

**Taitien Electronics Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates of Taitien Electronics Co., Ltd. as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No. 10, “Consolidated Financial Statements.” In addition, relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Taitien Electronics Co., Ltd. and subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

TAITIEN ELECTRONICS CO., LTD.

SHENG TAI SONG
Chairman

March 13, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taitien Electronics Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taitien Electronics Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and enforced by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified during our audit of the Group's consolidated financial statements for the year ended December 31, 2024 is described as follows:

Sales Revenue

The revenue of the Group for the year ended December 31, 2024 was lower than that for the year ended December 31, 2023. In comparison with 2023, however, the revenue from some major customers considerably increased. Considering that revenue recognition inherently carries a high risk of fraud and management may be under pressure to achieve expected financial goals, we deemed the sales revenue from major customers that are affected by these considerations a key audit matter. For the relevant explanation of accounting policies and notes to the financial statements, refer to Notes 4 and 23.

The key audit matter procedures we performed were as follows:

1. We obtained an understanding of the design and implementation of the internal controls over sales revenue, and we designed appropriate audit procedures on internal controls over revenues from major customers in order to evaluate and test the effectiveness of the design and implementation of the Group's internal controls.
2. We performed substantive tests on the revenue transactions with major customers for the current year. The procedures included selecting appropriate samples to verify external transaction documents and checking subsequent collections to confirm the occurrence of sales transactions.
3. We compared the changes in revenue, gross margin rate, turnover rate of accounts receivable and credit conditions involving the major customers and we evaluated the reasonableness of the changes.

Other Matter

We have also audited the parent company only financial statements of Taitien Electronics Co., Ltd. as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal 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 Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Sheng Tai Liang and Chao Mei Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 707,636	33	\$ 622,608	29
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	12,796	1	23,007	1
Financial assets at amortized cost - current (Notes 4 and 9)	-	-	142,560	7
Notes receivable (Notes 4, 11 and 23)	7,028	-	9,011	-
Trade receivables (Notes 4, 11 and 23)	379,510	18	314,595	15
Other receivables (Notes 4 and 11)	5,009	-	5,353	-
Current tax assets (Notes 4 and 25)	8,865	-	1,005	-
Inventories (Notes 4 and 12)	371,933	17	429,707	20
Prepayments (Note 18)	27,344	1	23,096	1
Other current assets	769	-	540	-
Total current assets	<u>1,520,890</u>	<u>70</u>	<u>1,571,482</u>	<u>73</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	27,264	1	21,357	1
Financial assets at amortized cost - non-current (Notes 4, 9 and 32)	200	-	200	-
Property, plant and equipment (Notes 4, 14 and 33)	452,372	21	444,694	21
Right-of-use assets (Notes 4, 15 and 31)	38,834	2	38,611	2
Investment properties (Notes 4 and 16)	587	-	720	-
Other Intangible assets (Notes 4 and 17)	2,412	-	3,326	-
Deferred tax assets (Notes 4 and 25)	35,438	2	50,860	3
Other non-current assets (Notes 18, 31 and 33)	87,434	4	7,045	-
Total non-current assets	<u>644,541</u>	<u>30</u>	<u>566,813</u>	<u>27</u>
TOTAL	<u>\$ 2,165,431</u>	<u>100</u>	<u>\$ 2,138,295</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 19)	\$ 150,000	7	\$ 150,000	7
Contract liabilities (Note 23)	5,700	-	6,334	-
Trade payables	142,795	7	109,353	5
Other payables (Note 20)	80,867	4	79,931	4
Current tax liabilities (Notes 4 and 25)	12,561	1	16,809	1
Lease liabilities - current (Notes 4, 15 and 31)	11,952	-	15,607	1
Other current liabilities (Note 20)	3,097	-	2,880	-
Total current liabilities	<u>406,972</u>	<u>19</u>	<u>380,914</u>	<u>18</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 25)	107,171	5	106,230	5
Lease liabilities - non-current (Notes 4, 15 and 31)	8,297	-	19,067	1
Deferred revenue - non-current (Notes 20 and 27)	7,717	-	7,522	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	17,902	1	32,060	1
Other non-current liabilities (Note 20)	18,273	1	15,107	1
Total non-current liabilities	<u>159,360</u>	<u>7</u>	<u>179,986</u>	<u>8</u>
Total liabilities	<u>566,332</u>	<u>26</u>	<u>560,900</u>	<u>26</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Share capital				
Ordinary shares	<u>683,338</u>	<u>32</u>	<u>683,338</u>	<u>32</u>
Capital surplus	<u>398,096</u>	<u>18</u>	<u>408,346</u>	<u>19</u>
Retained earnings				
Legal reserve	201,040	9	192,005	9
Special reserve	98,407	5	80,963	4
Unappropriated earnings	262,473	12	311,150	14
Total retained earnings	561,920	26	584,118	27
Other equity	(44,255)	(2)	(98,407)	(4)
Total equity attributable to owners of the Company	<u>1,599,099</u>	<u>74</u>	<u>1,577,395</u>	<u>74</u>
Total equity	<u>1,599,099</u>	<u>74</u>	<u>1,577,395</u>	<u>74</u>
TOTAL	<u>\$ 2,165,431</u>	<u>100</u>	<u>\$ 2,138,295</u>	<u>100</u>

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

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 23)	\$ 1,503,452	100	\$ 1,580,171	100
OPERATING COSTS (Notes 12, 24 and 31)	(1,163,388)	(78)	(1,154,145)	(73)
GROSS PROFIT	340,064	22	426,026	27
OPERATING EXPENSES (Notes 24 and 31)				
Selling and marketing expenses	(112,260)	(7)	(110,018)	(7)
General and administrative expenses	(179,158)	(12)	(169,780)	(11)
Research and development expenses	(55,533)	(4)	(59,558)	(4)
Expected credit loss (gain) (Note 11)	185	—	(5,358)	—
Total operating expenses	(346,766)	(23)	(344,714)	(22)
(LOSS) PROFIT FROM OPERATIONS	(6,702)	(1)	81,312	5
NON-OPERATING INCOME (Notes 4, 24 and 31)				
Interest income	12,108	1	14,513	1
Other income	16,501	1	10,693	1
Other gains	28,613	2	18,855	1
Finance costs	(3,334)	—	(3,753)	—
Total non-operating income	53,888	4	40,308	3
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	47,186	3	121,620	8
INCOME TAX EXPENSE (Notes 4 and 25)	(19,819)	(1)	(33,444)	(2)
NET PROFIT FOR THE YEAR	27,367	2	88,176	6
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 21)	10,649	1	2,718	—
Unrealized loss on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 22)	5,940	—	(4,593)	—
Income tax related to items that will not be reclassified subsequently to profit or loss (Notes 4 and 25)	(3,636)	—	179	—
	12,953	1	(1,696)	—

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TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 22)	\$ 62,555	4	\$ (17,197)	(1)
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income (Notes 4 and 22)	(407)	-	229	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 25)	(12,430)	(1)	3,395	-
	<u>49,718</u>	<u>3</u>	<u>(13,573)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>62,671</u>	<u>4</u>	<u>(15,269)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 90,038	6	\$ 72,907	5
EARNINGS PER SHARE (NT\$; Note 26)				
Basic	\$ 0.40		\$ 1.29	
Diluted	<u>\$ 0.40</u>		<u>\$ 1.28</u>	

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

(Concluded)

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Equity Attributable to Owners of the Company							Other Equity		
	Share Capital			Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity	
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE, JANUARY 1, 2023	68,334	\$ 683,338	\$ 408,346	\$ 156,224	\$ 96,067	\$ 480,644	\$ (69,661)	\$ (11,302)	\$ 1,743,656	
Appropriation of 2022 earnings (Note 22)										
Legal reserve	-	-	-	35,781	-	(35,781)	-	-	-	
Reverse of special reserve	-	-	-	-	(15,104)	15,104	-	-	-	
Cash dividends	-	-	-	-	-	(239,168)	-	-	(239,168)	
Net profit for the year ended December 31, 2023	-	-	-	-	-	88,176	-	-	88,176	
Other comprehensive loss for the year ended December 31, 2023 (Note 22)	—	—	—	—	—	2,175	(13,757)	(3,687)	(15,269)	
Total comprehensive income for the year ended December 31, 2023	—	—	—	—	—	90,351	(13,757)	(3,687)	72,907	
BALANCE, DECEMBER 31, 2023	68,334	683,338	408,346	192,005	80,963	311,150	(83,418)	(14,989)	1,577,395	
Appropriation of 2023 earnings (Note 22)										
Legal reserve	-	-	-	9,035	-	(9,035)	-	-	-	
Special reserve	-	-	-	-	17,444	(17,444)	-	-	-	
Cash dividends	-	-	-	-	-	(58,084)	-	-	(58,084)	
Cash dividends from capital surplus	-	-	(10,250)	-	-	-	-	-	(10,250)	
Net profit for the year ended December 31, 2024	-	-	-	-	-	27,367	-	-	27,367	
Other comprehensive income for the year ended December 31, 2024 (Note 22)	—	—	—	—	—	8,519	50,044	4,108	62,671	
Total comprehensive income for the year ended December 31, 2024	—	—	—	—	—	35,886	50,044	4,108	90,038	
BALANCE, DECEMBER 31, 2024	68,334	\$ 683,338	\$ 398,096	\$ 201,040	\$ 98,407	\$ 262,473	\$ (33,374)	\$ (10,881)	\$ 1,599,099	

