	-	-

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
Year ended December 31, 2024

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Transaction							Percentage of consolidated total operating revenues or total assets (Note 3)
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	
0	The Company	CGI	1	Other receivables-related party	\$ 2,567,376	Note 6	2.44
"	The Company	CGI	1	Sales	1,958,893	Note 6	1.93
1	CGI	The Company	2	Other receivables-related party	4,265,979	Note 5	4.05
"	CGI	CET	3	Other receivables-related party	1,858,364	Note 6	1.76
2	COI	The Company	2	Other receivables-related party	5,535,280	Note 5	5.25
3	CET	The Company	2	Accounts receivable-related party	2,093,974	Note 4	1.99
"	CET	The Company	2	Sales	13,882,987	Note 4	13.68
4	CEM2	The Company	2	Sales	2,080,879	Note 4	2.05
"	CEM2	The Company	2	Accounts receivable-related party	4,482,345	Note 4	4.25
5	CEM3	The Company	2	Sales	12,708,970	Note 4	12.52
"	CEM3	The Company	2	Accounts receivable-related party	5,488,157	Note 4	5.21
"	CEM3	CGI	3	Sales	10,455,549	Note 4	10.30
"	CEM3	CGI	3	Accounts receivable-related party	5,443,559	Note 4	5.17
6	CEM5	The Company	2	Sales	1,103,840	Note 4	1.09
"	CEM5	CGI	3	Sales	4,789,622	Note 4	4.72
"	CEM5	CGI	3	Accounts receivable-related party	1,772,729	Note 4	1.68
7	Mao-Ray	The Company	2	Sales	3,860,634	Note 4	3.80
"	Mao-Ray	The Company	2	Accounts receivable-related party	2,002,757	Note 4	1.90
"	Mao-Ray	CGI	3	Sales	2,701,355	Note 4	2.66
"	Mao-Ray	CGI	3	Accounts receivable-related party	1,131,056	Note 4	1.11
8	Mao-Feng	The Company	2	Other receivables-related party	2,308,088	Note 5	2.19
9	CP	CEM3	3	Sales	1,413,180	Note 4	1.39
"	CP	CPTH	3	Other receivables-related party	2,011,948	Note 5	1.91
10	HOI	CGI	3	Other receivables-related party	1,590,315	Note 5	1.51
"	HOI	The Company	2	Other receivables-related party	1,295,205	Note 5	1.23

Transaction							Percentage of consolidated total operating revenues or total assets
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	(Note 3)
11	CPSZ	CP	3	Sales	\$ 13,350,964	Note 4	13.16
"	CPSZ	CP	3	Accounts receivable-related party	5,989,495	Note 4	5.68
12	CPCQ	CP	3	Sales	6,659,419	Note 4	6.56
"	CPCQ	CP	3	Accounts receivable-related party	4,011,326	Note 4	3.81
13	CPDG	CP	3	Sales	5,736,083	Note 4	5.65
"	CPDG	CP	3	Accounts receivable-related party	1,559,418	Note 4	1.48
14	CPI	CPHK	3	Other receivables-related party	1,452,269	Note 5	1.38
15	CPTH	CP	3	Sales	3,569,652	Note 4	3.52
16	XAVi Thailand	XAVi	3	Sales	1,532,752	Note 4	1.51

Other transactions between the parent company and subsidiaries not exceeding 1% of the consolidated total revenue or total assets are not disclosed. Those transactions are shown in other assets and revenue.

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(2) Subsidiary to parent company.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on year-end balance of total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Sales to related parties were basically the same as those to third parties, with consideration of transaction quantities and market situation, the payment terms were basically the same as third parties .

Note 5: The terms of related party loans depends on both parties' operation situation.

Note 6: Receivables from advances and service charges of related parties.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees (not including investees in Mainland China)
Year ended December 31, 2024

