

Solid Year Co., LTD

Parent Company Only Financial Statements and Independent Auditor's Report

For the years ended December 31, 2024 and 2023

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Independent Auditors' Report

To: Solid Year Co., Ltd

Auditors' Opinion

We have audited the parent company only financial statements of Solid Year Co., Ltd, which comprise the parent company only balance sheets as of the years ended Dec. 31, 2024 and 2023, and the parent company only comprehensive income statement, parent company only statement of changes in equity, parent company only cash flow statement from Jan. 1 to Dec. 31, 2024 and 2023, and notes to parent company only financial statements (including summary of significant accounting policies).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of Solid Year Co., Ltd as of Dec. 31, 2024 and Dec. 31, 2023 as well as the parent company only financial performance and cash flows from Jan. 1, 2024 and Dec. 31, 2023 in accordance with the Standards for the Preparation of Financial Reporting by Securities Issuers.

Basis for Audit Opinions

We have duly conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing. The responsibilities of the attesting CPAs under these standards will be further explained in the auditor's responsibility section of the audit of the financial statements. We are independent of Solid Year Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidence has been obtained in order to be served as a basis for presenting our audit opinion.

Key Audit Matters

Key audit items refer to the items that, in the professional judgment of the accountant, are the most important in the audit of the individual financial statements of Solid Year Co., LTD for the year 2024. These matters were addressed in the context of our audit of the Company as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended 2024 are stated as follows:

Recognition of revenue

Solid Year Co., Ltd. primarily engages in the manufacturing and sales of various electronic components and computer peripherals. Due to the significance of sales revenue affecting the overall financial statements, there is pressure to achieve the expected targets. Moreover, auditing standards presume a risk of revenue recognition fraud, hence we evaluate the authenticity of certain significant and significantly growing customer sales revenue

as a key audit matter. For the accounting policy on income recognition, please refer to Note 4 to the parent company only financial reports.

The audit procedures performed by the auditor for the above matters are summarized as follows:

1. Understand and test the design and effectiveness of internal control systems related to revenue recognition.
2. Select samples from the revenue ledger to perform transaction detail test, inspect orders, relevant shipping documents and payment collection, and confirm the authenticity of sales revenue.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

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

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

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. The accountant also performs the following work:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the relevant notes) and whether the parent company only financial statements allow the expression of relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the business entities within the Company, to express an opinion on the parent company only financial statements. We are responsible for the guidance, supervision, and execution of the audit case, and is responsible for forming an audit opinion on Solid Year Co., Ltd.

The matters communicated by the accountant with the governing body include the planned scope and timing of the audit and significant audit findings (including significant lack of internal control identified during the audit).

From the matters communicated with the management unit, the accountant decides the key matters for the audit of 2024 the individual financial statements of Solid Year Co., LTD. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte&Touche United Accounting Firm

Accountant Su, Ting-Chien

CPA Hsu Jui-Lung

Approval document No. of the Financial
Supervisory Commission
Financial Management Certificate Audit
Zi No. 1070323246

Approval document No. of the Financial
Supervisory Commission
Financial Management Certificate Audit Zi
No. 1130349292

March 24, 2025

Solid Year Co., LTD
Parent Company Only Balance Sheet
Dec. 31, 2024 and 2023

Unit: NT\$'000

Code	Assets	Dec. 31, 2024		Dec. 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 536,060	12	\$ 350,583	10
1170	Notes and accounts receivable (Notes IV, VIII, XXII and XXIX)	938,611	22	772,473	21
1200	Other receivables (Notes IV, VIII and XXIX)	1,916	-	7,512	-
130X	Inventory (Notes IV, V and IX)	123,253	3	204,784	6
1470	Other current assets (Note XV)	51,400	1	53,506	1
11XX	Total current assets	<u>1,651,240</u>	<u>38</u>	<u>1,388,858</u>	<u>38</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income or loss - non-current (Notes IV and VII)	63,300	2	10,378	-
1550	Investments accounted for using the equity method (Notes IV and X)	1,661,132	38	1,313,555	36
1600	Property, plant and equipment (Notes IV, XI and XXX)	729,703	17	724,474	20
1755	Right-of-use assets (Notes IV, XII and XXIX)	12,190	-	12,763	-
1780	Intangible assets (Notes IV and XIV)	7,421	-	2,320	-
1760	Investment property (Notes IV, XIII and XXX)	146,713	3	148,943	4
1840	Deferred income tax assets (Notes IV and XXIV)	30,816	1	31,153	1
1990	Other non-current assets (Note XV)	25,054	1	16,609	1
15XX	Total non-current assets	<u>2,676,329</u>	<u>62</u>	<u>2,260,195</u>	<u>62</u>
1XXX	Total assets	<u>\$ 4,327,569</u>	<u>100</u>	<u>\$ 3,649,053</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes XVI and XXX)	\$ 80,000	2	\$ 115,000	3
2130	Contract liabilities - Current (Notes IV and XXII)	73,193	2	71,823	2
2170	Accounts payables (Notes XVII and XXIX)	1,622,648	38	1,271,589	35
2200	Other accounts payables (Notes XVIII and XXIX)	218,228	5	123,560	3
2230	Current income tax liabilities (Notes IV and XXIV)	45,278	1	35,944	1
2250	Current liabilities - provisions (Note XIX)	46,046	1	23,336	1
2280	Lease liabilities - current (Notes IV, XII and XXIX)	3,524	-	2,418	-
2320	Long-term loans due within one year (Notes XVI and XXX)	17,666	-	23,128	1
2399	Other current liabilities (Notes XVIII)	2,026	-	2,105	-
21XX	Total current liabilities	<u>2,108,609</u>	<u>49</u>	<u>1,668,903</u>	<u>46</u>
	Non-current liabilities				
2540	Long-term borrowings (Notes XVI and XXX)	170,030	4	332,372	9
2570	Deferred income tax liabilities (Notes IV and XXIV)	228,385	5	163,803	5
2580	Lease liabilities - non-current (Notes IV, XII and XXIX)	9,093	-	10,581	-
2670	Other non-current liabilities (Notes X and XVIII)	24,972	1	192	-
25XX	Total non-current liabilities	<u>432,480</u>	<u>10</u>	<u>506,948</u>	<u>14</u>
2XXX	Total liabilities	<u>2,541,089</u>	<u>59</u>	<u>2,175,851</u>	<u>60</u>
	Rights and benefits				
3110	Ordinary share capital	600,504	14	600,504	16
3200	Capital fund	90,525	2	90,525	2
	Retained earnings				
3310	Legal reserve	223,286	5	187,449	5
3320	Special reserve	-	-	46,496	2
3350	Undistributed earnings	854,395	20	593,786	16
3400	Other equity	17,770	-	(45,558)	(1)
3XXX	Total equity	<u>1,786,480</u>	<u>41</u>	<u>1,473,202</u>	<u>40</u>
	Total liabilities and equity	<u>\$ 4,327,569</u>	<u>100</u>	<u>\$ 3,649,053</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liang, Hui-Pin

General Manager: Wu, Chuan-Shih

Accounting Supervisor: Lai, Yi-Han

Solid Year Co., LTD
Parent Company only Statement of Comprehensive Income

Jan. 1 to Dec. 31, 2024 and 2023

Unit: In NT\$'000, except earnings per share in NT\$

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes IV, XXII and XXIX)	\$ 4,633,092	100	\$ 3,216,692	100
5000	Operating costs (Notes IV, IX and XXIX)	(3,852,702)	(83)	(2,735,993)	(85)
5900	Operating Gross Profit	<u>780,390</u>	<u>17</u>	<u>480,699</u>	<u>15</u>
	Operating expenses (Notes XXIII and XXIX)				
6100	Sales expense	(228,202)	(5)	(123,033)	(4)
6200	Management fee	(159,717)	(4)	(136,099)	(4)
6300	Research and development expenses	(49,903)	(1)	(47,399)	(2)
6450	Expected credit impairment reversal benefit (loss) (Note VIII)	<u>68</u>	<u>-</u>	(<u>253</u>)	<u>-</u>
6000	Total operating expenses	(<u>437,754</u>)	(<u>10</u>)	(<u>306,784</u>)	(<u>10</u>)
6900	Net operating profit	<u>342,636</u>	<u>7</u>	<u>173,915</u>	<u>5</u>
	Non-operating income and expenses (Notes XXIII and XXIX)				
7100	Interest income	13,319	1	9,529	1
7010	Other income	9,312	-	7,566	-
7020	Other benefits and losses	(39,301)	(1)	911	-
7050	Financial costs	(6,662)	-	(9,183)	-
7070	The share of profits and losses of subsidiaries and associates recognized by the equity method	<u>231,070</u>	<u>5</u>	<u>105,997</u>	<u>3</u>
7000	Total non-operating income and expenses	<u>207,738</u>	<u>5</u>	<u>114,820</u>	<u>4</u>
7900	Net income before tax	550,374	12	288,735	9
7950	Income tax liabilities (Notes IV and XXIV)	(<u>108,263</u>)	(<u>2</u>)	(<u>68,077</u>)	(<u>2</u>)

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Code		2024		2023	
		Amount	%	Amount	%
8200	Net profit for the year	<u>442,111</u>	<u>10</u>	<u>220,658</u>	<u>7</u>
	Other comprehensive income (Notes XXIV and XXVIII)				
8310	Items not reclassified to profit or loss				
8316	Unrealized evaluation gains and losses on equity instrument investments measured at fair value through other comprehensive gains and losses	4,922	-	(2,997)	-
8349	Income taxes related to items that are not reclassified	(<u>984</u>)	<u>-</u>	<u>578</u>	<u>-</u>
		<u>3,938</u>	<u>-</u>	(<u>2,419</u>)	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operating institutions	74,233	1	(18,747)	(1)
8399	Income taxes related to items that are reclassified	(<u>14,843</u>)	<u>-</u>	<u>3,749</u>	<u>-</u>
		<u>59,390</u>	<u>1</u>	(<u>14,998</u>)	(<u>1</u>)
8300	Other comprehensive profit or loss for the year (net after tax)	<u>63,328</u>	<u>1</u>	(<u>17,417</u>)	(<u>1</u>)
8500	Total comprehensive profit or loss for the year	<u>\$ 505,439</u>	<u>11</u>	<u>\$ 203,241</u>	<u>6</u>
	Earnings per share (Note XXV)				
9750	Basic	<u>\$ 7.36</u>		<u>\$ 3.67</u>	
9850	Dilution	<u>\$ 7.32</u>		<u>\$ 3.65</u>	

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liang, Hui-Pin

General Manager: Wu, Chuan-Shih

Accounting Supervisor: Lai, Yi-Han

Solid Year Co., LTD
Parent Company Only Statement of Changes in Equity
Jan. 1 to Dec. 31, 2024 and 2023

Unit: NT\$'000

Code		Ordinary share capital (Note XXI)	Capital fund (Note XXI)	Retained earnings (Note 21)			Other equity		Total equity
				Legal reserve	Special reserve	Undistributed earnings	Financial assets at fair value through other comprehensive income or loss	Exchange differences on translation of financial statements of foreign operating institutions	
A1	Balance as of January 1, 2023	\$ 600,504	\$ 90,525	\$ 168,555	\$ 22,669	\$ 529,945	(\$ 35,700)	\$ 7,559	\$ 1,384,057
	Appropriation and distribution of earnings								
B1	Legal reserve	-	-	18,894	-	(18,894)	-	-	-
B3	Special reserve	-	-	-	23,827	(23,827)	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	(114,096)	-	-	(114,096)
D1	Net income in 2023	-	-	-	-	220,658	-	-	220,658
D3	Other comprehensive income after tax in 2023	-	-	-	-	-	(2,419)	(14,998)	(17,417)
D5	Total comprehensive income in 2023	-	-	-	-	220,658	(2,419)	(14,998)	203,241
Z1	Balance as of December 31, 2023	600,504	90,525	187,449	46,496	593,786	(38,119)	(7,439)	1,473,202
	Appropriation and distribution of earnings								
B1	Legal reserve	-	-	35,837	-	(35,837)	-	-	-
B3	Special reserve	-	-	-	(46,496)	46,496	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	(192,161)	-	-	(192,161)
D1	Net income in 2024	-	-	-	-	442,111	-	-	442,111
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	3,938	59,390	63,328
D5	Total comprehensive profit or loss for 2024	-	-	-	-	442,111	3,938	59,390	505,439
Z1	Balance as of December 31, 2024	\$ 600,504	\$ 90,525	\$ 223,286	\$ -	\$ 854,395	(\$ 34,181)	\$ 51,951	\$ 1,786,480

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liang, Hui-Pin

General Manager: Wu, Chuan-Shih

Accounting Supervisor: Lai, Yi-Han

Solid Year Co., LTD
Parent Company Only Statement of Cash Flows
Jan. 1 to Dec. 31, 2024 and 2023

Unit: NT\$'000

Code		2024	2023
	Cash flow from operating activities		
A10000	Net profit before tax for the year	\$ 550,374	\$ 288,735
A20010	Income, expense and loss items:		
A20300	Expected credit impairment		
	(turning interest) loss	(68)	253
A20100	Depreciation expense	17,825	17,012
A20200	Amortization expense	2,325	1,788
A20900	Financial costs	6,662	9,183
A21200	Interest income	(13,319)	(9,529)
A22400	The share of profits and losses of subsidiaries and associates by the equity method	(231,070)	(105,997)
A22500	Disposal of property, plant and equipment losses (gains)	796	(685)
A23200	Gains on disposal of subsidiaries	(537)	-
A23700	Inventory depreciation and impairment losses	4,834	23,602
A24100	Net gain from foreign currency exchange	12,646	(15,731)
A30000	Net change in operating assets and liabilities		
A31150	Accounts receivable	(150,794)	(10,374)
A31180	Other receivables	5,608	728
A31200	Inventory	76,697	(208,940)
A31230	Payment in advance	(3,311)	22,096
A31240	Other current assets	5,417	(16,237)
A32125	Contractual Liabilities - Current	1,370	(25,294)
A32150	Accounts payable	323,279	507,106
A32180	Other payables	28,590	2,845
A32200	Provision for liabilities	22,710	11,052
A32230	Other current liabilities	(79)	39
A33000	Cash generated from operations	659,955	491,652
A33100	Interest collected	13,319	9,529
A33300	Interest paid	(6,504)	(8,903)
A33500	Income tax paid	(49,837)	(36,905)
AAAA	Cash inflow from operating activities	<u>616,933</u>	<u>455,373</u>