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

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 47,186	\$ 121,620
Adjustments for:		
Depreciation expense	90,928	88,418
Amortization expense	1,044	1,124
Expected credit (gain) loss	(185)	5,358
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(3,330)	(2,995)
Finance costs	3,334	3,753
Interest income	(12,108)	(14,513)
Dividend income	(1,499)	-
Loss on disposal of property, plant and equipment	883	426
Net (gain) loss on foreign currency exchange	(8,659)	8,750
Realized gain on deferred revenue	(1,195)	(1,046)
Changes in operating assets and liabilities:		
Notes receivable	1,983	(2,185)
Trade receivables	(50,562)	205,376
Other receivables	(1,682)	3,755
Inventories	70,840	169,266
Prepayments	2,556	2,186
Other current assets	(199)	427
Contract liabilities	(763)	(8,256)
Trade payables	29,320	(57,548)
Other payables	25	(84,518)
Other current liabilities	1,147	(114)
Net defined benefit liabilities	(3,509)	(3,803)
Deferred revenue	<u>1,001</u>	<u>2,221</u>
Cash generated from operations	<u>166,556</u>	<u>437,702</u>
Interest received	14,024	13,149
Interest paid	(3,334)	(3,753)
Income tax paid	<u>(32,482)</u>	<u>(92,529)</u>
Net cash generated from operating activities	<u>144,764</u>	<u>354,569</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(15,000)
Proceeds from capital reduction on financial assets at fair value through other comprehensive income	-	4,700
Proceeds from sale of financial assets at amortized cost	142,703	4,564
Purchase of financial assets at fair value through profit or loss	(4,719)	-
Proceeds from sale of financial assets at fair value through profit or loss	18,259	9,875
Payments for property, plant and equipment	(87,111)	(58,037)
Proceeds from disposal of property, plant and equipment	3,834	79

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TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Decrease in refundable deposits	\$ 164	\$ 109
Payments for intangible assets	-	(486)
Increase in prepayments for equipment	(4,974)	(1,765)
Increase in prepayments for land	(79,000)	-
Dividends received	<u>1,499</u>	<u>-</u>
Net cash used in investing activities	<u>(9,345)</u>	<u>(55,961)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	50,000
Repayments of short-term borrowings	-	(84,000)
Refund of guarantee deposits received	1,386	-
Repayments of the principal portion of lease liabilities	(16,360)	(16,881)
Dividend paid to owners of the company	<u>(68,334)</u>	<u>(239,168)</u>
Net cash used in financing activities	<u>(83,308)</u>	<u>(290,049)</u>
 EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>32,917</u>	<u>(17,893)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	85,028	(9,334)
 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>622,608</u>	<u>631,942</u>
 CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 707,636</u>	<u>\$ 622,608</u>

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

(Concluded)

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taitien Electronics Co., Ltd. (the “Company”), founded in March 23, 2000, is primarily involved in the following business activities:

- a. Electronics components manufacturing.
- b. Wholesale of electronic materials.
- c. Retail sale of electronic materials.
- d. International trading business.
- e. General instruments manufacturing.
- f. Data storage media unit manufacturing.
- g. Other electrical engineering and electronic machinery equipment manufacturing (programmable controller).

The Company’s shares have been listed on the mainboard of the Taipei Exchange (TPEx) since April 24, 2008.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 13, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and enforced by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and enforced by the FSC did not have a material impact on the Group’s accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)
Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.	
Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.	

As of the date the consolidated financial statements were authorized for issue, the Group had assessed that the application of other standards and interpretations would not have a material impact on the Group's consolidated financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
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 IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the consolidated statement of profit or loss shall be placed in the operating, investing, financing, income taxes and discontinued operations categories, as appropriate.
- The consolidated statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- To enhance its compliance with the requirements for aggregation and disaggregation, the Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more descriptive label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for above impact, as of the date the consolidated financial statements were authorized for issue, the Group was continuing to assess the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the impacts when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and enforced by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13, Table 6 and Table 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries in other countries) that are prepared using functional currencies which are different from the functional currency of the Company are translated into the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, finished goods, work in progress and merchandise are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rental or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation.

Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use asset, investment properties and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (after deducting amortization and depreciation) that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and interest earned on such financial assets are recognized in interest income; any remeasurement gains or losses on such financial assets are recognized in other gains and losses. Fair value is determined in the manner described in Note 30.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, trade receivables, other receivables (excluding tax refund receivable), time deposits with original maturities over 3 months and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial asset that is not credit-impaired on purchase or origination but has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets at amortized cost (including cash and cash equivalents, notes receivable, trade receivables, other receivables (excluding income tax refund receivable), refundable deposits and financial assets at amortized cost-current and non-current).

The Group always recognizes lifetime ECLs for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

ECLs reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indications that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss on all financial assets is recognized in profit or loss directly or by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

1. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of quartz crystals. Sales of quartz crystals are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. When the customer initially purchases the goods, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

m. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprise the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

n. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable is based on taxable profit for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities when those amounts are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of its economic environment implications on the cash flow projection, growth rates, discount rates, profitabilities and relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates and assumptions adopted by the Group have not been subject to material accounting judgments, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 111	\$ 185
Checking accounts and demand deposits	608,204	569,580
Cash equivalents (investments with original maturities of 3 months or less)	<u>99,321</u>	<u>52,843</u>
Time deposits	<u>99,321</u>	<u>52,843</u>
	<u><u>\$ 707,636</u></u>	<u><u>\$ 622,608</u></u>

The market rate intervals of cash in bank at the end of the year were as follows:

	December 31	
	2024	2023
Cash in bank	0.0001%-4.53%	0.0001%-5.59%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	<u>\$ 12,796</u>	<u>\$ 23,007</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
<u>Non-current</u>		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	\$ 24,232	\$ 18,134
Investments in debt instruments at FVTOCI	<u>3,032</u>	<u>3,223</u>
	<u><u>\$ 27,264</u></u>	<u><u>\$ 21,357</u></u>

a. Investments in equity instruments at FVTOCI

	December 31	
	2024	2023
<u>Non-current</u>		
Domestic investments		
Unlisted shares	\$ 15,140	\$ 16,728
Foreign investments		
Unlisted shares	<u>9,092</u>	<u>1,406</u>
	<u><u>\$ 24,232</u></u>	<u><u>\$ 18,134</u></u>

These investments in equity instruments for Taiwan Crystal Superior Technology Co., Ltd., Yongchuang Investment, WK Technology Fund IX II Ltd. and YanTai MDH Technology Co., Ltd. are held for medium- to long-term strategic purposes and are expected to generate long-term returns. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

b. Investments in debt instruments at FVTOCI

	December 31	
	2024	2023
<u>Non-current</u>		
Foreign investments		
Overseas bonds	<u>3,032</u>	<u>3,223</u>

The Group purchased the corporate bonds issued by Apple Inc. in April 2021 with a maturity date of August 20, 2060, a coupon rate of 2.55% and an effective interest rate of 2.91%.

Refer to Note 10 for information relating to the credit risk management and impairment of investments in debt instruments at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	\$ _____ -	<u>\$ 142,560</u>
<u>Non-current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a and b)	\$ 200	<u>\$ 200</u>
a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.72% and 1.59%-5.48% per annum as of December 31, 2024 and 2023, respectively.		
b. Refer to Note 32 for information relating to financial assets at amortized cost pledged as security.		
c. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.		

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at FVTOCI and as at amortized cost were as follows:

December 31, 2024

	At FVTOCI	At Amortized Cost	Total
Gross carrying amount	\$ 4,684	\$ 200	\$ 4,884
Less: Allowance for impairment loss	_____ -	_____ -	_____ -
Amortized cost	4,684	<u>\$ 200</u>	4,884
Adjustment to fair value	<u>(1,652)</u>		<u>(1,652)</u>
	<u><u>\$ 3,032</u></u>		<u><u>\$ 3,232</u></u>

December 31, 2023

	At FVTOCI	At Amortized Cost	Total
Gross carrying amount	\$ 4,468	\$ 142,760	\$ 147,228
Less: Allowance for impairment loss	_____ -	_____ -	_____ -
Amortized cost	4,468	<u>\$ 142,760</u>	147,228
Adjustment to fair value	<u>(1,245)</u>		<u>(1,245)</u>
	<u><u>\$ 3,223</u></u>		<u><u>\$ 145,983</u></u>

In order to minimize credit risk, the Group has tasked its credit management committee to develop and maintain a credit risk grading framework to categorize exposures according to the degree of risk of default. The credit rating information may be obtained from independent rating agencies where available, and if such information is not available, the credit management committee uses other publicly available financial information to rate the debtors.