Table 10

			Initial investment amount		Shares held as at December 31, 2024						
Investor	Investee	Location	Main business activities	Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	Net profit (loss)	Investment income (loss)	Footnote
									of the investee for the year ended December 31, 2024	recognised by the Company for the year ended December 31, 2024	
The Company	COI	BVI	(1) Sales of computer peripherals	\$ 265,326	\$ 265,326	1,000	100.00%	\$ 35,801,139	\$ 4,035,932	\$ 4,037,181	Subsidiary
			(2) Management of overseas acquisitions & investments								
	CET	Thailand	Manufacturing and sales of computer peripherals	783,011	783,011	8,213,384	82.11%	4,003,915	1,211,475	994,742	Subsidiary
	UNIKEY	Taiwan R.O.C.	Manufacturing and sales of computer peripherals	150,000	150,000	90,000,000	100.00%	1,328,888	(52,642)	(240,225)	Subsidiary
	HOI	BVI	(1) Sales of switching power supplies and other electronic parts	412,003	412,003	12,560,000	100.00%	3,027,509	42	42	Subsidiary
			(2) Management of overseas acquisitions & investments								
	HEC	Taiwan R.O.C.	Sales of switching power supplies and other electronic parts	2,330	2,330	4,660,000	100.00%	503,358	173,963	74,209	Subsidiary
	XAVi	Taiwan R.O.C.	Researching, manufacturing and selling the DSL bridges and routers	120,210	120,210	31,155,440	40.30%	398,227	92,779	34,208	Subsidiary
	CGI	Malaysia	Sales of computer peripherals	33,027	33,027	1,000,000	100.00%	5,218,857	415,839	344,326	Subsidiary
	CP	Taiwan R.O.C.	(1) Research, manufacture and sales of switching power supply, other electronic parts and equipment, and lamps	2,945,619	2,792,813	207,991,594	51.90%	7,147,049	3,341,049	1,696,494	Subsidiary
			(2) Smart building system business								
UNIKEY	Real Young	BVI	(1) Design and sales of computer peripherals	41,490	41,490	1,275,000	13.95%	228,043	236,068	-	Sub-subsubsidiary
			(2) Management of overseas acquisitions & investments								
COI	CAI	U.S.A	Sales of computer peripherals	106,568	106,568	3,250,000	100.00%	110,429	(66)	-	Sub-subsubsidiary
				(USD 3,250)	(USD 3,250)						
	CAGI	U.S.A	Internet solution for E-Commerce solution	101,813	101,813	12,400,000	100.00%	(1,580)	(26)	-	Sub-subsubsidiary
				(USD 3,105)	(USD 3,105)						
	Mao-Feng	BVI	(1) Sales of computer peripherals	75,220	75,220	2,294,000	100.00%	14,380,915	1,571,063	-	Sub-subsubsidiary
			(2) Management of overseas acquisitions & investments								
				(USD 2,294)	(USD 2,294)						
	CET	Thailand	Manufacturing and sales of computer peripherals	256,516	256,516	1,789,141	17.89%	871,170	1,211,475	-	Sub-subsubsidiary
				(USD 7,823)	(USD 7,823)						
	KUM	Samoa	(1) Sales of computer peripherals	74,466	74,466	2,284,142	100.00%	(230,130)	(5,057)	-	Sub-subsubsidiary
		(2) Management of overseas acquisitions & investments	(USD 2,271)	(USD 2,271)							
	CEZ	Czech Republic	Sales of computer peripherals	230	230	-	100.00%	250,921	10,902	-	Sub-subsubsidiary
			(USD 7)	(USD 7)							
	GFI	Cayman Islands	(1) Sales of computer peripherals	78,434	78,434	2,310,000	60.00%	(179,786)	(1,602)	-	Sub-subsubsidiary
			(2) Management of overseas acquisitions & investments	(USD 2,392)	(USD 2,392)						
	Real Young	BVI	(1) Design and sales of computer peripherals	264,681	264,681	7,864,780	86.05%	1,415,781	236,068	-	Sub-subsubsidiary
			(2) Management of overseas acquisitions & investments	(USD 8,072)	(USD 8,072)						