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Code		2024	2023
	Cash flows from investing activities		
B00010	Financial assets at fair value through other comprehensive income or loss	(48,000)	(35,892)
B00020	Disposal of financial assets at fair value through other comprehensive income	-	35,892
B01800	Acquisition of long-term equity investments accounted for using the equity method	(17,698)	-
B02700	Purchase of property, plant and equipment	(17,231)	(99,617)
B02800	Disposal amount of real estate, plant and equipment	-	2,000
B03800	Deposit margin increased	(6,722)	(15,199)
B04600	Purchase of intangible assets	(7,426)	(1,429)
B06800	Decrease of other non-current assets	403	3,230
B07100	Prepayment for equipment increased	(3,106)	(490)
BBBB	Net cash outflow from investing activities	(99,780)	(111,505)
	Cash flow from financing activities		
C00100	Increase in short-term borrowing	30,000	85,000
C00200	Decrease in short-term borrowings	(65,000)	(234,000)
C04020	Repayment of principal of lease liabilities	(3,507)	(3,253)
C01600	Long-term loans	8,900	106,660
C01700	Repayment of long-term borrowings	(176,704)	(63,089)
C03000	Collect deposit margin	741	-
C03100	Decrease in guarantee for deposits received	-	(690)
C04500	Payment of dividends	(126,106)	(150,125)
CCCC	Net cash outflow from financing activities	(331,676)	(259,497)
EEEE	Net increase in cash and cash equivalents	185,477	84,371
E00100	Cash and approximate cash balance at the beginning of the year	350,583	266,212
E00200	Cash and approximate cash balance at the end of the year	\$ 536,060	\$ 350,583

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liang, Hui-Pin

General Manager: Wu, Chuan-Shih

Accounting Supervisor: Lai, Yi-Han

Solid Year Co., LTD
Notes to Parent Company Only Financial Statements
Jan. 1 to Dec. 31, 2024 and 2023
(In NT\$'000, unless stated otherwise)

I. Company History

Solid Year Co., Ltd. (hereinafter referred to as the “Company”) was founded in December 1978. It is engaged in the manufacturing and import and export of various electronic components and computer peripheral equipment.

The Company’s shares were approved by Taipei Exchange (TPEX) in May 2019 for public offering, and approved by Taipei Exchange in December of the same year to trade on the emerging stock market.

The parent company only financial statements are presented in the Company’s functional currency, NT\$.

II. Date and Procedure for Adopting Financial Statements

The parent company only financial statements were passed by the Board of Directors on March 13, 2025.

III. Applicability of New and Amended Standards and IFRS Interpretations

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

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC does not have material impact on the Company’s accounting policies.

- (II) IFRS accounting standards endorsed by the FSC and applicable in 2025

<u>New/amended/revised standards and interpretations</u>	<u>Effective date announced by IASB</u>
Amendments to IAS 21 “Lack of Convertibility”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments” regarding the revised application guidance for financial asset classification	January 1, 2026 (Note 2)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025. Upon initial application of these amendments, an entity shall not restate comparative periods. Instead, the effects shall be recognized in retained earnings or the foreign currency translation reserve (as appropriate) and in the related affected assets and liabilities as of the date of initial application.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2026, with early application permitted from January 1, 2025. Upon initial application, these amendments shall be applied retrospectively without restating comparative periods, with the cumulative effect recognized at the date of initial application. However, if an entity can restate comparative periods without the use of hindsight, it may elect to do so.

(III) IFRS accounting standards issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

<u>New/amended/revised standards and interpretations</u>	<u>Effective date announced by IASB (Note)</u>
“Annual Improvements to IFRS Standards - Volume 11”	January 1, 2026
Amendments to the application guidance for the classification of financial assets related to the “Amendments to IFRS 9 and IFRS 7 ‘Classification and Measurement of Financial Instruments’.”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts with Natural-Dependency Power”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Undecided
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above new IFRSs are effective for annual periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of Financial Statements” with key

changes including:

- The income statement shall classify income and expense items into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement shall present subtotals and totals for operating profit, profit before financing and tax, and profit or loss.
- Provide guidance to strengthen aggregation and disaggregation requirements: The Company must identify assets, liabilities, equity, income, expenses and cash flows generated from individual transactions or other events, and classify and aggregate them based on common characteristics, ensuring that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in primary financial statements and notes. The Company labels such items as “others” only when unable to find more informative labels.
- Enhanced disclosure of management-defined performance measures: When engaging in public communication outside the financial statements and communicating management’s view on certain aspects of the Company’s overall financial performance to financial statement users, the Company should disclose information related to management-defined performance measures in a single note to the financial statements. This should include the description of the measure, calculation methodology, reconciliation with subtotals or totals specified in IFRS accounting standards, and the impacts of income tax and non-controlling interests on the reconciliation items.

As of the publication date of these individual financial statements, the Company continues to evaluate the impact of other standards and amendments to interpretations on its financial position and financial performance. The relevant impact will be disclosed when the evaluation is completed .

IV. Summary of significant accounting policies

(I) Compliance Statement

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of Preparation

Except for financial instruments measured at fair value, the parent company only financial statements have been prepared on the historical cost basis.

The fair value is divided into Level 1 to Level 3 according to the observable degree and importance of the relevant input value:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date.
2. Level 2 inputs: Inputs, other than quoted prices in Level 1, that are observable, either directly (i.e., prices) or indirectly (i.e., derived from prices) for the asset or liability.
3. Level 3 inputs are unobservable inputs for the asset or liability.

When the Company prepared the parent company only financial statements, the subsidiaries and associates were accounted for using the equity method. In order to ensure that the profit or loss, other comprehensive income, and equity of the parent company financial statements for the current year are the same as those attributed to the owners of the Company in the consolidated financial statements, certain accounting treatment differences between the parent company only basis and consolidated basis include adjustments for “Investments Accounted for Using the Equity Method”, “Share of Profit or Loss of Subsidiaries and Associates Accounted for Using the Equity Method”, “Share of Other Comprehensive Income of Subsidiaries and Associates Accounted for Using the Equity Method”, and related equity items.

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

Current assets include:

1. Assets held mainly for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and
3. Liabilities for which there is no substantive right at the balance sheet date to defer settlement for at least 12 months after the balance sheet date.

Assets or current liabilities that are not classified as above are classified as non-current assets or non-current liabilities.

(IV) Foreign currency

When the Company prepares financial statements, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

Monetary items denominated in foreign currencies are translated at the rates prevailing at the end of each reporting period. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in profit or loss in the current period.

The foreign currency non-monetary item measured at fair value is converted at the exchange rate on the date when the fair value is determined, and the exchange difference generated is recognized in the current profit or loss; however, for the change in fair value recognized in other comprehensive income, the exchange difference generated is recognized in the current profit or loss in other comprehensive income.

Non-monetary items in foreign currency measured at historical cost are translated at the exchange rate on the transaction date and will not be retranslated.

For the purpose of preparing the parent company only financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries that operate in countries or use currencies different from the Company) are translated into New Taiwan Dollars at the exchange rates prevailing at each balance sheet date. Income and expense items are translated at the average exchange rates for the period, and the resulting exchange differences are recognized in other comprehensive income.

(V) Inventory

Inventories include raw materials, work-in-progress, semi-finished products, finished goods and merchandise. Inventories are measured at the lower of cost or net realizable value. The comparison of cost and net realizable value is based on individual items, except for inventories of the same category. The net realizable value refers to the balance of the estimated selling price under normal circumstances, less the estimated cost of completion and the estimated cost of sales. The cost of inventories is calculated using the weighted average method.

(VI) Investment in subsidiaries

The Company accounts for its investment in subsidiaries under the equity method.

A subsidiary is an entity controlled by the Company.

Under the equity method, an investment is initially recognized at cost, and the book value after the acquisition is increased or decreased by the Company's share of

the profit or loss and other comprehensive income of the subsidiary and the profit distribution. In addition, the changes in the Company's other equity in subsidiaries are recognized in proportion to the shareholding.

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses on a subsidiary equals or exceeds its equity in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that in substance form part of the Company's net investment in the subsidiary), Continue to recognize the losses in proportion to the shareholding.

The amount by which the acquisition cost exceeds the Company's share of the net identifiable assets and liabilities of the subsidiary in the acquired business on the acquisition date is recognized as goodwill. The goodwill is included in the book value of the investment and shall not be amortized; The share of the subsidiary's identifiable assets and net fair value of the purchased business that exceeds the acquisition cost is recognized as current income.

When the Company assesses the impairment, it considers the cash-generating unit as a whole and compares the recoverable amount with the book value. If the recoverable amount of the asset increases subsequently, the reversal of the impairment loss will be recognized as gain. However, the carrying amount of the asset after the reversal of the impairment loss shall not exceed the amount that would have been appropriated if the impairment loss had not been recognized The carrying amount after amortization. The impairment loss attributable to goodwill shall not be reversed in the subsequent period.

When control of a subsidiary is lost, the Company measures any remaining investment in the former subsidiary at fair value as of the date control is lost. The difference between this fair value plus any disposal proceeds and the carrying amount of the investment on the date control is lost is recognized in profit or loss for the period. In addition, all amounts recognized in other comprehensive income related to that subsidiary are accounted for on the same basis that would be required if the Company had directly disposed of the related assets or liabilities.

Transactions between the Company and its subsidiaries resulting in unrealized

gains or losses are written off in the parent company only financial statements of the Company. The gains and losses arising from the downstream and lateral transactions between the Company and its subsidiaries are recognized in the parent company only financial statements only to the extent that they are irrelevant to the Company's interests in the subsidiaries.

(VII) Investments in Associates

An associate is an entity over which the Company has significant influence, but is neither a subsidiary nor a joint venture.

The Company accounts for investments in associates using the equity method.

Under the equity method, investments in associates are initially recognized at cost, and the carrying amount is subsequently increased or decreased to recognize the Company's share of the associate's profit or loss and other comprehensive income, as well as profit distributions. In addition, changes in interests in associates are recognized in proportion to the ownership percentage.

The amount by which the acquisition cost exceeds the Company's share of the net identifiable assets and liabilities of the associate on the acquisition date is recognized as goodwill. The goodwill is included in the book value of the investment and shall not be amortized; The share of the associate's identifiable assets and net fair value of the purchased business that exceeds the acquisition cost is recognized as current income or loss.

When an associate issues new shares, if the Company does not subscribe proportionally to its shareholding ratio, causing changes in the shareholding percentage, which consequently increases or decreases the equity value of the investment, such changes are adjusted to capital surplus - changes in equity value of associates recognized under equity method and investments accounted for using the equity method. Moreover, if the associate's equity interest is reduced due to non-proportionate subscription or acquisition, the amounts recognized in other comprehensive income related to that associate are reclassified in proportion to the decrease. These amounts are accounted for on the same basis that would be required if the associate had directly disposed of the related assets or liabilities. If the above adjustment should be debited to capital surplus, and the capital surplus generated from investments using the equity method is insufficient, the difference is debited to retained earnings.

When the Company's share of losses in an associate equals or exceeds its interest in that associate (including the carrying amount of investments in associates under the equity method and other long-term interests that substantially form part of the Company's net investment in the associate), it stops recognizing further losses. The Company recognizes additional losses and liabilities only to the extent that it has legal or constructive obligations or has made payments on behalf of the associate.

When assessing impairment, the Company treats the entire carrying amount of the investment (including goodwill) as a single asset, comparing the recoverable amount with the carrying amount for impairment testing. Any recognized impairment loss is not allocated to any asset comprising the carrying amount of the investment, including goodwill. Any reversal of an impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company ceases using the equity method from the date when its investment is no longer an associate. Any retained interest in the former associate is measured at fair value, and the difference between this fair value, the disposal proceeds, and the investment's carrying amount on the date equity method is discontinued is recognized in profit or loss. In addition, all amounts recognized in other comprehensive income related to that associate are accounted for on the same basis that would be required if the associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

Profits and losses resulting from upstream, downstream, and sidestream transactions between the Company and an associate are recognized in the individual financial statements only to the extent that they are unrelated to the Company's interest in the associate.

(VIII) Property, plant and equipment

Property, plant and equipment are stated at cost and subsequently measured at cost less accumulated depreciation.

The property, plant and equipment under construction is recognized at the amount of cost less accumulated impairment loss. Cost includes professional service fees and borrowing costs that meet the capitalization conditions. Such assets are classified into the appropriate category of property, plant and equipment upon completion and reaching the status of intended use and the depreciation begins.

Except for the self-owned land, which is not depreciated, each significant

component of the remaining property, plant and equipment is depreciated separately on a straight-line basis over their useful lives. The Company reviews the estimated useful life, residual value and depreciation method at least at the end of each year, and applies the effects of changes in accounting estimates prospectively.

When derecognizing property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(IX) Investment property

Investment property is held for the purpose of earning rent or capital appreciation or both. Investment property also includes land held for which the future use has not yet been determined.

Self-owned investment property is initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated on a straight-line basis.

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(X) Intangible assets

1. Separately acquired

Intangible assets with limited useful life acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the useful lives. The Company reviews the estimated useful life, residual value, and amortization methods at least at the end of each year, while applying the effects of changes in accounting estimates prospectively.

2. Derecognition

When intangible assets are derecognized, any difference between the net disposal proceeds and the carrying amount of the asset is recognized in the current period's income statement.