The Group takes into account the current financial position of the debtors and the forecast of the prospects of their industries to measure the expected credit loss of 12 months or the duration of the investment in debt instruments.

The Group current credit risk rating mechanism, the total carrying amount and the applicable expected credit losses rate for each credit level of debt instrument investment are as follows:

December 31, 2024

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)	Expected Loss Rate	Gross Carrying Amount
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs	0%	\$ 4,884

December 31, 2023

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)	Expected Loss Rate	Gross Carrying Amount
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs	0%	\$ 147,228

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2024	2023
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 7,028	\$ 9,011
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 388,145	\$ 322,930
Less: Allowance for impairment loss	(8,635)	(8,335)
	\$ 379,510	\$ 314,595
	(Continued)	

	December 31	
	2024	2023
<u>Other receivables</u>		
Income tax refund receivable	\$ 4,953	\$ 3,256
Interest receivable	-	2,052
Others	<u>56</u>	<u>45</u>
	<u><u>\$ 5,009</u></u>	<u><u>\$ 5,353</u></u>
	(Concluded)	

Notes Receivable

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes receivable at an amount equal to lifetime expected credit losses (ECLs). The expected credit losses on notes receivable are estimated by reference to the past default records of the debtor, an analysis of the debtor's current financial position, and economic conditions. As of December 31, 2024 and 2023, the notes receivable were not overdue and the Group assessed the expected credit loss rate of notes receivable as 0%.

Trade Receivables

The average credit period of the sales of goods was 30 to 150 days, and no interest was charged on trade receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECLs). The ECLs on trade receivables are estimated using a provision matrix, a tool that analyzes the past default experience with a customer and the customer's current financial position, taking into account the general economic conditions of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the different segments of the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of receivables based on the Group's provision matrix:

December 31, 2024

	Not Overdue	Overdue within 90 Days	Overdue 91-180 Days	Overdue 181 Days	Total
Expected credit loss (ECL) rate	0.71%	6.27%	21.02%	100%	
Gross carrying amount	\$ 351,864	\$ 26,727	\$ 6,455	\$ 3,099	\$ 388,145
Loss allowance (lifetime ECLs)	<u>(2,502)</u>	<u>(1,677)</u>	<u>(1,357)</u>	<u>(3,099)</u>	<u>(8,635)</u>
Amortized cost	<u>\$ 349,362</u>	<u>\$ 25,050</u>	<u>\$ 5,098</u>	<u>\$ -</u>	<u>\$ 379,510</u>

December 31, 2023

	Not Overdue	Overdue within 90 Days	Overdue 91-180 Days	Overdue 181 Days	Total
Expected credit loss rate	0.21%	0.85%	7.50%	100%	
Gross carrying amount	\$ 287,074	\$ 25,069	\$ 3,532	\$ 7,255	\$ 322,930
Loss allowance (lifetime ECLs)	<u>(601)</u>	<u>(214)</u>	<u>(265)</u>	<u>(7,255)</u>	<u>(8,335)</u>
Amortized cost	<u>\$ 286,473</u>	<u>\$ 24,855</u>	<u>\$ 3,267</u>	<u>\$ -</u>	<u>\$ 314,595</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 8,335	\$ 3,862
Add: Net remeasurement of loss allowance	-	5,358
Less: Amounts Written-off	-	(859)
Less: Net remeasurement of loss allowance reversed	(185)	-
Foreign exchange gains and losses	<u>485</u>	<u>(26)</u>
Balance at December 31	<u>\$ 8,635</u>	<u>\$ 8,335</u>

Other Receivables

The other receivables were mainly income tax refund receivable and interest receivable. The Group only transacts with counterparties with good credit ratings. The Group continues to monitor the conditions of the receivables and refers to the past default records of the debtor and the analysis of the debtor's current financial position in determining whether the credit risk of the other receivables increased significantly since initial recognition as well as in measuring the expected credit losses. As of December 31, 2024 and 2023, the Group assessed the expected credit loss rate of other receivables as 0%.

12. INVENTORIES

	December 31	
	2024	2023
Merchandise	\$ 38,402	\$ 69,839
Finished goods	78,768	76,009
Work in progress	58,845	49,647
Raw materials and supplies	195,916	233,961
Inventories in transit	<u>2</u>	<u>251</u>
	<u><u>\$ 371,933</u></u>	<u><u>\$ 429,707</u></u>

For the years ended December 31, 2024 and 2023, the cost of goods sold related to inventories amounted to \$1,163,388 thousand and \$1,154,145 thousand, respectively.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Percentage of Ownership (%)		Remark
			December 31	2024	
Taitien Electronic Co., Ltd.	Indus Taitien Marketing Ltd.	Holding company	100.00	100.00	Exchange rate risk.
	Taitien Holding Co., Ltd.	Holding company	100.00	100.00	Exchange rate risk. (Note 2)
	Taitien USA, Inc.	Sales of electronics components	100.00	100.00	Exchange rate risk.
	Colorado Crystal Corporation	Production and sales of electronic components	100.00	100.00	Exchange rate risk.
Indus Taitien Marketing Ltd.	Pletronics, Inc.	Production and sales of electronic components	100.00	100.00	Exchange rate risk.
Taitien Holding Co., Ltd. Hardy Holding Corporation	Hardy Holding Corporation	Holding company	100.00	100.00	Exchange rate risk. (Note 2)
	Taitien Electronic (Nanjing) Ltd.	Manufacturing of crystal related products and equipment	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations. (Note 1)
	Taitien Electronic (Shenzhen) Ltd.	Manufacturing of crystal related products and equipment	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations.
Taitien Electronic (Shenzhen) Ltd.	Wintron Electronics Ltd.	Manufacturing and selling of frequency control components, sensor components, electronic measurement instruments and machine system design	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations.

Note 1: In March 2023, the paid-in capital of Hardy Holding Corporation (“Hardy”) increased by US\$6,000 thousand. The reason for this increase in Hardy’s paid-in capital was that Taitien Electronic (Nanjing) Ltd. (TENL) conducted a cash capital reduction of US\$6,000 thousand and remitted this amount back to Hardy’s shareholders; this remittance was approved by TENL’s board of directors on November 10, 2022. The notice of registration documents approved by the Bureau of Nanjing Jiangning municipal administration for market regulation on this remittance was received on January 10, 2023. Thus, TENL remitted the capital to Hardy in March 2023.

Note 2: On March 23, 2023, Taitien Holding Co., Ltd. and Hardy Holding Corporation returned the share capital of US\$6,000 thousand for their capital reduction.

Any transaction, account balance, revenue and expense between the consolidated entities are eliminated and not shown on the consolidated financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