				Initial investment amount		Shares held as at December 31, 2024					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Footnote
COI	CEJ	Japan	Sales of computer peripherals	\$ 3,115	\$ 3,115	-	100.00%	\$ 11,373	\$ 699	\$ -	Sub-subsidiary
	Swift Success Holdings	Samoa	Investment holdings	(USD 95) 175,820	(USD 95) 175,820	-	40.00%	241,917	(682)	-	Investments accounted for using equity method
CP	CPH	BVI	Investment holdings	(USD 5,362) 326,350	(USD 5,362) 326,350	10,000,000	100.00%	10,981,252	1,185,218	-	Sub-subsidiary
	CPTH	Thailand	Sales of switching power supplies and other electronic parts	(USD 10,000) 892,346	(USD 10,000) 495,060	99,000,000	100.00%	1,656,825	352,329	-	Sub-subsidiary
CPH	CPI	Cayman Islands	Investment holdings	(THB 890,000) 327,900	(THB 550,000) 327,900	10,000,000	100.00%	11,156,737	1,185,218	-	Sub-subsidiary
CPI	CPUS	U.S.A	Sales of switching power supplies and other electronic parts	(USD 10,000) 43,184	(USD 10,000) 43,184	1,500,000	100.00%	69,142	13,930	-	Sub-subsidiary
	CPHK	Hong Kong	Research and development center	(USD 1,317) 362,364	(USD 1,317) 362,364	46,800,000	100.00%	9,563,375	1,198,438	-	Sub-subsidiary
	WitsLight Technology	Samoa	Design, research and development, manufacturing and sales of LED lighting modules and investment holdings	(HKD 85,800) 338,229	(HKD 85,800) 338,229	12,800,000	100.00%	(263,124)	(53,228)	-	Sub-subsidiary
	WTS	CT	Taiwan R.O.C.	(USD 10,315) 3,000	(USD 10,315) 3,000	300,000	100.00%	(46,308)	(130)	-	Sub-subsidiary
Kuang Mao	Sky-Fine	Samoa	Design, researching and developing and sales of automotive and motorcycle lamps and other components	81,745	81,745	310,423	29.00%	-	(34,683)	-	Investments accounted for using equity method
HEC	Quansun	Taiwan R.O.C.	Sales of computer peripherals	(USD 2,493) 80,000	(USD 2,493) 80,000	8,000,000	100.00%	9,210	11,867	-	Sub-subsidiary
	Qun-Jung	Taiwan R.O.C.	Investment holdings	80,000	80,000	8,000,000	100.00%	(9,210)	11,867	-	Sub-subsidiary
	CP	Taiwan R.O.C.	Manufacturing and sales of computer peripherals	1,000	1,000	100,000	100.00%	(77,700)	2,151	-	Sub-subsidiary
XAVi	Directmax	BVI	(1) Research, manufacture and sales of switching power supply, other electronic parts and equipment, and lamps	54,811	54,811	1,202,830	0.30%	78,024	3,341,049	-	Subsidiary
			(2) Smart building system business								
	Xavi Technologies	BVI	Management of overseas acquisitions and investments	332,791	332,791	7,750,000	100.00%	493,525	76,386	-	Sub-subsidiary
	(Thailand) Co., Ltd.	Thailand	acquisitions & investments	(USD 10,250) 75,377	(USD 10,250) 75,377	7,999,997	100.00%	228,230	(1,774)	-	Sub-subsidiary
Directmax	XAVi Overseas	Thailand	Manufacturing, processing and sales of communication products	(THB 80,000) 75,377	(THB 80,000) 75,377	7,999,997	100.00%	228,230	(1,774)	-	Sub-subsidiary
	Systemax	BVI	Management of overseas acquisitions and investments	324,942	324,942	7,500,000	100.00%	127,334	1	-	Sub-subsidiary
			and investments acquisitions & investments	(USD 10,000) 324,942	(USD 10,000) 324,942	7,500,000	100.00%	127,334	1	-	Sub-subsidiary
			Sales of DSL bridges and routers	7,849	7,849	250,000	100.00%	254,978	11,291	-	Sub-subsidiary
				(USD 250) 7,849	(USD 250) 7,849	250,000	100.00%	254,978	11,291	-	Sub-subsidiary

Note: The amount of NTD exchanged from foreign currency in the table were exchanged with the exchange rate at financial reporting date except profit or loss was exchanged with the average exchange rate from January 1, 2024 to December 31, 2024.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investments in Mainland China
Year ended December 31, 2024