(XI) Impairment of property, plant and equipment, right-of-use assets, intangible assets, and invested property.

The Company assesses at each balance sheet date whether there is any indication that the property, plant and equipment, right-of-use assets, investment property and intangible assets may have been impaired. If there are indications of impairment, the

estimated recoverable amount of the asset is determined. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated instead.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and an impairment loss is recognized in the income statement.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount. However, the increased carrying amount shall not exceed the amount that had The book value determined at the time of loss (less amortization or depreciation). Reversal of impairment loss is recognized in profit or loss.

(XII) Financial instruments

Financial assets and financial liabilities shall be recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instrument.

When financial assets and financial liabilities are initially recognized, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at the fair value plus transaction costs that are directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized in profit or loss.

1. Financial assets

Conventional transactions of financial assets are recognized and derecognized using trade date accounting.

(1) Measurement type

The types of financial assets held by the Company are financial assets measured at amortized cost and investments in equity instruments measured at fair value through other comprehensive income.

A. Financial assets measured at amortized cost

The Company classifies financial assets as measured at amortized cost if they meet both of the following conditions:

- a. It is held under a certain business model, and the purpose of the

model is to hold financial assets in order to collect contractual cash flows; and

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

Financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable measured at amortized cost, other receivables, and refundable deposits) are initially measured at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses, with any foreign exchange gains or losses recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the carrying amount of the financial asset, except in the following two cases:

- a. For purchased or originated credit-impaired financial assets, interest revenue is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.
- b. For financial assets that are not acquired or originated credit-impaired but subsequently become credit impaired, interest revenue shall be calculated by multiplying the effective interest rate by the amortized cost of the financial asset from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to those where the issuer or debtor has experienced significant financial difficulty, default, and it is probable that the debtor will enter bankruptcy or other financial restructuring, or the financial asset's active market has disappeared due to financial difficulties.

Cash equivalents include highly liquid investments with maturities of three months or less from the acquisition date that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value, used to meet short-term cash commitments.

- B. Equity instrument investment measured at fair value through other comprehensive income

The Company may, at initial recognition, make an irrevocable

election to present in other comprehensive income subsequent changes in fair value of an investment in equity instrument that is not held for trading nor contingent consideration recognized by an acquirer in a business combination.

Equity instruments measured at fair value through other comprehensive income are measured at fair value, with subsequent fair value changes recognized in other comprehensive income and accumulated in other equity. When the investment is disposed, the accumulated profit or loss is directly transferred to the retained earnings and is not reclassified as profit or loss.

Dividends of investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive payment is established, unless such dividends clearly represent the recovery of part of the investment cost.

(2) Impairment of financial assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including notes and accounts receivable) based on the expected credit loss at each balance sheet date.

For notes and accounts receivable, an allowance for loss is recognized based on the expected credit losses for the duration. For other financial assets, an assessment is made on whether there is a significant increase in credit risk since the original recognition. If there is no significant increase in the credit risk, the allowance for loss is recognized at an amount equal to expected credit losses over 12 months. If there has been a significant increase, expected credit losses are recognized based on the expected credit losses over the remaining period.

Expected credit losses are determined as the weighted average of credit losses considering the risk of default. Expected credit losses over 12 months represent the expected credit losses arising from default events within 12 months after the reporting date, while expected credit losses over the remaining period represent the expected credit losses arising from all possible default events during the expected remaining period.

For internal credit risk management purposes and without

considering the collateral held, the Company determines that a financial asset has defaulted under the following conditions:

- A. There is internal or external information indicating that it is impossible for the debtor to pay off the debt.
- B. The asset is overdue by more than 365 days, unless there is reasonable and verifiable information indicating that a different default criterion is more appropriate.

All impairment losses on financial assets are recognized by adjusting their carrying amounts through an allowance account, except for impairment losses on equity instruments measured at fair value through other comprehensive income, which are recognized in other comprehensive income and do not reduce their carrying amounts.

(3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the carrying amount and the consideration received is recognized in profit or loss. When equity instruments measured at fair value through other comprehensive income are derecognized, accumulated gains or losses are directly transferred to retained earnings and are not reclassified to profit or loss.

2. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost in the effective interest method.

(2) Derecognition of financial liabilities

When derecognizing financial liabilities, any difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(XIII) Provision for liabilities

The amount recognized as provisions reflects the best estimate of the expenditure required to settle the obligation as of the balance sheet date, taking into account the

risks and uncertainties associated with the obligation. Provisions are measured at the present value of the estimated cash flows required to settle the obligation.

(XIV) Recognition of revenue

Upon identification of performance obligations in customer contracts, the Company allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

Revenue from the sale of goods comes from the sale of electronic components, computer peripherals, and military and industrial supplies. Since the customer has control over the goods and assumes the risks and rewards of ownership upon delivery to the customer's specified location, with the price being fixed and the right to use the goods established, and assuming the primary responsibility for resale and the risk of obsolescence, the Company recognizes revenue and accounts receivable at that point in time. Revenue from military and industrial product sales is recognized along with contract assets after the products pass customer inspection at the factory, are delivered to customer-designated locations, and are signed for by the receiving unit. These are then reclassified as accounts receivable according to the contractually specified billing schedule. The advance receipts from sales of merchandise are recognized as contract liabilities before the products arrive at the locations designated by the customers.

When exporting materials for processing, the control of the ownership of the processed products has not been transferred, so materials are not recognized as income.

(XV) Lease

The Company assesses whether the contract belongs to (or contains) a lease on the establishment date of the contract.

1. The Company as the lessor

When the lease terms transfer almost all the risks and rewards attached to the ownership of assets to the lessee, it is classified as a finance lease. All other leases are classified as operating leases.

Under a finance lease, lease payments include fixed payments and substantive fixed payments. The net lease investment is measured by the sum of the present value of the lease payment receivable and the unguaranteed residual value plus the original direct cost, and is expressed as a finance lease receivable. Financing income is allocated to each accounting period to reflect the fixed rate of return on the Company's unexpired net lease investment in each period.

Under operating leases, lease payments net of lease incentives are

recognized as income on a straight-line basis over the relevant lease term.

2. The Company as the lessee

Except for low-value asset leases and short-term leases to which a recognition exemption applies, where lease payments are recognized as expenses on a straight-line basis over the lease terms, all leases are recognized with a right-of-use asset and a lease liability on the lease commencement date.

The right-of-use asset is initially measured at cost (including the initial measured amount of the lease liability, lease payment paid before the lease commencement date, initial direct costs, and the estimated cost of restoring the underlying asset), and subsequently measured at cost less accumulated depreciation, and adjusted remeasurement of lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

The right-of-use assets are depreciated on a straight-line basis from the lease start date to the end of the service life or the expiration of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments and substantive fixed payments). If the lease implied interest rate can be easily determined, the lease payment is discounted at the said interest rate. If such interest rate cannot be easily determined, the lessee's incremental borrowing interest rate shall apply.

Subsequently, the lease liability is measured at the amortized cost using the effective interest method, and the interest expense is amortized over the lease term. If a change in the lease term results in a change in future lease payments, the Company will remeasure the lease liability and adjust the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

(XVI) Cost of borrowings

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are treated as part of the cost of the asset until the asset is nearly ready for its intended use or sale.

All borrowing costs are recognized in profit or loss for the period in which they are incurred.

(XVII) Employee benefits

1. Short-term employee benefits

The liabilities related to short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

For the pension under the defined contribution plan, the amount of pension to be contributed is recognized as an expense during the service period of the employees.

(XVIII) Income tax

Income tax expense represents the sum of current income tax and deferred income tax.

1. Current income tax

In accordance with the Income Tax Act of the R.O.C., an additional tax on undistributed earnings is recognized in the year when a resolution is adopted at a shareholders' meeting.

Adjustments to income tax payable from prior years are recognized in current income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the tax bases for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for the extent that it is probable that taxable income will be available to deduct deductible temporary differences and losses.

All temporary taxable differences related to investments in subsidiary companies are recognized as deferred tax liabilities. However, the Company excludes those instances where it can control the timing of the reversal of temporary differences and where it is highly probable that these temporary differences will not reverse in the foreseeable future. For such investments and equity-related temporary differences that are eligible for deduction, recognition of deferred tax assets is limited to instances where there is sufficient taxable income available to realize the temporary differences, and within a foreseeable future period in which the reversal is expected to occur.

The carrying amount of deferred income tax assets is reviewed at each

balance sheet date, and the carrying amount is reduced if it is no longer probable that sufficient taxable income will be available to allow all or part of the recovery of the assets. Deferred income tax assets that were not recognized as deferred income tax assets are also reviewed at each balance sheet date, and it is probable that future taxable income will allow all or part of the assets to be recovered, the carrying amount is increased.

Deferred income tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would arise from the manner in which the Company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3. Current and deferred income tax

Current and deferred income tax is recognized in profit or loss, except for the current and deferred income tax related to the item that is recognized in other comprehensive income or directly in equity, respectively.

If the current income tax or deferred income tax arises from the acquisition of the subsidiary, the income tax effect is included in the accounting treatment of the investment in the subsidiary.

V. Disclosure of Significant Judgements and Key Sources of Estimation Uncertainty

When adopting accounting policies, the management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from estimates.

After evaluating the accounting policies, estimates, and basic assumptions adopted by the Company, the management of the Company has determined there are no significant accounting judgments, estimates, or uncertainties regarding assumptions.

Main source of estimation and assumption uncertainty - inventory impairment

The net realizable value of inventory is estimated by subtracting from the expected selling price during normal business operations the estimated costs still to be incurred to completion and the estimated costs to be incurred to sell, resulting in the residual estimate. These estimates are based on current market conditions and historical sales experience of similar products. Changes in market conditions may significantly affect these estimated results.

VI. Cash and cash equivalents

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Cash on hand and revolving funds	\$ 245	\$ 266
Checks and demand deposits	116,982	73,665
Cash equivalents		
Time deposits with original maturity date of less than 3 months	<u>418,833</u>	<u>276,652</u>
	<u>\$ 536,060</u>	<u>\$ 350,583</u>
<u>Interest rate per annum (%)</u>		
Time deposits with original maturity date of less than 3 months	1.23-4.7	4.9-5.4

VII. Financial assets at fair value through other comprehensive income or loss

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
<u>Non-current</u>		
Domestic investment		
Unlisted stocks	<u>\$ 63,300</u>	<u>\$ 10,378</u>

The Company makes investments according to its medium to long-term strategic objectives and anticipates profits through long-term investments. The management of the Company believes that recognizing short-term fair value fluctuations of these investments in the income statement would not align with the aforementioned long-term investment plan. Therefore, the decision is made to classify these investments as measured at fair value through other comprehensive income.

VIII. Notes receivable, accounts receivable and other receivables

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
<u>Notes and accounts receivable</u>		
Measured at amortized cost		
Gross carrying amount	\$ 930,891	\$ 761,379
Less: Loss allowance	(80)	(148)
	<u>\$ 930,811</u>	<u>\$ 761,231</u>
<u>Accounts receivable - related parties</u>		
Measured at amortized cost		
Gross carrying amount	<u>\$ 7,800</u>	<u>\$ 11,242</u>
<u>Other receivables</u>		
Tax refund receivable	\$ -	\$ 6,916
Others	<u>1,916</u>	<u>596</u>
	<u>\$ 1,916</u>	<u>\$ 7,512</u>

The Company extends an average credit period of 30 to 90 days for its sales of goods, with no interest charged on accounts receivable.

In order to mitigate credit risk, the Company's management has assigned a dedicated team to be responsible for credit limit determination, credit approval and other monitoring

procedures to ensure that appropriate actions are taken in the recovery of overdue receivables. In addition, the Company reviews the recoverable amounts of accounts receivable on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company recognizes the loss allowance for accounts receivable based on the lifetime expected credit loss. Expected credit losses are calculated using a provision matrix, taking into account the customer's past default history, current financial condition, industry economic conditions, as well as GDP forecasts and industry outlooks. As the Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, the allowance matrix does not further divide the customer groups, and only sets the expected credit loss rate based on the number of days past due on accounts receivable.

If there is evidence indicating severe financial difficulties faced by the counterparty and the Company cannot reasonably expect to recover the amount, such as when the counterparty is undergoing liquidation or the debt is overdue for more than 365 days, the Company directly writes off the related accounts receivable. However, the Company shall continue its collection efforts, and any amounts recovered through collection activities are recognized in the income statement.

The Company measures the allowance loss for notes and accounts receivable (including related parties) based on the provision matrix as follows:

Dec. 31, 2024

	Not past due	Overdue 1 ~ 180 days	Overdue 181 ~ 365 days	Overdue over 365 days	Total
Expected credit loss rate	0%	0%~0.23%	0.83%~99.28%	100%	
Gross carrying amount	\$ 903,763	\$ 34,596	\$ 332	\$ -	\$ 938,691
Allowance for losses (lifetime expected credit losses)	-	(21)	(59)	-	(80)
Amortized cost	<u>\$ 903,763</u>	<u>\$ 34,575</u>	<u>\$ 273</u>	<u>\$ -</u>	<u>\$ 938,611</u>

Dec. 31, 2023

	Not past due	Overdue 1 ~ 180 days	Overdue 181~360 days	Overdue over 365 days	Total
Expected credit loss rate	0.01%	0.27%~3.48%	6.41%~53.87%	100%	
Gross carrying amount	\$ 756,618	\$ 16,003	\$ -	\$ -	\$ 772,621
Allowance for losses (lifetime expected credit losses)	(72)	(76)	-	-	(148)
Amortized cost	<u>\$ 756,546</u>	<u>\$ 15,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 772,473</u>

The information on changes in the allowance for losses of notes receivable and

accounts receivable (including related parties) is as follows:

	2024	2023
Opening balance	\$ 148	\$ 203
Impairment losses provisioned (reversed) for the year	(68)	253
Actual write-offs in the current year	<u>-</u>	(<u>308</u>)
Closing balance	<u>\$ 80</u>	<u>\$ 148</u>

IX. Inventory

	Dec. 31, 2024	Dec. 31, 2023
Merchandise	\$ 100,862	\$ 42,755
Finished goods	17,522	87,148
Raw materials	3,082	71,325
Semi-finished goods	1,787	3,535
Work in process	<u>-</u>	<u>21</u>
	<u>\$ 123,253</u>	<u>\$ 204,784</u>

The inventory-related cost of sales in 2024 and 2023 was NT\$ 3,852,702,000 and NT\$ 2,735,993,000, respectively. In 2024 and 2023, cost of goods sold includes inventory valuation and obsolescence losses of NT\$4,834 thousand and NT\$23,602 thousand, respectively.