Assets Used by the Group

	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 23,308	\$ 139,161	\$ 967,251	\$ 5,169	\$ 32,803	\$ 89,611	\$ 72,645	\$ 1,329,948
Additions	-	-	52,414	1,075	1,329	8,920	-	63,738
Disposals	-	-	(3,925)	-	(834)	(568)	-	(5,327)
Reclassified (Note 1)	-	-	32,292	-	-	1,709	(1,815)	32,186
Effect of foreign currency exchange differences	-	(1,750)	(10,097)	(82)	(225)	(1,056)	(1,187)	(14,397)
Balance at December 31, 2023	<u>\$ 23,308</u>	<u>\$ 137,411</u>	<u>\$ 1,037,935</u>	<u>\$ 6,162</u>	<u>\$ 33,073</u>	<u>\$ 98,616</u>	<u>\$ 69,643</u>	<u>\$ 1,406,148</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	\$ 7,709	\$ 132,982	\$ 660,056	\$ 3,296	\$ 30,372	\$ 69,610	\$ -	\$ 904,025
Disposals	-	-	(3,478)	-	(821)	(523)	-	(4,822)
Depreciation expense	-	1,983	61,791	454	476	6,121	-	70,825
Reclassified (Note)	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	(1,319)	(6,202)	(60)	(177)	(816)	-	(8,574)
Balance at December 31, 2023	<u>\$ 7,709</u>	<u>\$ 133,646</u>	<u>\$ 712,167</u>	<u>\$ 3,690</u>	<u>\$ 29,850</u>	<u>\$ 74,392</u>	<u>\$ -</u>	<u>\$ 961,454</u>
Carrying amount at December 31, 2023	<u>\$ 15,599</u>	<u>\$ 3,765</u>	<u>\$ 325,768</u>	<u>\$ 2,472</u>	<u>\$ 3,223</u>	<u>\$ 24,224</u>	<u>\$ 69,643</u>	<u>\$ 444,694</u>
<u>Cost</u>								
Balance at January 1, 2024	\$ 23,308	\$ 137,411	\$ 1,037,935	\$ 6,162	\$ 33,073	\$ 98,616	\$ 69,643	\$ 1,406,148
Additions	-	38,574	28,143	-	2,947	14,293	1,998	85,955
Disposals	-	-	(11,713)	-	(2,029)	(3,772)	-	(17,514)
Reclassified (Note 1)	-	-	3,226	-	-	522	-	3,748
Reclassified (Note 2)	-	51,567	-	-	-	-	(72,398)	(20,831)
Effect of foreign currency exchange differences	21	6,562	43,613	268	2,286	4,788	2,834	60,372
Balance at December 31, 2024	<u>\$ 23,329</u>	<u>\$ 234,114</u>	<u>\$ 1,101,204</u>	<u>\$ 6,430</u>	<u>\$ 36,277</u>	<u>\$ 114,447</u>	<u>\$ 2,077</u>	<u>\$ 1,517,878</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	\$ 7,709	\$ 133,646	\$ 712,167	\$ 3,690	\$ 29,850	\$ 74,392	\$ -	\$ 961,454
Disposals	-	-	(7,352)	-	(1,906)	(3,539)	-	(12,797)
Depreciation expense	-	4,013	61,609	540	791	6,932	-	73,885
Effect of foreign currency exchange differences	-	5,108	31,735	196	2,083	3,842	-	42,964
Balance at December 31, 2024	<u>\$ 7,709</u>	<u>\$ 142,767</u>	<u>\$ 798,159</u>	<u>\$ 4,426</u>	<u>\$ 30,818</u>	<u>\$ 81,627</u>	<u>\$ -</u>	<u>\$ 1,065,506</u>
Carrying amount at December 31, 2024	<u>\$ 15,620</u>	<u>\$ 91,347</u>	<u>\$ 303,045</u>	<u>\$ 2,004</u>	<u>\$ 5,459</u>	<u>\$ 32,820</u>	<u>\$ 2,077</u>	<u>\$ 452,372</u>

Note 1: Transferred from other non-current asset - prepayments for equipment.

Note 2: Mainly construction in progress to right-of-use assets-land.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	20-39 years
Others	1-10 years
Machinery and equipment	2-15 years
Transportation equipment	4-5 years
Office equipment	2-10 years
Other equipment	3-10 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 33.

The Company had an unrecognized reversal of impairment losses as of December 31, 2024 and 2023.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
<u>Carrying amount</u>		
Land (includes land use rights)	\$ 26,154	\$ 14,056
Buildings	12,649	24,399
Transportation equipment	<u>31</u>	<u>156</u>
	<u><u>\$ 38,834</u></u>	<u><u>\$ 38,611</u></u>
<u>For the Year Ended December 31</u>		
	2024	2023
Additions to right-of-use assets	<u><u>\$ 579</u></u>	<u><u>\$ 250</u></u>
Depreciation charge for right-of-use assets		
Land (includes land use rights)	\$ 3,196	\$ 2,847
Buildings	13,602	14,179
Transportation equipment	<u>126</u>	<u>377</u>
	<u><u>\$ 16,924</u></u>	<u><u>\$ 17,403</u></u>

b. Lease liabilities

	December 31	
	2024	2023
<u>Carrying amount</u>		
Current	<u><u>\$ 11,952</u></u>	<u><u>\$ 15,607</u></u>
Non-current	<u><u>\$ 8,297</u></u>	<u><u>\$ 19,067</u></u>

The discount rates for lease liabilities were as follows:

	December 31	
	2024	2023
Land	1.3%	1.3%
Buildings	1.22%-2.28%	1.22%-2.28%
Transportation equipment	2.3%	1.3%-2.3%

c. Material leasing activities and terms

The Group leases land to build its plant and buildings as staff dormitories. The lease period is 2 to 50 years, and the rent shall be paid according to the amount signed in the contract. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

The Group's leases as lessor of investment properties under operating leases are set out in Notes 16.

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	\$ 7,220	\$ 6,337
Expenses relating to low-value asset leases	\$ 388	\$ 371
Total cash outflow for leases	<u>\$ (24,453)</u>	<u>\$ (24,325)</u>

The Group's leases of certain parking space, plants and staff dormitories qualify as short-term leases and leases of certain photocopiers qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Completed Investment Properties	
	December 31	
<u>Cost</u>	2024	2023
Balance at January 1	\$ 1,773	\$ 2,054
Effect of foreign currency exchange differences	<u>(140)</u>	<u>(281)</u>
Balance at December 31	<u>\$ 1,633</u>	<u>\$ 1,773</u>
<u>Accumulated depreciation</u>		
Balance at January 1	\$ 1,053	\$ 1,329
Depreciation expense	119	190
Effect of foreign currency exchange differences	<u>(126)</u>	<u>(466)</u>
Balance at December 31	<u>\$ 1,046</u>	<u>\$ 1,053</u>
Carry amount at December 31	<u>\$ 587</u>	<u>\$ 720</u>

The rental period for investment properties is 6 years.

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2024 and 2023 was as follows:

	December 31	
	2024	2023
Year 1	\$ 2,546	\$ 2,469
Year 2	5,555	-
Year 3	5,555	-
Year 4	5,555	-
Year 5	5,555	-
Year 5 onwards	<u>2,546</u>	<u>-</u>
	<u>\$ 27,312</u>	<u>\$ 2,469</u>

To reduce the residual asset risk related to the plant at the end of the relevant lease, the Group follows its general risk management strategy in relation to the lease.

The investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings		
Main buildings		20 years
Others		3 years

The investment properties are not valued by an independent valuer but valued by the Group's management using the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and by the discounted cash flow analysis. The significant unobservable inputs used include discount rates. The appraised fair value is as follows:

	December 31	
	2024	2023
Fair value of investment properties	\$ 18,421	\$ 20,106
Discount rate	15.31%	14.87%

All of the Group's investment properties are freehold properties.

17. OTHER INTANGIBLE ASSETS

	Computer Software	Other	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 29,035	\$ 12,011	\$ 41,046
Additions	486	-	486
Reclassification (Note)	619	-	619
Disposals	(1,087)	-	(1,087)
Effect of foreign currency exchange differences	<u>(122)</u>	<u>(202)</u>	<u>(324)</u>
Balance at December 31, 2023	<u>\$ 28,931</u>	<u>\$ 11,809</u>	<u>\$ 40,740</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2023	\$ 25,645	\$ 12,011	\$ 37,656
Amortization expenses	1,124	-	1,124
Disposals	(1,087)	-	(1,087)
Effect of foreign currency exchange differences	<u>(77)</u>	<u>(202)</u>	<u>(279)</u>
Balance at December 31, 2023	<u>\$ 25,605</u>	<u>\$ 11,809</u>	<u>\$ 37,414</u>
Carrying amount at December 31, 2023	<u>\$ 3,326</u>	<u>\$ _____</u>	<u>\$ 3,326</u>

(Continued)

	Computer Software	Other	Total
<u>Cost</u>			
Balance at January 1, 2024	\$ 28,931	\$ 11,809	\$ 40,740
Disposals	(242)	(12,221)	(12,463)
Effect of foreign currency exchange differences	<u>204</u>	<u>477</u>	<u>681</u>
Balance at December 31, 2024	<u>\$ 28,893</u>	<u>\$ 65</u>	<u>\$ 28,958</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2024	\$ 25,605	\$ 11,809	\$ 37,414
Amortization expenses	1,044	-	1,044
Disposals	(242)	(12,221)	(12,463)
Effect of foreign currency exchange differences	<u>74</u>	<u>477</u>	<u>551</u>
Balance at December 31, 2024	<u>\$ 26,481</u>	<u>\$ 65</u>	<u>\$ 26,546</u>
Carrying amount at December 31, 2024	<u>\$ 2,412</u>	<u>\$ -</u>	<u>\$ 2,412</u> (Concluded)

Note: Transferred from other non-current asset - prepayments for equipment.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	2-10 years
Others	10-15 years

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>An analysis of amortization by function</u>		
Operating costs	\$ 451	\$ 525
General and administrative expenses	<u>593</u>	<u>599</u>
	<u>\$ 1,044</u>	<u>\$ 1,124</u>

18. OTHER ASSETS

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Current</u>		
Prepayments		
Prepayment for purchases	\$ 9,486	\$ 15,171
Prepayment for insurance	1,347	1,282
Overpaid sales tax	12,497	2,758
Others	<u>4,014</u>	<u>3,885</u>
	<u>\$ 27,344</u>	<u>\$ 23,096</u>
	(Continued)	

	December 31	
	2024	2023
<u>Non-current</u>		
Prepayments for land (Note 31)	\$ 79,000	\$ -
Refundable deposits	2,505	2,542
Prepayments for equipment	<u>5,929</u>	<u>4,503</u>
	<u><u>\$ 87,434</u></u>	<u><u>\$ 7,045</u></u>
		(Concluded)

19. BORROWINGS

	December 31	
	2024	2023
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u><u>\$ 150,000</u></u>	<u><u>\$ 150,000</u></u>

The interest rates for bank loans were 2.00% to 2.04% and 1.85% to 1.91% per annum as of December 31, 2024 and 2023, respectively.