Table 11

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 2) (Note 4)		Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan								
Chicony Electronics (Dong Guan) Co., Ltd.	Manufacturing and sales of computer peripherals	\$ 322,150	(2)A	\$ 317,555	\$ -	\$ -	\$ 317,555	\$ 278,552	100%	\$ 296,200	(2)B	\$ 5,166,502	\$ -	-
Chicony Electronics (Suzhou) Co., Ltd.	Manufacturing and sales of computer peripherals	967,558	(2)C	329,424	-	-	329,424	1,628,818	100%	1,578,499	(2)B	12,065,742	-	-
Chicony Electronics (Chong-Qing) Co., Ltd.	Manufacturing and sales of computer peripherals	435,788	(2)A	-	-	-	-	618,640	100%	618,640	(2)B	5,499,574	-	-
Mao-Ray Electronics (Dong Guan) Co., Ltd.	Manufacturing of electronic parts, keyboards and plastic products	277,530	(2)B	236,374	-	-	236,374	235,916	100%	235,916	(2)B	1,945,621	-	-
Suzhou Mao-Qun Electronics Co., Ltd.	Manufacturing of electronic parts, keyboards and plastic products	124,911	(2)D	93,661	-	-	93,661	(1,602)	60%	(961)	(2)B	(299,644)	-	-
Suzhou Qun-Yang Electronics Co., Ltd.	Manufacturing of electronic parts, keyboards and plastic products	4,804	(2)D	-	-	-	-	(28)	60%	(17)	(2)B	(93,141)	-	-
XAVi Technology (Suzhou) Co., Ltd.	Manufacturing and sales of DSL bridges	324,942	(2)F	324,942	-	-	324,942	14,975	40.30%	6,035	(2)B	180,187	-	-
Chicony Power Technology (Dong Guan) Co., Ltd.	Manufacturing and sales of switching power supplies and other electronic parts	593,135	(2)E	286,935	-	-	286,935	201,593	52.20%	105,232	(2)B	1,806,232	-	-
Chicony Power Technology (Suzhou) Co., Ltd.	Manufacturing and sales of switching power supplies and LED lighting equipment	1,297,467	(2)E	194,245	-	-	194,245	705,274	52.20%	368,153	(2)B	5,626,570	-	-
Quang Sheng Electronics (Nangchang) Co., Ltd.	Manufacturing of switching power supplies and other electronics parts	131,175	(2)E	97,602	-	-	97,602	203	52.20%	(332)	(2)B	255,860	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024			Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 2) (Note 4)		Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
													(Note 2)	(Note 4)			
Chicony Power Technology (Chong Qing) Co., Ltd.	Manufacturing and sales of switching power supplies and LED lighting equipment	\$ 301,744	(2)E	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296,700		52.20%	\$ 154,877	(2)B	\$ 3,217,379	\$ -	-
Chicony Energy Saving Technology (Shanghai) Co., Ltd.	Sales of LED lighting equipment	44,379	(2)E	-	-	-	-	-	-	(4,938)		52.20%	(2,578)	(2)B	27,819	-	-
Chicony Power Technology Trading (Dong Guan) Co., Ltd.	Importing and exporting of switching power supplies, LED lighting equipment, and other electronic parts and smart building system business	10,491	(2)E	-	-	-	-	-	-	2,225		52.20%	1,161	(2)B	-	-	-
WitsLight Technology (Kunshan) Co., Ltd.	Manufacturing and sales of LED lighting modules	331,859	(2)G	-	-	-	-	-	-	(52,521)		52.20%	(27,416)	(2)B	(176,434)	-	-
Zhuzhou Torch Auto Lamp Co., Ltd.	Production and sales of automotive and motorcycle components, electric machine and device, lamps and plastic products	228,654	(2)G	-	-	-	-	-	-	(52,501)		52.20%	(27,406)	(2)B	(180,935)	-	-

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024 (Note 3)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 3)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
The Company	\$ 2,504,074 (USD 76,367 thousand)	\$ 3,699,204 (USD 112,815 thousand)	\$ 27,704,677

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China, the investing companies includes:
 - A. Chicony Overseas Inc.
 - B. Real Young Elec. Co., Ltd.
 - C. Mao-Feng International Inc.
 - D. Global Faith Inc.
 - E. Chicony Power Technology Hong Kong Limited(CPHK)
 - F. Directmax International Ltd.
 - G. WitsLight Technology Co., Ltd..
- (3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2024' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A.The financial statements were audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B.The financial statements were audited and attested by R.O.C. parent company's CPA.
 - C.Others

Note 3: Excluded the amount reported to the competent authorities by subsidiaries.

Note 4: Calculated based on the Company's ending combined shareholding ratio.

Note 5: The registration of liquidation for Chicony Power Technology Trading (Dong Guan) Co., Ltd. had been completed on November 8, 2024, and the investment amount approved by the Investment Commission of the Ministry of Economic Affairs had been withdrawn.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Major shareholders information

December 31, 2024

Table 12

Expressed in thousands of NTD
(Except as otherwise indicated)

Name of major shareholders	Shares		Ownership (%)
	Number of shares held (commen shares)	Number of shares held (preference shares)	
Hsu, Kun-Tai	56,615,782	-	7.44%
Yuanta/P-shares Taiwan Dividend Plus ETF	38,590,689	-	5.07%

Note 1: (1) The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may different from the actual number of shares in dematerialised form due to the difference in calculation basis.

(2) If the aforementioned data contains shares which were kept in the trust by the shareholders, the data was disclosed as a separate account of the client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio was greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio included the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information on reported share equity of insiders, please refer to the Market Observation Post System.