X. Investments accounted for using the equity method

	Dec. 31, 2024	Dec. 31, 2023
Investment in subsidiaries	\$ 1,654,864	\$ 1,313,555
Investments in Associates	<u>6,268</u>	<u>-</u>
	<u>\$ 1,661,132</u>	<u>\$ 1,313,555</u>

(I) Investment in subsidiaries

	Dec. 31, 2024	Dec. 31, 2023
GOODTEK LIMITED (GOODTEK)	\$ 1,380,066	\$ 1,028,544
LONG WIN LIMITED (LONG WIN)	233,794	218,177
UGREAT MARKETING LIMITED (UGREAT)	41,004	42,216
Ugreat Technology Electronic Co., Ltd.	-	14,991
Lysine New Energy Technology Co., Ltd. (Lysine New)	(<u>24,039</u>)	<u>9,627</u>
	1,630,825	1,313,555
Reclassified to other non-current liabilities	<u>24,039</u>	<u>-</u>
	<u>\$ 1,654,864</u>	<u>\$ 1,313,555</u>

Name of subsidiary	Percentage of ownership interests and voting rights	
	Dec. 31, 2024	Dec. 31, 2023
GOODTEK	100%	100%
LONG WIN	100%	100%
UGREAT	100%	100%
Ugreat Technology	-	66.67%
Lysine New Energy	70%	70%

- (1) Lysine New Energy's Board of Directors resolved on October 8, 2024 to temporarily suspend operations for one year from November 8, 2024 to November 7, 2025, based on considerations of the Company's interests.
- (2) On December 15, 2023, the Board of Directors of the Company resolved to conduct a cash capital increase for its subsidiary UGREAT. Subsequently, UGREAT MARKETING LIMITED further injected USD 563,000 into the Company's second-tier subsidiary, Yu Hong Electronic (Shenzhen) Co., Ltd. The entire capital increase process was completed on March 17, 2024.

(II) Investments in Associates

	Dec. 31, 2024	Dec. 31, 2023
Associates with significance		
Ugreat Technology	\$ 6,268	\$ -

Material associates

Company Name	Business scope	Principal place of business	Percentage of equity held and voting rights	
			Dec. 31, 2024	Dec. 31, 2023
Ugreat Technology	Retail sale of automobile and electronic materials	Taiwan	42.94%	-%

To improve its financial structure, Ugreat Technology conducted a capital reduction of NT\$77,335 thousand to offset losses on September 23, 2024, and implemented a cash capital increase of NT\$7,000 thousand. The Company lost control of this subsidiary due to not participating in the cash capital increase. For details regarding the disposal of the subsidiary, please refer to Note 26.

XI. Property, plant and equipment

	Dec. 31, 2024	Dec. 31, 2023
Self-use	\$ 726,868	\$ 721,639
Operating lease	2,835	2,835
	<u>\$ 729,703</u>	<u>\$ 724,474</u>

(I) Self-use

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress	Total
<u>Cost</u>						
Balance as of January 1, 2024	\$ 443,110	\$ 177,323	\$ 9,122	\$ 54,845	\$ 104,349	\$ 788,749
Addition	-	1,767	-	5,012	10,452	17,231
Reclassification	-	114,801	-	980	(114,801)	980
Disposal	-	(1,736)	-	(646)	-	(2,382)
Balance as of December 31, 2024	<u>\$ 443,110</u>	<u>\$ 292,155</u>	<u>\$ 9,122</u>	<u>\$ 60,191</u>	<u>\$ -</u>	<u>\$ 804,578</u>
<u>Accumulated depreciation</u>						
Balance as of January 1, 2024	\$ -	\$ 29,431	\$ 3,806	\$ 33,873	\$ -	\$ 67,110
Disposal	-	(940)	-	(646)	-	(1,586)
Depreciation expense	-	4,909	829	6,448	-	12,186
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 33,400</u>	<u>\$ 4,635</u>	<u>\$ 39,675</u>	<u>\$ -</u>	<u>\$ 77,710</u>
Net as of December 31, 2024	<u>\$ 443,110</u>	<u>\$ 258,755</u>	<u>\$ 4,487</u>	<u>\$ 20,516</u>	<u>\$ -</u>	<u>\$ 726,868</u>
<u>Cost</u>						
Balance as of January 1, 2023	\$ 441,228	\$ 175,419	\$ 6,950	\$ 43,054	\$ 22,756	\$ 689,407
Additions	-	-	2,172	15,852	81,593	99,617
Reclassification	1,882	1,904	-	1,199	-	4,985

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress	Total
Disposal	-	-	-	(5,260)	-	(5,260)
Balance as of December 31, 2023	\$ 443,110	\$ 177,323	\$ 9,122	\$ 54,845	\$ 104,349	\$ 788,749
<u>Accumulated depreciation</u>						
Balance as of January 1, 2023	\$ -	\$ 24,887	\$ 3,110	\$ 31,197	\$ -	\$ 59,194
Reclassification	-	280	-	-	-	280
Disposal	-	-	-	(3,945)	-	(3,945)
Depreciation expense	-	4,264	696	6,621	-	11,581
Balance as of December 31, 2023	\$ -	\$ 29,431	\$ 3,806	\$ 33,873	\$ -	\$ 67,110
Net as of December 31, 2023	\$ 443,110	\$ 147,892	\$ 5,316	\$ 20,972	\$ 104,349	\$ 721,639

Depreciation expenses are depreciated on a straight-line basis over the following useful lives:

Building	
Main building	50 years
Others	10 to 50 years
Machinery and equipment	5 to 8 years
Other equipment	
Transportation equipment	5 years
Office equipment	5 to 10 years
Others	2 to 8 years

For the amount of self-use property, plant and equipment pledged as collateral for borrowings, please refer to Note 30.

(II) Operating lease

	Land
<u>Cost</u>	
Balance as of January 1, 2024	\$ 2,835
Reclassified to self-use assets	-
Balance as of December 31, 2024	\$ 2,835
	Land
<u>Cost</u>	
Balance as of January 1, 2023	\$ 3,312
Reclassified to self-use assets	(477)
Balance as of December 31, 2023	\$ 2,835

The Company leases its parking spaces to employees on an operating lease for a period of 1 year. All operating lease contracts contain clauses that require the rent to be adjusted in accordance with the market rent when the lessee exercises the right to renew the lease. The lessee does not have preferential right to acquire the asset at the end of the lease term.

The total amount of lease payments to be received in the future for operating

leases is as follows:

	Dec. 31, 2024	Dec. 31, 2023
Year 1	<u>\$ 240</u>	<u>\$ 240</u>

Please refer to Note 30 for the amount of property, plant and equipment leased under operating leases that were pledged as collateral for borrowings.

XII. Lease agreements

(I) Right-of-use assets

	Dec. 31, 2024	Dec. 31, 2023
Book value of right-of-use assets		
Land	\$ 2,540	\$ 3,163
Buildings	8,406	9,600
Transportation equipment	<u>1,244</u>	<u>-</u>
	<u>\$ 12,190</u>	<u>\$ 12,763</u>
	2024	2023
Addition of right-of-use assets	<u>\$ 2,836</u>	<u>\$ 15,139</u>
Depreciation expense of right-of-use assets		
Land	\$ 622	\$ 622
Buildings	2,538	2,540
Transportation equipment	<u>249</u>	<u>-</u>
	<u>\$ 3,409</u>	<u>\$ 3,162</u>

(II) Lease liabilities

	Dec. 31, 2024	Dec. 31, 2023
Book value of lease liabilities		
Current	<u>\$ 3,524</u>	<u>\$ 2,418</u>
Non-current	<u>\$ 9,093</u>	<u>\$ 10,581</u>
Discount rate interval (%) of lease liabilities is as follows:		
	Dec. 31, 2024	Dec. 31, 2023
Land	2.25	2.25
Buildings	1.30-2.25	1.30-2.25
Transportation equipment	1.67	-

(III) Important leasing activities and terms and conditions

The Company leases offices, parking spaces and staff dormitories for leases of 1 to 6 years. At the end of the lease term, the Company does not have preferential rights to acquire the leased land, offices, parking spaces and staff dormitories.

(IV) Other lease information

	2024	2023
Short-term lease expense	<u>\$ 2,366</u>	<u>\$ 899</u>
Low-value asset lease expense	<u>\$ 164</u>	<u>\$ 133</u>
Total cash outflow for leases	<u>(\$ 6,037)</u>	<u>(\$ 4,285)</u>

The Company has elected to apply an exemption for the recognition of leases for warehouses classified as short-term leases, and certain medical, photocopying equipment classified as leases of low-value assets. Therefore, no recognition of related right-of-use assets and lease liabilities is made for these leases.

XIII. Investment property

	Completed investment property
<u>Cost</u>	
Dec. 1, 2024	\$ 165,301
Reclassification	<u>-</u>
Balance as of December 31, 2024	<u>\$ 165,301</u>
<u>Accumulated depreciation and impairment</u>	
Balance as of January 1, 2024	\$ 16,358
Depreciation expense	<u>2,230</u>
Balance as of December 31, 2024	<u>\$ 18,588</u>
Net as of December 31, 2024	<u>\$ 146,713</u>
	Completed investment property
<u>Cost</u>	
January 1, 2023	\$ 168,610
Reclassification	<u>(3,309)</u>
Balance as of December 31, 2023	<u>\$ 165,301</u>
<u>Accumulated depreciation and impairment</u>	
Balance as of January 1, 2023	\$ 14,369
Reclassification	<u>(280)</u>
Depreciation expense	<u>2,269</u>
Balance as of December 31, 2023	<u>\$ 16,358</u>
Net as of December 31, 2023	<u>\$ 148,943</u>

The lease term of the investment property is 3 to 5 years. When the lessee exercises the right to renew the lease, it is agreed that the rent will be adjusted according to the market price. The lessee does not have the preferential right to acquire the investment property at the end of the lease term.

The total amount of lease payments to be received in the future for leasing out investment properties under operating leases is as follows:

	Dec. 31, 2024	Dec. 31, 2023
Year 1	\$ 5,429	\$ 5,334
Year 2	5,461	4,510
Year 3	1,249	2,469
Year 4	1,257	-
Year 5	1,257	-
	<u>\$ 14,653</u>	<u>\$ 12,313</u>

Investment property is depreciated on a straight-line basis over the following useful lives:

Main office building	50 years
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The fair value of investment properties, which have not been assessed by independent valuation experts, is measured by the management of the Company using valuation models commonly employed by market participants, with Level 3 inputs. This valuation is based on market evidence resembling transaction prices of similar real estate properties. The fair value obtained from the valuation is as follows:

	Dec. 31, 2024	Dec. 31, 2023
Fair value	<u>\$ 347,371</u>	<u>\$ 344,309</u>

Please refer to Note 30 for the amount of investment property pledged for loans.

XIV. Intangible assets

	Trademark rights	Cost of computer software	Total
<u>Cost</u>			
Balance as of January 1, 2024	\$ 656	\$ 15,774	\$ 16,430
Separately acquired	<u>-</u>	<u>7,426</u>	<u>7,426</u>
Balance as of December 31, 2024	<u>\$ 656</u>	<u>\$ 23,200</u>	<u>\$ 23,856</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2024	\$ 621	\$ 13,489	\$ 14,110
Amortization expense	<u>16</u>	<u>2,309</u>	<u>2,325</u>
Balance as of December 31, 2024	<u>\$ 637</u>	<u>\$ 15,798</u>	<u>\$ 16,435</u>
Net as of December 31, 2024	<u>\$ 19</u>	<u>\$ 7,402</u>	<u>\$ 7,421</u>
<u>Cost</u>			
Balance as of January 1, 2023	\$ 656	\$ 14,345	\$ 15,001
Separately acquired	<u>-</u>	<u>1,429</u>	<u>1,429</u>
Balance as of	<u>\$ 656</u>	<u>\$ 15,774</u>	<u>\$ 16,430</u>

	Trademark rights	Cost of computer software	Total
December 31, 2023			
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2023	\$ 601	\$ 11,721	\$ 12,322
Amortization expense	<u>20</u>	<u>1,768</u>	<u>1,788</u>
Balance as of December 31, 2023	<u>\$ 621</u>	<u>\$ 13,489</u>	<u>\$ 14,110</u>
Net as of December 31, 2023	<u>\$ 35</u>	<u>\$ 2,285</u>	<u>\$ 2,320</u>

Amortization expenses are accrued on a straight-line basis over the following useful lives:

	Trademark rights	10 years
	Cost of computer software	1 to 5 years
	2024	2023
Amortization expenses by function		
Sales expense	\$ 534	\$ 451
Management fee	1,340	641
Research and development expenses	<u>451</u>	<u>696</u>
	<u>\$ 2,325</u>	<u>\$ 1,788</u>

XV. Other assets

	Dec. 31, 2024	Dec. 31, 2023
<u>Current</u>		
Payment in advance		
Prepayment for purchases	\$ 27,279	\$ 20,655
Prepaid expenses	4,744	8,057
Residual tax credit	15,763	17,135
Input tax	2,968	7,582
Others	<u>646</u>	<u>77</u>
	<u>\$ 51,400</u>	<u>\$ 53,506</u>
<u>Non-current</u>		
Refundable deposits	\$ 22,438	\$ 15,716
Prepaid equipment payment	2,616	490
Others	<u>-</u>	<u>403</u>
	<u>\$ 25,054</u>	<u>\$ 16,609</u>

XVI. Borrowings

(I)	Sort-term borrowings		
		<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
	<u>Secured borrowings</u> (Note 30)		
	Bank borrowings	\$ 80,000	\$ 80,000
	<u>Unsecured borrowings</u>		
	Bank borrowings	<u>-</u>	<u>35,000</u>
		<u>\$ 80,000</u>	<u>\$ 115,000</u>
	<u>Interest rate per annum (%)</u>		
	Secured borrowings	1.99-2.1	1.86
	Unsecured borrowings	-	0.5
(II)	Long-term borrowings		
		<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
	<u>Secured borrowings</u> (Note 30)		
	Bank borrowings	\$ 168,880	\$ 331,980
	<u>Unsecured borrowings</u>		
	Bank borrowings	<u>18,816</u>	<u>23,520</u>
	Subtotal	187,696	355,500
	Less: maturity due within 1 year	(<u>17,666</u>)	(<u>23,128</u>)
	Long-term borrowings	<u>\$ 170,030</u>	<u>\$ 332,372</u>
		<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
	<u>Interest rate per annum (%)</u>		
	Secured borrowings	1.03-2.36	0.5-2.17
	Unsecured borrowings	1.03	0.9
XVII.	<u>Notes payable and accounts payable</u>		
		<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
	<u>Accounts payable</u>		
	From operations	\$ 22,162	\$ 77,515
	<u>Accounts payable - related parties</u>		
	From operations	<u>1,600,486</u>	<u>1,194,074</u>
		<u>\$ 1,622,648</u>	<u>\$ 1,271,589</u>

Accounts payable are paid at the agreed time in contracts. The Company has financial risk management policies in place to ensure that all accounts payable are repaid within the pre-agreed credit terms.