20. OTHER LIABILITIES

	December 31	
	2024	2023
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 45,478	\$ 35,093
Payables for equipment (Note 28)	4,679	5,835
Payables for professional service fees	3,738	3,451
Payables for compensation of employees	3,051	9,522
Payables for consumables	2,473	2,755
Payable for insurance	2,439	2,238
Payables for VAT	2,359	1,514
Payables for miscellaneous items	1,682	1,797
Payables for pension cost	1,445	1,331
Payables for repair	898	664
Payables for remuneration of directors	610	1,904
Payables for commission	307	858
Others	<u>11,708</u>	<u>12,969</u>
	<u><u>\$ 80,867</u></u>	<u><u>\$ 79,931</u></u>
		(Continued)

	December 31	
	2024	2023
Other liabilities		
Receipts under custody	\$ 3,097	\$ 1,950
Guarantee deposits received	<u>—</u>	<u>930</u>
	<u><u>\$ 3,097</u></u>	<u><u>\$ 2,880</u></u>
Non-current		
Deferred revenue		
Government grants (Note 27)	<u><u>\$ 7,717</u></u>	<u><u>\$ 7,522</u></u>
Other liabilities		
Guarantee deposits received	<u><u>\$ 18,273</u></u>	<u><u>\$ 15,107</u></u> (Concluded)

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiary in mainland China and the United States are members of a state-managed retirement benefit plan operated by the government of mainland China and the United States. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plan

The defined benefit plan adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds (the "Bureau") under the Ministry of Labor; the Group has no right to influence the fund investment policy and strategy.

The balance sheet amounts on the Group's defined benefit plan are as follows:

	December 31	
	2024	2023
Present value of defined benefit obligation	\$ 91,480	\$ 99,654
Fair value of plan assets	<u>(73,578)</u>	<u>(67,594)</u>
Deficit	17,902	32,060
Asset ceiling	-	-
Net defined benefit liabilities	<u><u>\$ 17,902</u></u>	<u><u>\$ 32,060</u></u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2023	<u><u>\$ 111,726</u></u>	<u><u>\$ (73,145)</u></u>	<u><u>\$ 38,581</u></u>
Service cost			
Current service cost	1,220	-	1,220
Net interest expense (income)	<u>1,536</u>	<u>(1,045)</u>	<u>491</u>
Recognized in profit or loss	<u>2,756</u>	<u>(1,045)</u>	<u>1,711</u>
Return on plan assets (excluding amounts included in net interest)	-	(475)	(475)
Actuarial loss - changes in demographic assumptions	1,923	-	1,923
Actuarial gain - experience adjustments	<u>(4,166)</u>	<u>-</u>	<u>(4,166)</u>
Recognized in other comprehensive income	<u>(2,243)</u>	<u>(475)</u>	<u>(2,718)</u>
Benefits paid	<u>(12,585)</u>	<u>12,585</u>	<u>-</u>
Contributions from the employer	-	(5,514)	(5,514)
Balance at December 31, 2023	<u>99,654</u>	<u>(67,594)</u>	<u>32,060</u>
Service cost			
Current service cost	1,058	-	1,058
Net interest expense (income)	<u>1,121</u>	<u>(787)</u>	<u>334</u>
Recognized in profit or loss	<u>2,179</u>	<u>(787)</u>	<u>1,392</u>
Return on plan assets (excluding amounts included in net interest)	-	(6,614)	(6,614)
Actuarial loss - changes in demographic assumptions	(2,505)	-	(2,505)
Actuarial loss - experience adjustments	<u>(1,530)</u>	<u>-</u>	<u>(1,530)</u>
Recognized in other comprehensive income	<u>(4,035)</u>	<u>(6,614)</u>	<u>(10,649)</u>
Benefits paid	<u>(6,318)</u>	<u>6,318</u>	<u>-</u>
Contributions from the employer	-	(4,901)	(4,901)
Balance at December 31, 2024	<u><u>\$ 91,480</u></u>	<u><u>\$ (73,578)</u></u>	<u><u>\$ 17,902</u></u>

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2024	2023
Discount rate	1.50%	1.13%
Expected rate of salary increase	2.75%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2024	2023
Discount rate		
0.25% increase	<u>\$ (1,612)</u>	<u>\$ (1,923)</u>
0.25% decrease	<u>\$ 1,658</u>	<u>\$ 1,982</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 1,610</u>	<u>\$ 1,917</u>
0.25% decrease	<u>\$ (1,574)</u>	<u>\$ (1,870)</u>

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	2023
Expected contributions to the plans for the next year	<u>\$ 4,680</u>	<u>\$ 4,800</u>
Average duration of the defined benefit obligation	7.2 years	7.8 years

22. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	2023
Shares authorized (in thousands of shares)	<u>120,000</u>	<u>120,000</u>
Amount of shares authorized	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Shares issued and fully paid (in thousands of shares)	<u>68,334</u>	<u>68,334</u>
Amount of shares issued and fully paid	<u>\$ 683,338</u>	<u>\$ 683,338</u>

b. Capital surplus

	December 31	
	2024	2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)</u>		
Issuance of ordinary shares	\$ 363,819	\$ 374,069
Treasury share transactions	3,978	3,978
Employee share options	578	578
Expired share options	20	20
<u>May only be used to offset a deficit</u>		
Changes in equity of subsidiaries accounted for using the equity method (Note 2)	26,075	26,075
Gain on disposal of assets	<u>3,626</u>	<u>3,626</u>
	<u><u>\$ 398,096</u></u>	<u><u>\$ 408,346</u></u>

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Group's paid-in capital dividends each year).

Note 2: Such capital surplus is recognized from the changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the Articles of Incorporation of the Company, when the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of as dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 24 (g).

The Company's dividend policy is based on the principle of stability and balance, and the Company takes into consideration the future operating and development capital needs and financial condition. Out of the dividends and bonuses distributed to shareholders in the current year, at least 50% shall be distributed as cash dividends. However, the board of directors may adjust the ratio according to the working capital needs of the current year and submit it to the shareholders in their meeting for resolution.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2023 and 2022, which were approved in the shareholders' meetings on June 13, 2024 and June 16, 2023, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 9,035	\$ 35,781
Appropriation (reversal) in respect of	\$ 17,444	\$ (15,104)
Cash dividends	\$ 58,084	\$ 239,168
Cash dividends per share (NT\$)	\$ 0.85	\$ 3.50

In addition, by the shareholders in their meeting passed a resolution to allocate cash of \$10,250 thousand from capital surplus on June 13, 2024.

The appropriations from the earnings for 2024, which were proposed by the Company's board of directors on March 13, 2025, were as follows:

	For the Year Ended December 31, 2024
Legal reserve	\$ 3,589
Reversal of special reserve	\$ (54,152)
Cash dividends	\$ 20,500
Cash dividends per share (NT\$)	\$ 0.3

The appropriation of earnings for 2024 will be resolved by the shareholders in their meeting to be held in June 2025.

d. Special reserve

(1) In accordance with the provisions of Article 41, Paragraph 1 of the Securities and Exchange Act, the special reserve shall be set aside for the net debit balance of shareholders' equity recorded in the current year. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses. (2) The special reserve is set aside and reversed in accordance with the provisions of "Questions and Answers on the Application of IFRS Accounting Standards to the special Surplus Reserve".

The special reserve recognized as of December 31, 2024 and 2023 was as follows:

	December 31	
	2024	2023
Listed in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act	\$ 82,957	\$ 65,513
On the Application of IFRS Accounting Standards issued by the FSC, transferred to retained earnings	<u>15,450</u>	<u>15,450</u>
	<u><u>\$ 98,407</u></u>	<u><u>\$ 80,963</u></u>

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ (83,418)	\$ (69,661)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	62,555	(17,197)
Income tax effect	<u>(12,511)</u>	<u>3,440</u>
Other comprehensive income (loss) recognized for the year	<u><u>50,044</u></u>	<u><u>(13,757)</u></u>
Balance at December 31	<u><u>\$ (33,374)</u></u>	<u><u>\$ (83,418)</u></u>

2) Unrealized valuation loss on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ (14,989)	\$ (11,302)
Recognized for the year		
Unrealized (loss) gain - debt instruments	(407)	229
Unrealized gain (loss) - equity instruments	5,940	(4,593)
Income tax effect	<u>(1,425)</u>	<u>677</u>
Other comprehensive loss recognized for the year	<u><u>4,108</u></u>	<u><u>(3,687)</u></u>
Balance at December 31	<u><u>\$ (10,881)</u></u>	<u><u>\$ (14,989)</u></u>

23. REVENUE

a. Contract information

Revenue from the sale of goods

The main operating revenue of the Group is from the sale of SMD crystals and SMD oscillators. All goods are sold at their respective fixed amounts as agreed in the contracts.

b. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable and trade receivables (Note 11)	<u>\$ 386,538</u>	<u>\$ 323,606</u>	<u>\$ 537,855</u>
Contract liabilities			
Sale of goods	<u>\$ 5,700</u>	<u>\$ 6,334</u>	<u>\$ 14,616</u>

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods was summarized as follows:

	For the Year Ended December 31	
	2024	2023
Sale of goods	<u>\$ 3,208</u>	<u>\$ 11,680</u>

c. Disaggregation of revenue

For information on disaggregation of revenue, please refer to Note 38.

24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	\$ 9,434	\$ 10,169
Financial assets at amortized cost	828	3,042
Financial assets at FVTPL	1,710	1,169
Investments in debt instruments at FVTOCI	<u>136</u>	<u>133</u>
	<u>\$ 12,108</u>	<u>\$ 14,513</u>

b. Other income

	For the Year Ended December 31	
	2024	2023
Rental income	\$ 5,930	\$ 5,966
Government grants	1,321	2,192
Dividends	1,499	-
Settlement income	3,648	-
Others	<u>4,103</u>	<u>2,535</u>
	<u>\$ 16,501</u>	<u>\$ 10,693</u>

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Loss on disposal of property, plant and equipment	\$ (883)	\$ (426)
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	3,330	2,995
Net foreign exchange gains (h)	26,799	16,739
Others	<u>(633)</u>	<u>(453)</u>
	<u><u>\$ 28,613</u></u>	<u><u>\$ 18,855</u></u>

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	\$ 2,849	\$ 3,017
Interest on lease liabilities	<u>485</u>	<u>736</u>
	<u><u>\$ 3,334</u></u>	<u><u>\$ 3,753</u></u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	\$ 73,885	\$ 70,825
Right-of-use assets	16,924	17,403
Investment properties	119	190
Intangible assets	<u>1,044</u>	<u>1,124</u>
	<u><u>\$ 91,972</u></u>	<u><u>\$ 89,542</u></u>
An analysis of depreciation by function		
Operating costs	\$ 76,584	\$ 73,496
Operating expenses	<u>14,344</u>	<u>14,922</u>
	<u><u>\$ 90,928</u></u>	<u><u>\$ 88,418</u></u>
An analysis of amortization by function		
Operating costs	\$ 451	\$ 525
Operating expenses	<u>593</u>	<u>599</u>
	<u><u>\$ 1,044</u></u>	<u><u>\$ 1,124</u></u>

f. Employee benefit expense

	For the Year Ended December 31	
	2024	2023
Short-term benefits	\$ 397,184	\$ 362,610
Post-employment benefits (Note 21)		
Defined contribution plan	31,972	32,414
Defined benefit plan	1,392	1,711
Other employee benefits	<u>84,489</u>	<u>86,429</u>
	<u><u>\$ 515,037</u></u>	<u><u>\$ 483,164</u></u>
An analysis of employee benefits expense by function		
Operating costs	\$ 285,363	\$ 257,196
Operating expenses	<u>229,674</u>	<u>225,968</u>
	<u><u>\$ 515,037</u></u>	<u><u>\$ 483,164</u></u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues compensation of employees at rates between 5% to 15%, and remuneration of directors at rates of no higher than 2% of net profit before income tax, compensation of employees and remuneration of directors.

The compensation of employees and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on March 13, 2025 and March 14, 2024, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	10%	8%
Remuneration of directors	2%	1.6%

Amount

	For the Year Ended December 31			
	2024		2023	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 3,051	\$ -	\$ 9,522	\$ -
Remuneration of directors	610	-	1,904	-

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recognized as a change in the accounting estimate and recorded in the following year.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2023 and 2022.

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

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gains	\$ 43,286	\$ 51,937
Foreign exchange losses	<u>(16,487)</u>	<u>(35,198)</u>
Net foreign exchange gains	<u>\$ 26,799</u>	<u>\$ 16,739</u>

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 21,731	\$ 22,440
Adjustments for prior years	<u>(1,565)</u>	<u>288</u>
Income tax on unappropriated earnings	<u>289</u>	<u>4,898</u>
	<u><u>20,455</u></u>	<u><u>27,626</u></u>
Deferred tax		
In respect of the current year	<u>(636)</u>	<u>5,818</u>
Income tax expense recognized in profit or loss	<u><u>\$ 19,819</u></u>	<u><u>\$ 33,444</u></u>

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	<u><u>\$ 47,186</u></u>	<u><u>\$ 121,620</u></u>
Income tax expense calculated at the statutory rate	\$ 9,437	\$ 24,324
Nondeductible expenses in determining taxable income	444	<u>(2,847)</u>
Tax-exempt income	<u>(479)</u>	<u>(160)</u>
Income tax on unappropriated earnings	289	4,898
Unrecognized loss carryforwards and deductible temporary differences	6,173	4,420
Effect of different tax rates of group entities operating in other jurisdictions	5,520	2,521
Adjustments for prior years' income tax	<u>(1,565)</u>	<u>288</u>
Income tax expense recognized in profit or loss	<u><u>\$ 19,819</u></u>	<u><u>\$ 33,444</u></u>

The tax rate applicable to subsidiaries in China is 25%. Tax rates applied to other entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

The tax rates for the subsidiaries located in the United States are based on the US federal tax rate of 21%.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ (12,511)	\$ 3,440
Remeasurement of defined benefit plan	(2,130)	(543)
Fair value changes of financial assets at FVTOCI	81	(45)
Share of other comprehensive income of subsidiaries	<u>(1,506)</u>	<u>722</u>
Total income tax recognized in other comprehensive income	<u>\$ (16,066)</u>	<u>\$ 3,574</u>

c. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax assets		
Tax refund receivable	<u>\$ 8,865</u>	<u>\$ 1,005</u>
Current tax liabilities		
Income tax payable	<u>\$ 12,561</u>	<u>\$ 16,809</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Difference	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Capitalizing expenditures	\$ 156	\$ (45)	\$ -	\$ -	\$ 111
Allowance for impairment loss	404	-	-	-	404
Unrealized loss on foreign exchange	3,254	(2,494)	-	-	760
Inventory write-downs	21,658	(928)	-	668	21,398
					(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Difference	Closing Balance
Unamortized fixed manufacturing overheads	\$ 1,538	\$ (192)	\$ -	\$ -	\$ 1,346
Payables for annual leave	321	59	-	8	388
Unrealized gain on affiliated company transaction	1,591	(808)	-	-	783
Defined benefit obligations	7,505	(701)	(2,130)	-	4,674
Lease liabilities	2,848	(1,979)	-	126	995
Fair value changes of financial assets at FVTOCI	1,304	-	(1,304)	-	-
Fair value changes of debt instruments at FVTOCI	249	-	81	-	330
Translation of foreign operations	7,902	-	(7,902)	-	-
Fair value changes of financial assets at FVTPL	250	(250)	-	-	-
Deferred revenue	1,880	(49)	-	97	1,928
Loss carryforward	<u>-</u>	<u>2,321</u>	<u>-</u>	<u>-</u>	<u>2,321</u>
	<u>\$ 50,860</u>	<u>\$ (5,066)</u>	<u>\$ (11,255)</u>	<u>\$ 899</u>	<u>\$ 35,438</u>

Deferred tax liabilities

Temporary differences					
Unrealized gain on foreign exchange	\$ 4,351	\$ 493	\$ -	\$ -	\$ 4,844
Net gain on investments accounted for using the equity method	65,347	-	-	-	65,347
Depreciation expense tax difference	33,662	(4,153)	-	1,705	31,214
Right-of-use assets	2,870	(2,048)	-	127	949
Fair value changes of debt instruments at FVTOCI	-	-	202	-	202
Exchange differences on the translation of foreign operations	-	-	4,609	-	4,609
Fair value changes of financial assets at FVTPL	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>
	<u>\$ 106,230</u>	<u>\$ (5,702)</u>	<u>\$ 4,811</u>	<u>\$ 1,832</u>	<u>\$ 107,171</u>
					(Concluded)