XVIII. Other liabilities

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
<u>Current</u>		
Other payables		
Dividends payable	\$ 120,101	\$ 54,046
Salaries and bonuses payable	24,137	19,796
Others	<u>73,990</u>	<u>49,718</u>
	<u>\$ 218,228</u>	<u>\$ 123,560</u>
Other liabilities		
Collection on behalf	<u>\$ 2,026</u>	<u>\$ 2,105</u>
 <u>Non-current</u>		
Guarantee deposits received	933	192
Credit balance of investments under equity method	<u>24,039</u>	<u>-</u>
	<u>\$ 24,972</u>	<u>\$ 192</u>

XIX. Current liabilities - provisions

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Provision for liabilities		
Sales discount (I)	\$ 23,626	\$ 23,336
Others (II)	<u>22,420</u>	<u>-</u>
	<u>\$ 46,046</u>	<u>\$ 23,336</u>

- (I) Provision for sales discounts is estimated based on historical experience, management's judgment, and other known factors for potential product discounts, and is recognized as a deduction from operating revenue in the year when the related products are sold.
- (II) This represents estimated compensation that may occur due to the Company's non-compliance with terms of sales contracts.

XX. Post-employment benefit plan

Defined contribution plan

The Company's pension system under the "Labor Pension Act" is a state-managed defined contribution plan. Under the Labor Pension Act, the Company makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries and wages.

XXI. Equity

(I) Share capital

Ordinary share

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Authorized shares (in thousands)	<u>100,000</u>	<u>100,000</u>
Authorized share capital	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Issued and paid shares (in thousands)	<u>60,050</u>	<u>60,050</u>
Issued share capital	<u>\$ 600,504</u>	<u>\$ 600,504</u>

(II) Capital fund

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
<u>May be used to offset losses, distribute cash or capitalize on share capital (1)</u>		
Premium from stock issuance	\$ 83,112	\$ 83,112
Issuance premium	3,535	3,535
<u>Can only be used to offset losses (2)</u>		
Changes in ownership interests in subsidiaries	3,666	3,366
<u>Not to be used for any purpose (3)</u>		
Gain on disposal of assets	<u>512</u>	<u>512</u>
	<u>\$ 90,525</u>	<u>\$ 90,525</u>

1. Such capital reserves may be used to make up for deficits, and may be used to distribute cash or capitalize on share capital when the Company has no losses. However, the capital reserves shall be limited to a certain percentage of the Company's paid-in capital each year.
2. Such capital reserve is the effect of equity transactions recognized due to changes in the company's equity when the Company has not actually acquired or disposed of the equity of the subsidiary, or the adjusted capital reserve of the subsidiary recognized by the Company under the equity method.
3. Such capital reserve shall not be used for any purpose.

(III) Retained earnings and dividend policy

According to the dividend distribution policy stipulated in the Company's Articles of Incorporation, the distribution of profits or offsetting of losses may be carried out at the end of each semi-annual accounting period. If there are profits in

each semi-annual accounting period, they shall be subject to legal tax payments. After offsetting accumulated losses, an estimated provision for employee compensation shall be made, followed by setting aside 10% as a legal reserve. However, if the legal reserve has reached the total amount of paid-in capital, further provision is not required. For the remaining balance, the special reserve shall be set aside or reversed in accordance with the laws and regulations; if there is any remaining balance, the remaining balance shall be added to the accumulated undistributed earnings in the first half of the fiscal year, and the Board of Directors shall prepare a proposal for the distribution of earnings by issuing new shares to the shareholders if the payment is in cash, the resolution of the board of directors is required.

The legal reserve shall be appropriated until the balance reaches the paid-in capital of the Company. Legal reserves may be used to offset losses. If the legal reserve exceeds 25% of the paid-in capital, if the Company has no losses, it can be used as capital and distributed in cash.

The Company provided and reversed the special reserve in accordance with the FSC Letter Jin-Guan-Zheng-Fa-Zi No. 1010012865 and the “Questions and Answers Concerning the Application of Special Reserves after the Adoption of International Financial Reporting Standards (IFRS)”.

The profit distribution proposals of the Company for 2023 and 2022 are as follows:

	2023	2022
Legal reserve	\$ 22,066	\$ 27,617
Appropriation (reversal) of special reserve	17,417	(19,247)
Cash dividends	126,106	150,125
Cash dividend per share (NT\$)	2.1	2.5

The 2023 cash dividends mentioned above were distributed by resolution of the Board of Directors on March 13, 2024 and December 15, 2023, respectively. The remaining distribution items for 2022 were resolved by the annual general shareholders’ meeting on May 30, 2024. The 2022 cash dividends were distributed by resolution of the Board of Directors on March 28, 2023 and December 7, 2022, respectively. The remaining distribution items for 2022 were resolved in the annual general shareholders’ meeting on June 19, 2023.

The Company's board of directors resolved the appropriations of earnings for 2024 and 2023 as follows:

	Jul. 1 to Dec. 31, 2024	Jan.1 to Jun.30, 2024
Resolution date of the Board of Directors	114年3月13日	113年11月29日
Legal reserve	\$ 24,663	\$ 19,548
Special reserve	-	(45,558)
Cash dividends	120,101	120,101
Cash dividend per share (NT\$)	2	2

	Jan. 7 to Dec. 31, 2023	Jan.1 to Jun.30, 2023
Resolution date of the Board of Directors	March 13, 2024	December 15, 2023
Legal reserve	\$ 16,289	\$ 5,777
Special reserve	(938)	18,355
Cash dividends	72,060	54,046
Cash dividend per share (NT\$)	1.2	0.9

The above cash dividends have been distributed by resolution of the board of directors, and the rest are yet to be resolved by the shareholders' meeting expected to be held on May 30, 2025.

(IV) Special reserve

	Dec. 31, 2024	Dec. 31, 2023
Opening balance	\$ 46,496	\$ 22,669
Appropriation (reversal) of special reserve		
Amounts debited (reversed) of other equity items	(<u>46,496</u>)	<u>23,827</u>
Closing balance	<u>\$ -</u>	<u>\$ 46,496</u>

XX. Income

(I) Operating revenue

	2024	2023
Revenue from contracts with customers	<u>\$ 4,633,092</u>	<u>\$ 3,216,692</u>

Contract balance

	Dec. 31, 2024	Dec. 31, 2023	January 1, 2023
Notes and accounts receivable	<u>\$ 938,611</u>	<u>\$ 772,473</u>	<u>\$ 792,172</u>

	Dec. 31, 2024	Dec. 31, 2023	January 1, 2023
Contractual Liabilities -			
Current	\$ <u>73,193</u>	\$ <u>71,823</u>	\$ <u>97,117</u>

Please refer to Statement 9 for the breakdown of revenue.

XXIII. Net income before tax

(I) Interest income

	2024	2023
Bank deposits	\$ 13,316	\$ 9,529
Imputed interest on deposits	<u>3</u>	<u>-</u>
Bank deposits	\$ <u>13,319</u>	\$ <u>9,529</u>

(II) Other income

	2024	2023
Rental income	\$ 5,643	\$ 5,392
Others	<u>3,669</u>	<u>2,174</u>
	\$ <u>9,312</u>	\$ <u>7,566</u>

(III) Other benefits and losses

	2024	2023
Net gains (losses) on disposal of property, plant and equipment	(\$ 796)	\$ 685
Net gains (losses) on foreign currency exchange	(14,033)	285
Other (Note 19)	(<u>24,472</u>)	(<u>59</u>)
	(\$ <u>39,301</u>)	\$ <u>911</u>

(IV) Financial costs

	2024	2023
Interest on bank borrowings	\$ 6,367	\$ 8,848
Interest on lease liabilities	280	324
Other interest expenses	<u>15</u>	<u>11</u>
	\$ <u>6,662</u>	\$ <u>9,183</u>

Information on interest capitalization is as follows:

	2024	2023
Amount of capitalized interest	\$ 641	\$ 426
Interest capitalized interest rate (%)	0.893	0.893

(V) Depreciation and amortization

	2024	2023
Depreciation expenses by function		
Operating cost	\$ 328	\$ 253
Operating expenses	<u>17,497</u>	<u>16,759</u>
	<u>\$ 17,825</u>	<u>\$ 17,012</u>
Amortization expenses by function		
Operating expenses	<u>\$ 2,325</u>	<u>\$ 1,788</u>

(VI) Employee benefit expense

	2024	2023
Short-term employee benefits		
Salary expenses	\$ 156,568	\$ 136,912
Insurance expenses	<u>13,154</u>	<u>12,160</u>
	<u>169,722</u>	<u>149,072</u>
Post-employment benefits		
Defined contribution plan	<u>6,634</u>	<u>6,060</u>
Other employee benefits	<u>7,318</u>	<u>5,020</u>
Total employee benefit expenses	<u>\$ 183,674</u>	<u>\$ 160,152</u>
Summary by function		
Operating cost	\$ 9,083	\$ 6,380
Operating expenses	<u>174,591</u>	<u>153,772</u>
	<u>\$ 183,674</u>	<u>\$ 160,152</u>

(VII) Compensation to employees and remuneration to directors

In accordance with the Company's Articles of Incorporation, the Company allocates remuneration to employees and directors based on the pre-tax profits before deducting such remuneration. Specifically, employee remuneration is allocated at a rate ranging from 3% to 10%, while director remuneration is allocated at a rate ranging from 1% to 5%. The 2024 and 2023 employees' and directors' remuneration were approved by the Board of Directors on March 13, 2025 and March 13, 2024, respectively, as follows:

Estimated ratio (%)

	2024	2023
Remuneration to employees	3	3
Remuneration to directors	1	1

Amount

	<u>2024</u>	<u>2023</u>
	Cash	Cash
Remuneration to employees	\$ 17,199	\$ 9,023
Remuneration to directors	5,733	3,008

If there is still a change in the amount of the annual parent company only financial statements after the publication date, it will be treated as a change in the accounting estimate and adjusted and accounted for in the following year.

There is no difference between the actual amount of employees' and directors' remuneration paid for 2023 and 2022 and the amount recognized in the parent company only financial statements for 2023 and 2022.