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Difference	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Capitalizing expenditures	\$ 174	\$ (18)	\$ -	\$ -	\$ 156
Allowance for impairment loss	13	391	-	-	404
Unrealized loss on foreign exchange	2,587	667	-	-	3,254
Inventory write-downs	24,449	(2,576)	-	(215)	21,658
Unamortized fixed manufacturing overheads	1,125	413	-	-	1,538
Payables for annual leave	321	3	-	(3)	321
Unrealized gain on affiliated company transaction	1,482	109	-	-	1,591
Defined benefit obligations	8,808	(760)	(543)	-	7,505
Lease liabilities	-	2,906	-	(58)	2,848
Fair value changes of financial assets at FVTOCI	582	-	722	-	1,304
Fair value changes of debt instruments at FVTOCI	294	-	(45)	-	249
Translation of foreign operations	4,462	-	3,440	-	7,902
Fair value changes of financial assets at FVTPL	422	(172)	-	-	250
Deferred revenue	<u>1,844</u>	<u>69</u>	<u>-</u>	<u>(33)</u>	<u>1,880</u>
	<u>\$ 46,563</u>	<u>\$ 1,032</u>	<u>\$ 3,574</u>	<u>\$ (309)</u>	<u>\$ 50,860</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Unrealized gain on foreign exchange	\$ 4,486	\$ (135)	\$ -	\$ -	\$ 4,351
Net gain on investments accounted for using the equity method	61,957	3,390	-	-	65,347
Depreciation expense tax difference	33,575	666	-	(579)	33,662
Right-of-use assets	<u>-</u>	<u>2,929</u>	<u>-</u>	<u>(59)</u>	<u>2,870</u>
	<u>\$ 100,018</u>	<u>\$ 6,850</u>	<u>\$ -</u>	<u>\$ (638)</u>	<u>\$ 106,230</u>

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2024	2023
Loss carryforwards		
Expiry in 2034	\$ 10,874	\$ 3,213
Expiry in 2035	22,990	21,532
Expiry in 2036	4,385	4,107
Expiry in 2040	3,551	3,326
Expiry in 2041	44	41
Expiry in 2043	1,906	1,429
Expiry in 2044	<u>1,665</u>	<u>-</u>
	<u><u>\$ 45,415</u></u>	<u><u>\$ 33,648</u></u>
Deductible temporary differences		
Allowance for impairment loss	\$ 29	\$ 28
Inventory write-downs	9,913	10,287
Gain or loss on investment in subsidiaries accounted for using the equity method	<u>163,045</u>	<u>152,895</u>
	<u><u>\$ 172,987</u></u>	<u><u>\$ 163,210</u></u>

f. Information on unused loss carryforwards

Loss carryforwards as of December 31, 2024 comprised:

Unused Amount	Expiry Year
\$ 10,874	2034
22,990	2035
4,385	2036
3,551	2040
44	2041
1,906	2043
<u>1,665</u>	<u>2044</u>
<u><u>\$ 45,415</u></u>	

g. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2024 and 2023, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were \$342,523 thousand and \$318,373 thousand, respectively.

h. Income tax assessments

- 1) The tax authorities have assessed the income tax returns of the Company through 2022.
- 2) Other overseas group entities are not involved in any material action regarding taxation.

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Basic earnings per share	<u>\$ 0.40</u>	<u>\$ 1.29</u>
Diluted earnings per share	<u>\$ 0.40</u>	<u>\$ 1.28</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Earnings used in the computation of basic earnings per share	<u>\$ 27,367</u>	<u>\$ 88,176</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 27,367</u>	<u>\$ 88,176</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	68,334	68,334
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>93</u>	<u>434</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>68,427</u>	<u>68,768</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. GOVERNMENT GRANTS

In 2024 and 2023, the subsidiary Taitien Electronic (Nanjing) Ltd. received a government grant of \$1,001 thousand and \$2,221 thousand for its purchase of technical equipment. The amount was recognized as deferred revenue and subsequently transferred to profit or loss over the useful life of the related asset. This policy resulted in a credit to other income of \$1,195 thousand and \$1,046 thousand during the years ended December 31, 2024 and 2023, respectively.

28. CASH FLOW INFORMATION

a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing activities which were not reflected in the statements of cash flows for the years ended December 31, 2024 and 2023:

- As of December 31, 2024 and 2023, the unpaid amounts from the Group's acquisition of property, plant and equipment were \$4,679 thousand and \$5,835 thousand, respectively, and were recognized in other payables - payables for equipment.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2024

	Non-cash Changes						Closing Balance
	Opening Balance	Cash Flows	New Leases	Interest Expense	Exchange Rate Changes	Others	
Short-term borrowings	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Lease liabilities	34,674	(16,360)	579	485	1,356	(485)	20,249
Guarantee deposits received	<u>16,037</u>	<u>1,386</u>	<u>-</u>	<u>-</u>	<u>850</u>	<u>-</u>	<u>18,273</u>
	<u><u>\$ 200,711</u></u>	<u><u>\$ (14,974)</u></u>	<u><u>\$ 579</u></u>	<u><u>\$ 485</u></u>	<u><u>\$ 2,206</u></u>	<u><u>\$ (485)</u></u>	<u><u>\$ 188,522</u></u>

For the year ended December 31, 2023

	Non-cash Changes						Closing Balance
	Opening Balance	Cash Flows	New Leases	Interest Expense	Exchange Rate Changes	Others	
Short-term borrowings	\$ 184,000	\$ (34,000)	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Lease liabilities	51,406	(16,881)	250	736	(101)	(736)	34,674
Guarantee deposits received	<u>16,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(273)</u>	<u>-</u>	<u>16,037</u>
	<u><u>\$ 251,716</u></u>	<u><u>\$ (50,881)</u></u>	<u><u>\$ 250</u></u>	<u><u>\$ 736</u></u>	<u><u>\$ (374)</u></u>	<u><u>\$ (736)</u></u>	<u><u>\$ 200,711</u></u>

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remained unchanged in the current year.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, and other equity).

Key management personnel of the Group periodically review the capital structure. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Group's management believes that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements, which are not measured at fair value, approximate their fair value or that the fair value of such assets and liabilities cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

<u>December 31, 2024</u>	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets				
Mutual funds	<u>\$ 12,796</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 12,796</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted shares in domestic market	\$ -	\$ -	\$ 15,140	\$ 15,140
Unlisted shares in foreign market	-	-	9,092	9,092
Investments in debt instruments				
Foreign corporate bonds	<u>3,032</u>	<u>_____</u>	<u>_____</u>	<u>3,032</u>
	<u>\$ 3,032</u>	<u>\$ _____</u>	<u>\$ 24,232</u>	<u>\$ 27,264</u>
<u>December 31, 2023</u>	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets				
Mutual funds	<u>\$ 23,007</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 23,007</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted shares in domestic market	\$ -	\$ -	\$ 16,728	\$ 16,728
Unlisted shares in foreign market	-	-	1,406	1,406
Investments in debt instruments				
Foreign corporate bonds	<u>3,223</u>	<u>_____</u>	<u>_____</u>	<u>3,223</u>
	<u>\$ 3,223</u>	<u>\$ _____</u>	<u>\$ 18,134</u>	<u>\$ 21,357</u>

There were no transfers between Levels 1 and 2 in 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

Financial Assets at FVTOCI Equity Instruments	
Financial Assets	
Balance at January 1, 2024	\$ 18,134
Recognized in other comprehensive loss	5,940
Effect of foreign currency exchange differences	<u>158</u>
Balance at December 31, 2024	<u><u>\$ 24,232</u></u>

For the year ended December 31, 2023

Financial Assets at FVTOCI Equity Instruments	
Financial Assets	
Balance at January 1, 2023	\$ 12,440
Reduction of capital reduction of investments accounted	(4,700)
Recognized in other comprehensive loss	(4,593)
Purchase	15,000
Effect of foreign currency exchange differences	<u>(13)</u>
Balance at December 31, 2023	<u><u>\$ 18,134</u></u>

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

The fair value of unlisted (over-the-counter) company stocks held by the Group is estimated using the asset approach and the market approach. The asset approach uses the net asset value measured by the fair value of the latest financial statements of the investment target, and calculates the fair value of the stock after considering the liquidity discount parameter. The market approach uses the market transaction price of comparable companies with similar business and industrial attributes of the investment target, and calculates the fair price of the stock after considering the liquidity discount parameters.

c. Categories of financial instruments

	December 31	
	2024	2023
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 12,796	\$ 23,007
Financial assets at amortized cost (1)	1,096,935	1,093,613
Financial assets at FVTOCI		
Equity instruments	24,232	18,134
Debt instruments	3,032	3,223
<u>Financial liabilities</u>		
Amortized cost (2)	318,280	303,719

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized costs, notes receivable, trade receivables, other receivables (excluding income tax refund receivable) and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term loans, trade payables, other payables (excluding payable for salaries and bonuses, compensation of employees, remuneration of directors, payable for VAT, payable for insurance and pension cost), and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, financial assets at amortized cost, investments in equity and debt instruments, notes receivable, trade receivables, trade payables, borrowings and lease liabilities. The Group's corporate treasury function monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below). There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group has foreign currency-denominated sales and purchases, which exposed the Group to foreign currency risk. The Group assesses the net risk position of non-functional currency denominated sales and purchases periodically and adjusts its non-functional cash position on the basis of its assessment.