For information on employees' remuneration and remuneration of directors resolved by the Company's board of directors, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(VIII) Foreign exchange gain or loss

	<u>2024</u>	<u>2023</u>
Total gains on foreign currency exchange	\$ 73,131	\$ 119,536
Total losses on foreign currency exchange	(87,164)	(119,251)
Net profit (loss)	(\$ 14,033)	\$ 285

XXIV. Income Tax

(I) Main components of income tax expenses recognized in profit or loss

	<u>2024</u>	<u>2023</u>
Current income tax		
Incurred in the current year	\$ 59,308	\$ 30,979
Imposition on undistributed earnings	2,753	5,884
Adjustments from previous years	(2,890)	9,162
	<u>59,171</u>	<u>46,025</u>
Deferred income tax		
Incurred in the current year	<u>49,092</u>	<u>22,052</u>
Income tax expense recognized in profit or loss	<u>\$ 108,263</u>	<u>\$ 68,077</u>

The reconciliation of accounting income and income tax expense is as follows:

	<u>2024</u>	<u>2023</u>
Income before income tax from continuing operations	<u>\$ 550,374</u>	<u>\$ 288,735</u>
Income tax expense with net profit before tax calculated at statutory tax rate	\$ 110,075	\$ 57,747
Non-deductible expenses and losses (gains) for tax purposes	(1,675)	10,349) 5,633
Imposition on undistributed earnings	2,753	5,884
Unrecognized deductible temporary differences	-	(10,349)
Adjustments to income tax expenses of prior years	(<u>2,890</u>)	<u>9,162</u>
Income tax expense recognized in profit or loss	<u>\$ 108,263</u>	<u>\$ 68,077</u>
(II) Income tax recognized in other comprehensive income		
	<u>2024</u>	<u>2023</u>
<u>Deferred income tax</u>		
Incurred in the current year		
- Translation of foreign operations	(\$ 14,843)	\$ 3,749
- Unrealized gains and losses on investments in equity instruments	(<u>984</u>)	<u>578</u>
	(<u>\$ 15,827</u>)	<u>\$ 4,327</u>
(III) Current income tax assets and liabilities		
	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Current income tax liabilities		
Income tax payable	<u>\$ 45,278</u>	<u>\$ 35,944</u>

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensiv e income	Closing balance
<u>Deferred income tax assets</u>				
Temporary difference				
Allowance for inventory valuation losses	\$ 13,941	(\$ 7,647)	\$ -	\$ 6,294
Unrealized gains and losses on investment in equity instruments	9,503	-	(984)	8,519
Others	<u>7,709</u>	<u>10,154</u>	(<u>1,860</u>)	<u>16,003</u>
	<u>\$ 31,153</u>	<u>\$ 2,507</u>	(<u>\$ 2,844</u>)	<u>\$ 30,816</u>
 <u>Deferred income tax liabilities</u>				
Temporary difference				
Undistributed earnings of subsidiaries	\$ 160,603	\$ 54,799	\$ -	\$ 215,402
Others	<u>3,200</u>	(<u>3,200</u>)	<u>12,983</u>	<u>12,983</u>
	<u>\$ 163,803</u>	<u>\$ 51,599</u>	<u>\$ 12,983</u>	<u>\$ 228,385</u>

2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensiv e income	Closing balance
<u>Deferred income tax assets</u>				
Temporary difference				
Allowance for inventory valuation losses	\$ 9,220	\$ 4,721	\$ -	\$ 13,941
Unrealized gains and losses on investment in equity instruments	8,925	-	578	9,503
Others	<u>4,474</u>	<u>1,375</u>	<u>1,860</u>	<u>7,709</u>
	<u>\$ 22,619</u>	<u>\$ 6,096</u>	<u>\$ 2,438</u>	<u>\$ 31,153</u>
 <u>Deferred income tax liabilities</u>				
Temporary difference				
Undistributed earnings of subsidiaries	\$ 133,920	\$ 26,683	\$ -	\$ 160,603
Others	<u>3,624</u>	<u>1,465</u>	(<u>1,889</u>)	<u>3,200</u>
	<u>\$ 137,544</u>	<u>\$ 28,148</u>	(<u>\$ 1,889</u>)	<u>\$ 163,803</u>

(V) Authorization of income tax

The income tax filings for the Company's profit-making activities up to FY2021 have been audited and verified by the tax authorities.

XXV. Earnings per share

	Unit: NT\$ per share	
	2024	2023
Basic EPS	<u>\$ 7.36</u>	<u>\$ 3.67</u>
Diluted EPS	<u>\$ 7.32</u>	<u>\$ 3.65</u>

The earnings and the weighted average number of common shares used in the computation of earnings per share are as follows:

<u>Net profit for the year</u>		
	2024	2023
Net income used to calculate basic and diluted earnings per share	<u>\$ 442,111</u>	<u>\$ 220,658</u>
<u>Number of shares</u>		Unit: Thousand Shares
	2024	2023
Weighted average number of ordinary shares used to calculate basic EPS	60,050	60,050
Effect of dilutive potential ordinary shares:		
Remuneration to employees	<u>313</u>	<u>348</u>
Weighted average number of ordinary shares used to calculate diluted earnings per share	<u>60,363</u>	<u>60,398</u>

If the Company chooses to pay employees' remuneration in stock or cash, when calculating the diluted earnings per share, it is assumed that the employees' remuneration will be paid in stock, and when the potential dilutive effect of the common shares, it will be included in the weighted average number of outstanding shares to calculate diluted EPS. The dilutive effect of these potential ordinary shares will also be taken into account when calculating the diluted earnings per share before the number of shares to be distributed to employees in the following year.

XXVI. Disposal of certain investment in subsidiaries - loss on control

To improve its financial structure, Ugreat Technology conducted a cash capital increase on September 23, 2024. The Company did not subscribe to shares in proportion to its ownership percentage, resulting in a decrease in its ownership from 66.67% to

42.94%. Consequently, the Company lost control of this subsidiary starting from October 2024.

For a description of some disposals of subsidiaries, please refer to Note 28 to the Company's 2024 consolidated financial statements.

XXVII. Capital risk management

The Company conducts capital management to ensure that the Company can maximize shareholder returns by optimizing the balance of debt and equity under the premise of continuing to operate as a going concern.

The Company adopts a prudent risk management strategy with periodic reviews, and makes holistic plans based on business development strategies and operational needs to determine an appropriate capital structure for the Company.

The capital structure of the Company consists of net debt (borrowings minus cash and cash equivalents) and equity (including share capital, capital surplus, retained earnings, and other equity).

The Company is not subject to other external capital requirements.

XXVIII. Financial instruments

(I) Fair value - financial instruments not at fair value

The Company's management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values or their fair values cannot be reliably measured.

(II) Fair value - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>Dec. 31, 2024</u>				
Financial assets at fair value through other comprehensive income or loss				
Domestic unlisted company	\$ -	\$ -	\$ 63,300	\$ 63,300
<u>Dec. 31, 2023</u>				
Financial assets at fair value through other comprehensive income or loss				
Domestic unlisted company	\$ -	\$ -	\$ 10,378	\$ 10,378

There were no transfers between Level 1 and Level 2 fair values from January 1 to December 31, 2024 and 2023.

2. Adjustment of Level 3 fair value measurements of financial instruments

Financial assets measured at fair value through other comprehensive income - equity instruments

	Jan. 1 to Dec. 31, 2024	Jan. 1 to Dec. 31, 2023
Opening balance	\$ 10,378	\$ 13,375
Recognized in other comprehensive income	4,922	(2,997)
Purchase	48,000	-
Closing balance	<u>\$ 63,300</u>	<u>\$ 10,378</u>

3. Valuation techniques and inputs applied for Level 3 fair value measurement

Equity investment in domestic unlisted companies measured at fair value through other comprehensive income is valued at Level 3. The fair value is determined using the price-to-book ratio, calculating the book value per share based on the Company's financial data, comparing it with the price-to-book ratio of similar listed companies or industry peers to estimate the stock price. This calculation helps determine the present value of expected gains or losses from holding this investment.

(III) Type of financial instruments

	Dec. 31, 2024	Dec. 31, 2023
<u>Financial assets</u>		
Financial assets measured at amortized cost (Note 1)	\$ 1,499,025	\$ 1,146,284
Financial assets measured at fair value through other comprehensive income - investment in equity instruments	63,300	10,378
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	2,109,505	1,865,841

Note 1: The balances include financial assets measured at amortized cost, including cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including related parties), and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, including short-term borrowings, accounts payable (including related parties), other payables (including related parties), long-term borrowings (including those due within one year), and guarantee deposits received.

(IV) Financial risk management objectives and policies

The Company's main financial instruments include cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including

related parties), short-term borrowings, accounts payable (including related parties), other including related parties), long-term borrowings (including those due within one year) and lease liabilities. The Company's financial management department provides services for various business units, overseeing and coordinating access to domestic and international financial markets. Additionally, it supervises and manages financial risks related to the operations of the Company. Such risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The main financial risks to which the Company is exposed as a result of its operating activities are changes in foreign currency exchange rates (see (1) below) and changes in interest rates (see (2) below).

(1) Exchange rate risks

The Company engages in sales and purchase transactions denominated in foreign currencies, which expose the Company to the risk of exchange rate fluctuations.

For the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date, please refer to Note 32.

Sensitivity analysis

The Company was mainly affected by fluctuations in the exchange rates of the US dollars and Hong Kong dollars.

The sensitivity analysis includes only the outstanding monetary items in foreign currencies, and the translation at the end of the year is adjusted based on a 1% change in exchange rates. An appreciation of 1% of the New Taiwan Dollar against the relevant currencies would increase the Company's net income before tax in 2024 and 2023 by NT\$ 3,570,000 and NT\$ 1,440,000, respectively; When the New Taiwan Dollar depreciates by 1% relative to various relevant foreign currencies, the impact on pre-tax net profit will be the same amount but negative.

(2) Interest rate risk

As the Company borrows funds at fixed and floating interest rates at the same time, interest rate risk exposure arises.

The carrying amounts of financial assets and financial liabilities of the Company with exposure to the interest rate risk at the balance sheet

date are as follows:

	Dec. 31, 2024	Dec. 31, 2023
Fair value interest rate risk		
- Financial assets	\$ 418,833	\$ 276,652
- Financial liabilities	-	35,000
Cash flow interest rate risk		
- Financial assets	116,982	73,665
- Financial liabilities	267,696	435,500

Sensitivity analysis

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative instruments as of the balance sheet date. For floating-rate liabilities, the analytical approach assumes that the amount of liabilities outstanding at the balance sheet date remains outstanding throughout the reporting period. The internal reporting to the key management personnel regarding interest rates involves using a variable rate of $\pm 1\%$. This represents the management's assessment of the reasonable range of possible changes in interest rates.

If the interest rate increases by 1%, with all other variables held constant, the pre-tax net profit for the Company for the years 2024 and 2023 will decrease by NT\$1,507,000 and NT\$3,618,000, respectively.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As of the balance sheet date, the maximum credit risk exposure of the Company that may cause financial losses due to the counterparty's failure to perform its obligations is mainly derived from the book value of financial assets recognized in the parent company only balance sheet.

The Company's credit risk is mainly concentrated in the largest customer. As of December 31, 2024 and 2023, the percentage of accounts receivable from the aforementioned customer was 65% and 78%, respectively.

3. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents to finance operations and mitigate the impact of fluctuations in cash flows. The Company's management supervises the use of the bank's financing facilities and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the Company. For the Company's unused financing facilities as of December 31, 2024 and 2023, please refer to the description of (2) Financing facilities below.

(1) Liquidity and interest rate risk table of non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Company might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings that the Company could be required to repay immediately are listed within the earliest period in the table below,

without considering the probability of the bank exercising that right immediately; other non-derivative financial liabilities are analyzed based on the agreed repayment dates.

Dec. 31, 2024

	1 to 3 months	3 months to 1 year	1 - 5 years	More than 5 years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$1,675,196	\$ 1,591	\$ -	\$ -	\$1,676,787
Instruments with floating interest rates	2,314	99,175	175,135	-	276,624
Lease liabilities	941	2,822	9,360	-	13,123
	<u>\$1,678,451</u>	<u>\$ 103,588</u>	<u>\$ 184,495</u>	<u>\$ -</u>	<u>\$1,966,534</u>

Dec. 31, 2023

	1 to 3 months	3 months to 1 year	1 - 5 years	More than 5 years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$1,295,971	\$ 2,122	\$ 800	\$ -	\$1,298,893
Instruments with floating interest rates	2,995	107,164	336,551	8,627	455,337
Fixed interest rate instruments	44	35,082	-	-	35,126
Lease liabilities	756	1,928	11,052	-	13,736
	<u>\$1,299,766</u>	<u>\$ 146,296</u>	<u>\$ 348,403</u>	<u>\$ 8,627</u>	<u>\$1,803,092</u>

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

	Less than 1 year	1 - 5 years	5 - 10 years	10 - 15 years	15 - 20 years	More than 20 years
Dec. 31, 2024	<u>\$ 3,763</u>	<u>\$ 9,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Dec. 31, 2023	<u>\$ 2,684</u>	<u>\$ 11,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(2) Financing limit

	Dec. 31, 2024	Dec. 31, 2023
Unsecured bank borrowings facility		
- Amount used	\$ 18,816	\$ 58,520
- Undrawn amount	<u>570,307</u>	<u>739,633</u>
	<u>\$ 589,123</u>	<u>\$ 798,153</u>
Secured bank borrowings facility		
- Amount used	\$ 248,880	\$ 411,980
- Undrawn amount	<u>913,565</u>	<u>993,950</u>

\$ 1,162,445\$ 1,405,930**XXIX. Related Party Transactions**

In addition to those disclosed in other Notes, the transactions between the Company and related parties are as follows:

(I) Names of related parties and their relationships

<u>Name of related party</u>	<u>Relationship with the Company</u>
LONG WIN	Subsidiary
Lysine New Energy	Subsidiary
Yu Hong Electronic (Shenzhen) Co., Ltd. (Shenzhen Yu Hong)	Second-tier subsidiary
Ugreat Technology	Associates
Lead Achiever Limited (Lead)	Substantive related party
Liang, Hui-Pin	Chairman
Liang, Wei-Lin	Substantive related party
Liang, Wei-Jen	Substantive related party
Liang, Yung-Tsung	Substantive related party
Liang, Che-Wei	Substantive related party

(II) Operating revenue

<u>Item</u>	<u>Related party type</u>	<u>2024</u>	<u>2023</u>
Sales revenue	Subsidiary	\$ -	\$ 195
	Second-tier subsidiary	-	247
		<u>\$ -</u>	<u>\$ 442</u>

The terms and conditions of the Company's transactions with related parties are equivalent to those of ordinary customers.

(III) Purchase of goods

<u>Category/Name of related party</u>	<u>2024</u>	<u>2023</u>
Subsidiary		
LONG WIN	\$ 3,499,509	\$ 2,618,225
Second-tier subsidiary	1,451	3,563
Associate	39	-
Substantive related party	-	3,456
	<u>\$ 3,500,999</u>	<u>\$ 2,625,244</u>

Purchases are based on the market price less discounts to reflect the quantity purchased and the relationship with the related party.

(IV) Other income

Item	Category/Name of related party	2024	2023
Other income	Subsidiary	<u>\$ 4</u>	<u>\$ 652</u>

(V) Operating expenses

Category/Name of related party	2024	2023
Subsidiary	<u>\$ 451</u>	<u>\$ 5,251</u>

The operating expenses recognized are mainly the sample fee and other expenses.

(VI) Accounts receivable from related parties (excluding loans to related parties)

Item	Category/Name of related party	Dec. 31, 2024	Dec. 31, 2023
Accounts receivable	Subsidiary	\$ 7,800	\$ 11,018
	Second-tier subsidiary	<u>-</u>	<u>224</u>
		<u>\$ 7,800</u>	<u>\$ 11,242</u>
Other receivables	Subsidiary	\$ -	\$ 74
	Second-tier subsidiary	<u>-</u>	<u>26</u>
		<u>\$ -</u>	<u>\$ 100</u>

Accounts receivable from related parties that are outstanding are not secured. No provision for doubtful debts has been made for accounts receivable from related parties for the years ended 2024 and 2023.

(VII) Payables to related parties (excluding loans from related parties)

Item	Category/Name of related party	Dec. 31, 2024	Dec. 31, 2023
Accounts payable	Subsidiary		
	LONG WIN	<u>\$ 1,600,486</u>	<u>\$ 1,194,074</u>
Other payables	Subsidiary	<u>\$ 414</u>	<u>\$ 476</u>

The balance of accounts payable to related parties outstanding is unsecured.

(VIII) Endorsements and guarantees - refer to Appendix 2 and the description below.

Mr. Liang Hui-Bin, the Chairman of the Company, and the Company jointly provided guarantee facilities for Long Win and Lysine New Energy for materials purchase loans and operating working capital loans, respectively. As of December 31, 2024 and 2023, the guaranteed amounts were NT\$ 412,850,000 and 760,510,000 respectively. The actual drawn amounts were NT\$ 17,000,000 and NT\$ 20,000,000, respectively.

(IX) Lease agreement

Category/Name of related party	2024	2023
<u>Acquisition of right-of-use assets</u>		
Chairman and other related parties	\$ -	\$ 15,138

Item	Category/Name of related party	Dec. 31, 2024	Dec. 31, 2023
Lease liabilities	Chairman and other related parties	\$ 10,581	\$ 12,885

Category/Name of related party	2024	2023
<u>Interest expenses</u>		
Chairman and other related parties	\$ 266	\$ 317

The Company leases offices from related parties (Chairman and other related parties) with a lease term of 6 years. Rent expenses for office spaces leased from related parties are determined based on the rental levels of similar assets. Payments are made monthly according to the terms of the lease agreement, with adjustments based on a certain percentage starting from 2026.

(XI) Remuneration of key management personnel

	2024	2023
Short-term employee benefits	\$ 40,470	\$ 35,318

The remuneration of directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends.

XXX. Pledged Assets

The following assets have been provided as collateral for bank loans:

	Dec. 31, 2024	Dec. 31, 2023
Property, plant and equipment	\$ 697,123	\$ 593,837
Investment property	146,713	148,943
	\$ 843,836	\$ 742,780

XXXI. Significant unrecognized contractual commitments

In addition to what has been disclosed in other notes, the Company's unrecognized contractual commitments are as follows:

	Dec. 31, 2024	Dec. 31, 2023
Purchase of property, plant and equipment	\$ 1,423	\$ 17,531

XXXII. Significant assets and liabilities denominated in foreign currencies

The information below is summarized and expressed in foreign currencies other than the Company's functional currency. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency. The significant assets and liabilities denominated in foreign currencies are as follows:

Dec. 31, 2024

	Foreign currency	Exchange rate	Carrying amount
Assets denominated in foreign currencies			
<u>Monetary items</u>			
USD	\$ 38,856	32.785 (USD: NT\$)	<u>\$ 1,273,880</u>

Dec. 31, 2024

	Foreign currency	Exchange rate	Carrying amount
Assets denominated in foreign currencies			
<u>Non-Monetary items</u>			
Subsidiaries accounted for using equity method			
USD	\$ 50,476	32.785 (USD: NT\$)	<u>\$ 1,654,864</u>

Foreign currency liabilities			
<u>Monetary items</u>			
USD	49,558	32.785 (USD: NT\$)	\$ 1,624,775
HKD	1,450	4.222 (HKD:NT\$)	6,124
			<u>\$ 1,630,899</u>

Dec. 31, 2023

	Foreign currency	Exchange rate	Carrying amount
Assets denominated in foreign currencies			
<u>Monetary items</u>			
USD	\$ 35,582	30.705 (USD: NT\$)	<u>\$ 1,092,517</u>

<u>Non-Monetary items</u>			
Subsidiaries accounted for using equity method			
USD	41,978	30.705 (USD: NT\$)	<u>\$ 1,288,937</u>

Foreign currency liabilities			
<u>Monetary items</u>			
USD	40,065	30.705 (USD: NT\$)	\$ 1,230,186
HKD	1,611	3.929 (HKD:NT\$)	6,331
			<u>\$ 1,236,517</u>

The Company's foreign currency exchange gains (losses) (realized and unrealized)

for 2024 and 2023 were NT\$ (14,033,000) and NT\$ 285,000 respectively. Due to the wide variety of foreign currency transactions, it is not feasible to disclose the exchange gains and losses by each significant currency separately.

XXXIII. Disclosures in Notes

(I) Information on Significant Transactions:

1. Loaning of funds to others. (Appendix 1)
2. Endorsements/guarantees for others (Appendix 2)
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures). (Appendix 3)
4. The cumulative purchase or sale of marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital. (None)
5. Acquisition of real estate at costs of at least NT\$ 300 million or 20% of the paid-in capital. (None)
6. Disposition of real estate at costs of at least NT\$ 300 million or 20% of the paid-in capital. (None)
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Appendix 4)
8. Receivables from related parties amounting to at least NT\$ 100 million or 20% of the paid-in capital. (Appendix 5)
9. Trading of derivatives. (None)

(II) Information on Investees: Appendix 6

(III) Mainland China Investment Information:

1. The name of the investee in Mainland China, principal business activities, paid-in capital, investment method, capital outward and inward remittances, shareholding, current profit or loss and investment profit and loss recognized, and investment quota limits in Mainland China. (Appendix 7)
2. Any of the following significant transactions with investee companies in Mainland China, occurring either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - (1) The amount and percentage of purchases and the balance and percentage of the relevant payables at the end of the period. (Appendix 4)
 - (2) Amount and percentage of sales and related receivables at the end of the period. (Appendix 4)
 - (3) The amount of property transactions and the amount of gain or loss arising therefrom. (None)
 - (4) Balance and purpose of endorsements/guarantees or collateral provided at the end of the term. (None)
 - (5) The highest balance, ending balance, interest rate range, and total interest for the current period of the capital financing. (None)
 - (6) Other transactions that have a significant impact on the current profit or loss or financial position, such as the rendering or receipt of services. (None)

Solid Year Co., LTD and subsidiaries

Loaning of funds to others.

Jan. 1 to Dec. 31, 2024

Appendix 1

Unit: In NT\$’000 unless stated otherwise

No. (Note 1)	Lending company	Borrower	Transaction items	Related party or not	Maximum balance for the year (Note 5)	Closing balance (Note 5 and 6)	The actual amount drawn	Interest rate range	Nature of fund lending (Note 3)	Amount of business transactions	Reason for short-term financing necessity	Amount of Allowance for Losses	Collateral		Lending limit for individual borrower	Total lending limit
													Name	Value		
0	The Company	Lysine New Energy	Other receivables - related parties (Note 6)	Yes	\$ 17,000	\$ 17,000	\$ -	-	2	\$ -	Repayment of bank borrowings	\$ -	—	\$ -	\$ 178,648 (Note 2)	\$ 714,592 (Note 4)

Note 1: The description of the number column is as follows:

- 1. Fill in “0” for the issuer.
- 2. The investees are numbered sequentially starting from 1 by each company.

Note 2: Individual loan amount shall not exceed 10% of the Company’s net worth as shown in its latest financial statements.

Note 3: Methods for completing the nature of fund lending are as follows:

- 1. Business transaction.
- 2. Necessity for short-term financing.

Note 4: The total amount of fund lending shall not exceed 40% of the Company’s net worth as shown in its latest financial statements.

Note 5: Refers to the funding loan limit approved by the Board of Directors.

Note 6: Refers to the guarantee and endorsement compensation limit, with \$15,702 thousand repaid on behalf of the subsidiary’s bank loans in January 2025.

Solid Year Co., LTD and subsidiaries
Endorsements/guarantees for others
Jan. 1 to Dec. 31, 2024

Appendix 2 Unit: Unless otherwise indicated, amounts are in NT\$'000, or in thousands of foreign currency units.

No. (Note 1)	Endorsing/guaranteeing company name	Party being endorsed/guaranteed		Endorsement and guarantee limit for a single enterprise (Note 3)	The maximum balance of endorsements/guarantees in the current year	Balance of endorsements/guarantees at the end of the year	The actual amount drawn	Endorsement/guarantee amount secured by property assets	Ratio of accumulated endorsement/guarantee amount to net worth as stated in the latest financial statement (%)	Maximum endorsements/guarantees (Note 3)	Endorsements/guarantees made by the parent company to subsidiaries	Endorsement/guarantee provided by the subsidiary to the parent company	Endorsements and guarantees in Mainland China	Remarks
		Company Name	Relationship (Note 2)											
0	The Company	LONG WIN	(1)	\$1,786,480	\$ 868,188 (USD 26,494) (HKD 5,000)	\$ 545,392 (USD 15,992) (HKD 5,000)	\$ 85,794 (USD 2,392) (HKD 1,747)	\$ -	30.53%	\$ 3,572,960	Y	N	N	
		Lysine New Energy	(1)	1,786,480	170,000	85,000	17,000	-	4.76%	3,572,960	Y	N	N	

Note 1: The description of the number column is as follows:

(1) Fill in “0” for the issuer.

(2) The investees are numbered sequentially starting from 1 by each company.

Note 2: The relationship between the endorsing guarantor and the endorsee is as follows:

(1) Subsidiaries in which the Company directly holds more than 50% of the common shares.

(2) An investee in which the parent company and its subsidiaries hold more than 50% of common stock equity combined.

Note 3: The total amount of endorsements/guarantees by the Company shall not exceed 200% of the net worth of the Company’s most recent financial statements audited by CPAs, and the cumulative amount of endorsements/guarantees for a single enterprise shall not exceed 100% of the Company’s net worth in the most recent financial statements audited by the Company.

Solid Year Co., LTD
Marketable securities held at the end of period
Jan. 1 to Dec. 31, 2024

Appendix 3

Unit: NT\$'000

Companies owned	Type and name of marketable securities	Relationship with the securities issuer	Accounting Item	Closing				Remarks
				Shares/Units	Carrying amount	Shareholding ratio (%)	Market price	
The Company	<u>Ordinary share capital</u> Oomii Inc.	—	Financial assets measured at fair value through other comprehensive income - non-current	2,026,420	\$ -	2.96	\$ -	—
	<u>Ordinary share capital</u> Clockwork Orange Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - non-current	628,571	15,300	10.7	15,300	—
	<u>Ordinary share capital</u> Syncore Technology Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - non-current	12,631,579	48,000	15.79	48,000	—

Solid Year Co., LTD and subsidiaries

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

Jan. 1 to Dec. 31, 2024

Appendix 4

Unit: In NT\$'000 unless stated otherwise

Companies engaged in purchase (sales)	Name of counterparty	Relationship	Transaction status				Circumstances and reasons for the difference between the transaction conditions and general transactions		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (sale) of goods	Amount	Percentage of total purchase (sale) (%)	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable (payable) (%)	
The Company	LONG WIN	Subsidiary of the Company	Purchases	\$ 3,499,509	91	Note 1	Note 2	Note 2	(\$ 1,600,486)	(99)	
LONG WIN	The Company	The Company	Sales revenue	(3,499,950)	(100)	Note 1	Note 2	Note 2	1,600,799	85	
	Dongguan Solidtek	Third-tier subsidiary of the Company	Purchases	1,871,748	54	Note 1	Note 2	Note 2	(1,232,724)	(74)	
Dongguan Solidtek	LONG WIN	Subsidiary of the Company	Sales revenue	(1,871,748)	(96)	Note 1	Note 2	Note 2	1,232,825	95	

Note 1: In principle, the receivable and payment terms are net 90 days, subject to adjustment depending on the actual financial position of Solid Year Group.

Note 2: No other similar transactions available for comparison.

Solid Year Co., LTD and subsidiaries

Receivables from related parties amounting to at least NT\$ 100 million or 20% of the paid-in capital.

Jan. 1 to Dec. 31, 2024

Appendix 5

Unit: In NT\$'000 unless stated otherwise

Company with accounts receivables booked	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Subsequent recovery amount of receivables from related parties	Amount of Allowance for Losses
					Amount	Handling method		
LONG WIN	The Company Dongguan Solidtek	The Company Third-tier subsidiary of the Company	\$ 1,600,799 273,534	2.5 Note 1	\$ - -	— —	\$ 541,116 -	\$ - -
Dongguan Solidtek	LONG WIN	Subsidiary of the Company	1,232,825	3.39	-	—	269,148	-

Note 1: It is an amount receivable from related parties arising from the procurement on behalf of others, so it is not applicable to the calculation of turnover rate.

Solid Year Co., LTD and subsidiaries
Information on investees, location, etc.
Jan. 1 to Dec. 31, 2024

Appendix 6 Unit: Unless otherwise indicated, amounts are in NT\$'000, or in thousands of foreign currency units.

Name of investment company	Name of Investee Company	Location	Main Business Scope	Initial investment amount		Holdings at the end of period			Profit or loss of the investee for the period	Investment gains and losses recognized in the current period	Remarks
				End of current period	End of previous year	Number of shares	Percentage (%)	Carrying amount			
The Company	Lysine New Energy	Taiwan	Mainly engaged in Energy Technical Services	\$ 21,000	\$ 21,000	2,100,000	70	(\$ 24,039)	(\$ 48,095)	(\$ 33,666)	Subsidiary
	GOODTEK	Samoa	Primarily engaged in international investment	372,032 (USD 12,400)	372,032 (USD 12,400)	12,400,000	100	1,380,066	294,605	294,605	Subsidiary
	LONG WIN	Samoa	Mainly engaged in the import and export of various electronic components and computer peripheral equipment	30,656 (USD 1,000)	30,656 (USD 1,000)	1,000,000	100	233,794	820	820	Subsidiary
	UGREAT	Samoa	Primarily engaged in international investment	74,364 (USD 2,398)	56,666 (USD 1,835)	2,648,000	100	41,004	(21,429)	(21,429)	Subsidiary
	Ugreat Technology	Taiwan	Retail sale of automobile and electronic materials	8,443	60,000	844,332	43	6,268	(14,886)	(9,260)	Investees valued under equity method
GOODTEK	Wonder Top Co., Ltd.	Samoa	Primarily engaged in international investment	371,278 (USD 12,357)	371,278 (USD 12,357)	12,180,000	100	1,379,151	294,632	294,632	Second-tier subsidiary

Note 1: Investment gains and losses recognized in the financial statements of the investee company that has been audited by the attesting CPA.
Note 2: Please refer to Appendix 7 for information on investees in Mainland China.

Solid Year Co., LTD and subsidiaries
Mainland China Investment Information
Jan. 1 to Dec. 31, 2024

Appendix 7

Unit: Unless otherwise indicated, amounts are in NT\$'000, or in thousands of foreign currency units.

Name of investee company in Mainland China	Main Business Scope	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the year	Investment amount remitted or repatriated in the current period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of the investee for the period (Note 1)	The Company's shareholding ratio directly or indirectly invested (%)	Investment gains and losses recognized in the current period (Note 1)	Book value of investments at the end of the period (Note 1)	Repatriated investment income by the end of the current period
					Remitted	Repatriated						
Dongguan Solidtek Electronics Co., Ltd. (Dongguan Solidtek)	Mainly engaged in the processing and manufacturing of various electronic components and computer peripheral equipment	\$ 142,709 (USD 4,567)	Reinvestment in Mainland China companies through companies set up in third regions	\$ 148,813 (USD 4,758)	None	None	\$ 148,813 (USD 4,758)	\$ 294,654	100	\$ 294,654	\$ 1,375,612	None
YuHong Electronic (Shenzhen) Co., Ltd. (Shenzhen Yu Hong)	Retail sale of electronic materials	78,962 (USD 2,577)	Reinvestment in Mainland China companies through companies set up in third regions	62,611 (USD 2,036)	18,016 (USD 563)	None	80,627 (USD 2,599)	(21,329)	100	(21,329)	39,998	None

Cumulative Amount of Outward Remittance for Investment in Mainland China by the End of the Period	Amount of Investment Approved by the Investment Commission of the Ministry of Economic Affairs	Limits on Investment in Mainland China Stipulated by the Investment Commission of the Ministry of Economic Affairs (Note 2)
\$229,440 (USD7,357)	\$229,440 (USD7,357)	\$1,071,888

Note 1: Calculated based on the investee company's 2024 financial statements audited by an attesting CPA.

Note 2: Investment limit is calculated as 60% of net worth.

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Solid Year Co., LTD
Statement of Cash and Cash Equivalents
December 31, 2024

Statement 1

Unit: NT\$'000

Name	Summary	Net Amount
Cash on hand and revolving funds	Note 1	<u>\$ 245</u>
Bank deposits		
Checks and demand deposits		97,155
Foreign currency demand deposit	Note 2	<u>19,827</u>
		<u>116,982</u>
Cash equivalents		
Time deposits with original maturity date of less than 3 months	Note 3	<u>418,833</u>
		<u>\$ 536,060</u>

Note 1: Including RMB 34,705, converted at the exchange rate of RMB\$1 = \$4.478.

Note 2: Including US\$601,952, HKD 21,873 and RMB 28, converted at the exchange rates of US\$1 = NT\$32.785, HKD1 = NT\$4.222 and RMB1 = NT\$4.478, respectively.

Note 3: Including US\$10,640,000, converted at the exchange rate of US\$1 = NT\$32.785.

Solid Year Co., LTD
Statement of Accounts Receivable
December 31, 2024

Statement 2

Unit: NT\$'000

Item	Summary	Amount
Non-related party		
Company A	Payment for purchases	\$ 606,246
Company B	Payment for purchases	122,976
Company C	Payment for purchases	95,455
Others (Note)	Payment for purchases	<u>106,214</u>
		930,891
Less: Allowance for bad debt		(<u>80</u>)
		<u>\$ 930,811</u>
Related parties		
LONG WIN	Payment for purchases	<u>\$ 7,800</u>

Note: The balance of each account did not exceed 5% of the balance of this account.

Solid Year Co., LTD
Statement of Inventories
December 31, 2024

Statement 3

Unit: NT\$'000

Name	Cost	Net realizable value
Finished goods	\$ 18,491	\$ 23,634
Raw materials	4,971	4,972
Merchandise	127,902	154,425
Semi-finished goods	<u>3,357</u>	<u>3,548</u>
	154,721	<u>\$ 186,579</u>
Less: Allowance for devaluation losses	(<u>31,468</u>)	
	<u>\$ 123,253</u>	

Note: The Company's inventories are measured at the lower of cost or net realizable value, and except for inventories of the same category, an item-by-item comparison has been made

Solid Year Co., LTD

Financial assets measured at fair value through other comprehensive income - non-current

2024

Statement 4

Unit: NT\$'000

Name	Opening balance		Increase in the current period		Closing balance			Guarantee or pledge
	Number of shares (shares)	Amount	Number of shares (shares)	Amount	Number of shares (shares)	Shareholding %	Amount	
Domestic unlisted common stock								
Clockwork Orange Co., Ltd.	628,571	\$ 10,378	-	\$ 4,922	628,571	10.7	\$ 15,300	None
Oomii Inc.	1,319,454	-	706,966	-	2,026,420	2.96	-	None
Syncore Technology Co., Ltd.	-	-	12,631,579	48,000	12,631,579	15.79	48,000	None
		<u>\$ 10,378</u>		<u>\$ 52,922</u>			<u>\$ 63,300</u>	

Solid Year Co., LTD
Statement of Changes in Investment Using Equity Method
December 31, 2024

In NT\$'000, unless stated otherwise

	Opening balance		Increase in the current period		Decrease in current period		Others		Investment (losses) gains under equity method	Exchange differences on translation of financial statements of foreign operating institutions	Closing balance			Net value of equity (Note 1)
	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount			Number of shares (thousand shares)	Shareholding ratio (%)	Amount	
Investment under equity method														
GOODTEK LIMITED	12,400	\$ 1,028,544	-	\$ -	-	\$ -	-	\$ -	\$ 294,605	\$ 56,917	12,400	100	\$ 1,380,066	\$ 1,380,066
LONG WIN LIMITED	1,000	218,177	-	-	-	-	-	-	820	14,797	1,000	100	233,794	233,794
UGREAT MARKETING LIMITED	2,085	42,216	563	17,698	-	-	-	-	(21,429)	2,519	2,648	100	41,004	41,004
Ugreat Technology Electronic Co., Ltd. (Note 2)	6,000	14,991	-	-	-	-	(5,156)	537	(9,260)	-	844	43	6,268	14,601
Lysine New Energy Technology Co., Ltd.	2,100	<u>9,627</u>	-	<u>-</u>	-	<u>-</u>	-	<u>-</u>	(<u>33,666</u>)	<u>-</u>	2,100	70	(<u>24,039</u>)	(<u>34,342</u>)
		<u>\$ 1,313,555</u>		<u>\$ 17,698</u>		<u>\$ -</u>		<u>\$ 537</u>	<u>\$ 231,070</u>	<u>\$ 74,233</u>			<u>\$ 1,637,093</u>	<u>\$ 1,635,123</u>

Note 1: Calculated based on the financial statements of the investee company that have been audited by attesting CPAs.

Note 2: Please refer to Note 26 of the financial statements.

Solid Year Co., LTD
Statement of Short-term Borrowings
December 31, 2024

Statement 6

Unit: NT\$'000

Creditors	Summary	Closing Amount	Duration of Contract	Interest Rate % (per annum)	Financing limit	Pledge or Guarantee
Shanghai Commercial & Savings Bank	Secured borrowings	\$ 50,000	2024.9.11-2025.9.10	1.99	\$ 115,000	Note 29
Taipei Fubon Bank	Secured borrowings	<u>30,000</u>	2024.10.28-2025.4.26	2.1	<u>140,000</u>	Note 29
		<u>\$ 80,000</u>			<u>\$ 255,000</u>	

Solid Year Co., LTD
Statement of Accounts Payable
December 31, 2024

Statement 7

Unit: NT\$'000

Name	Summary	Amount
Non-related party		
Company D	Payment for purchases	\$ 5,196
Company E	Payment for purchases	4,882
Company F	Payment for purchases	1,991
Company G	Payment for purchases	1,841
Company H	Payment for purchases	1,325
Company I	Payment for purchases	1,131
Others (Note)	Payment for purchases	<u>5,796</u>
		<u>\$ 22,162</u>
Related parties		
LONG WIN	Payment for purchases	<u>\$ 1,600,486</u>

Note: The balance of each account did not exceed 5% of the balance of this account.

Solid Year Co., LTD
Statement of Long-term Borrowings
December 31, 2024

Statement 8

Unit: NT\$'000

Creditors	Method of repayment	Duration of Contract	Interest rate (%)	Amount			Pledge or Guarantee
				Due within one year	Due more than one year	Total	
Shanghai Commercial & Savings Bank	Equal principal payment	2021.12.24-2028.12.15	1.03	\$ 4,704	\$ 14,112	\$ 18,816	—
Taipei Fubon Bank	Equal principal payment	2022.6.6-2029.6.6	1.03	12,962	75,918	88,880	Note 29
Taipei Fubon Bank	Equal principal payment	2021.9.9-2028.9.9	2.36	—	80,000	80,000	Note 29
				<u>\$ 17,666</u>	<u>\$ 170,030</u>	<u>\$ 187,696</u>	

Solid Year Co., LTD
Statement of Operating Revenue
December 31, 2024

Statement 9

Unit: NT\$'000

Name	Amount
Sales revenue	
Electronic products	\$ 4,501,138
Protection equipment	226,172
Less: sales returns	(11,640)
Less: sales discount	(<u>82,578</u>)
	<u>\$ 4,633,092</u>

Solid Year Co., LTD
Statement of Operating Cost
December 31, 2024

Statement 10

Unit: NT\$'000

Name	Amount
Raw materials at the beginning of the year	\$ 73,368
Net purchase of materials this year	50,827
Raw materials at the end of the year	(4,971)
Others	<u>4,268</u>
Raw material consumption	123,492
Direct labor	6,793
Manufacturing overhead	<u>2,390</u>
Manufacturing cost	132,675
Semi-finished goods at the beginning of the year	3,967
Outsourcing	-
Semi-finished goods at the end of the year	(3,357)
Others	<u>(414)</u>
Consumption of semi-finished goods	196
Work in process at the beginning of the year	21
Work in process at the end of the year	-
Others	<u>(9,204)</u>
Cost of finished goods	123,688
Finished goods at the beginning of the year	91,333
Outsourcing	-
Finished goods at the end of the year	(18,491)
Others	<u>20,399</u>
Cost of self-made products	216,929
Merchandise inventory at the beginning of the year	64,572
Merchandise purchase	3,802,082
Merchandise inventory at the end of the year	(127,902)
Others	<u>(86,292)</u>
Cost of production and sales	3,869,389
Inventory depreciation and impairment losses	4,834
Others	<u>(21,521)</u>
Operating cost	<u>\$ 3,852,702</u>

Solid Year Co., LTD
Statement of Operating Expenses
Jan. 1 to Dec. 31, 2024

Statement 11

Unit: NT\$'000

Item	Sales promotion expenses	Management fee	Research and development expenses	Total
Wages and salaries	\$ 40,452	\$ 82,118	\$ 26,568	\$ 149,138
Advertising expenses	80,997	2,183	-	83,180
Import/export expenses	38,251	322	2	38,575
Labor service expenses	5,648	17,638	567	23,853
Commission expenses	24,099	851	-	24,950
Others (Note)	<u>38,755</u>	<u>56,605</u>	<u>22,766</u>	<u>118,126</u>
	<u>\$ 228,202</u>	<u>\$ 159,717</u>	<u>\$ 49,903</u>	<u>\$ 437,822</u>

Solid Year Co., LTD

Summary of employee benefits, depreciation, and amortization expenses incurred in the current period by function

For the years ended December 31, 2024 and 2023

Statement 12

Unit: NT\$'000

	2024			2023		
	Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salary expenses	\$ 7,430	\$ 143,405	\$ 150,835	\$ 5,354	\$ 128,550	\$ 133,904
Labor and national health insurance expenses	819	12,335	13,154	529	11,631	12,160
Pension expense	359	6,275	6,634	251	5,809	6,060
Remuneration to directors	-	5,733	5,733	-	3,008	3,008
Other employee benefit expenses	<u>475</u>	<u>6,843</u>	<u>7,318</u>	<u>246</u>	<u>4,774</u>	<u>5,020</u>
	<u>\$ 9,083</u>	<u>\$ 174,591</u>	<u>\$ 183,674</u>	<u>\$ 6,380</u>	<u>\$ 153,772</u>	<u>\$ 160,152</u>
Depreciation expense	<u>\$ 328</u>	<u>\$ 17,497</u>	<u>\$ 17,825</u>	<u>\$ 253</u>	<u>\$ 16,759</u>	<u>\$ 17,012</u>
Amortization expense	<u>\$ -</u>	<u>\$ 2,325</u>	<u>\$ 2,325</u>	<u>\$ -</u>	<u>\$ 1,788</u>	<u>\$ 1,788</u>

Note: The average number of employees of the Company in 2024 and 2023 was 147 and 131, respectively, of which 2 and 3 directors were also employees, respectively.