The carrying amounts of the Group's foreign-currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 35.

Sensitivity analysis

The Group was mainly exposed to the USD, JPY and CNY.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact		JPY Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Profit or loss	\$ 10,507 (i)	\$ 15,436 (i)	\$ 580 (ii)	\$ (50) (ii)
CNY Impact				
		For the Year Ended December 31		
		2024	2023	
Profit or loss		\$ 4,991 (iii)	\$ 5,625 (iii)	

- i. The result was mainly attributable to the exposure on outstanding cash and cash equivalents, financial assets at FVTOCI - non-current, financial assets at amortized costs - current, trade receivables, trade payables and short-term borrowings in USD that were not hedged at the end of the year.
- ii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents, trade receivables and trade payables in JPY that were not hedged at the end of the year.
- iii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents, financial assets at amortized cost - current, trade receivables and trade payables in CNY that were not hedged at the end of the year.

The above results of the Group's tests of sensitivity to changes in foreign exchange rates during the current period were mainly due to the decrease in net financial assets in USD and CNY.

b) Interest rate risk

The Group is exposed to interest rate risk because the Group's bank balances, lease liabilities and borrowings are at both fixed and floating interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	\$ 99,321	\$ 195,403
Financial liabilities	135,249	149,674
Cash flow interest rate risk		
Financial assets	562,384	532,818
Financial liabilities	35,000	35,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates of non-derivative instruments at the end of the year. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Had interest rates been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$5,274 thousand and \$4,978 thousand, respectively, which was mainly a result of the increase in floating rate assets.

c) Other price risk

The price risk of the Group's investments in mutual funds, overseas bonds and equity instruments mainly comes from financial assets at FVTPL and financial assets at FVTOCI. The investments in mutual funds, overseas bonds and equity instruments are strategic investments, and the Group manages risks by holding low-risk portfolio products.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to fund price risk, investments in overseas bonds instruments and equity instrument investment price risk at the end of year.

Had fund prices been 1% higher/lower, the pre-tax profit or loss for the years ended December 31, 2024 and 2023 would have increased/decreased by \$128 thousand and \$230 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

Had the fair value of overseas bonds and equity securities been 1% higher/lower, the other comprehensive income before tax for the years ended December 31, 2024 and 2023 would have increased/decreased by \$273 thousand and \$214 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to price risk of the financial assets decreased mainly due to the change in mutual funds. The Group's sensitivity to investments in overseas bonds and equity instruments has not changed significantly from the prior year.

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 Group. At the end of the accounting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge their obligations and due to the financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The policies adopted by the Group are applicable only to transactions with reputable counterparties. Where necessary, sufficient collateral must be obtained to reduce the risk of financial losses. The Group evaluates major customers by establishing complete basic customer data files, using other publicly available financial and non-financial information, and referring to each other's past transaction records. The Group continues to monitor the credit risk insurance and the credit ratings of the counterparties and controls the credit risk through the counterparty credit limits that are reviewed and approved by the responsible supervisor every year.

The Group will continue to evaluate the financial status of the accounts receivable customers and review the recoverable amount of the accounts receivable to ensure that the uncollectible accounts receivable have been included in the appropriate impairment loss.

The Group's concentration of credit risk of 55% and 52% of the total credit risk as of December 31, 2024 and 2023, was attributable to the Group's major customers.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2024 and 2023, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2024

	On Demand or Less than 1 Month	1 Month to Less than 3 Months	3 Months to Less than 1 Year	1 Year to Less than 5 Years	5 Years or More
Non-interest bearing liabilities	\$ 116,553	\$ 48,227	\$ 3,500	\$ 17,194	\$ 1,079
Lease liabilities	1,445	2,889	7,857	8,366	-
Fixed interest rate liabilities	-	115,567	-	-	-
Variable interest rate liabilities	<u>35,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 153,037</u></u>	<u><u>\$ 166,683</u></u>	<u><u>\$ 11,357</u></u>	<u><u>\$ 25,560</u></u>	<u><u>\$ 1,079</u></u>

Further information on the maturity analysis for lease liabilities:

	Less than 1 Year	1 Year to Less than 5 Years	5 to Less than 10 Years	10 to Less than 15 Years	15 to Less than 20 Years	20 Years or More
Lease liabilities	<u>\$ 12,191</u>	<u>\$ 8,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023

	On Demand or Less than 1 Month	1 Month to Less than 3 Months	3 Months to Less than 1 Year	1 Year to Less than 5 Years	5 Years or More
Non-interest bearing liabilities	\$ 104,733	\$ 31,338	\$ 2,542	\$ 15,106	\$ -
Lease liabilities	1,357	2,715	11,993	19,355	-
Fixed interest rate liabilities	-	115,466	-	-	-
Variable interest rate liabilities	<u>35,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 141,097</u></u>	<u><u>\$ 149,519</u></u>	<u><u>\$ 14,535</u></u>	<u><u>\$ 34,461</u></u>	<u><u>\$ -</u></u>

Further information on the maturity analysis for lease liabilities:

	Less than 1 Year	1 Year to Less than 5 Years	5 to Less than 10 Years	10 to Less than 15 Years	15 to Less than 20 Years	20 Years or More
Lease liabilities	<u>\$ 16,065</u>	<u>\$ 19,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

b) Financing facilities

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Unsecured bank overdraft facilities, reviewed annually:		
Amount used	\$ 150,000	\$ 150,000
Amount unused	<u>353,140</u>	<u>422,820</u>
	<u><u>\$ 503,140</u></u>	<u><u>\$ 572,820</u></u>

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows:

a. Related party name and category

Related Party Name	Related Party Category
Tai Tien Asset Development Co., Ltd.	Substantive related party
Tai Tien Electronic Co., Ltd.	Substantive related party

b. Prepayments

Related Party Category/Name	December 31	
	2024	2023
Substantive related party		
Tai Tien Asset Development Co., Ltd.	\$ 79,000	\$ _____

This amount is the contract signing payment for purchasing a portion of the land located in the Da'an Section in Shulin District from a related party, Tai Tien Asset Development Co., Ltd. For more details on this transaction, please refer to Notes 33 and 34.

c. Lease arrangements

Acquisition right-of-use assets

The Group leases land for a lease period of 5 years to build the plant, and the rent is paid according to the amount signed in the contract. Upon termination of the lease term, the Group shall have no preferential right to purchase the land, and it is agreed that the Group shall not sublease or transfer the leased land without the consent of the lessor.

Line Item	Related Party Category/Name	December 31	
		2024	2023
Right-of-use assets	Substantive related party		
	Tai Tien Asset Development Co., Ltd.	\$ 6,095	\$ 8,706
Lease liabilities - current	Substantive related party		
	Tai Tien Asset Development Co., Ltd.	\$ 2,659	\$ 2,624
Lease liabilities - non-current	Substantive related party		
	Tai Tien Asset Development Co., Ltd.	\$ 3,599	\$ 6,258

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
<u>Interest expense</u>		
Substantive related party		
Others	\$ 97	\$ 131
<u>Depreciation expense</u>		
Substantive related party		
Others	\$ 2,611	\$ 2,611
<u>Lease expense</u>		
Substantive related party		
Others	\$ 144	\$ 176

The Group leases land, business premises and plant in the industrial parks from the related party, Tai Tien Asset Development Co., Ltd. and Tai Tien Electronic Co., Ltd. The terms of the lease contract are based on the general market conditions, and the monthly rent is paid before the end of each month.

d. Remuneration of key management personnel

The remuneration of key management personnel are as follows:

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 20,101	\$ 23,265
Post-employment benefits	<u>695</u>	<u>716</u>
	<u>\$ 20,796</u>	<u>\$ 23,981</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for business:

	December 31	
	2024	2023
Pledged deposits (classified as financial assets at amortized cost - non-current)	\$ 200	\$ 200

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group as of December 31, 2024 and 2023 were as follows:

- a. Unrecognized commitments were as follows

	December 31	
	2024	2023
Acquisition of property, plant and equipment	<u>\$ 2,794</u>	<u>\$ 1,581</u>

- b. Relocation Compensation Agreement for Taitien Electronics (Nanjing) Ltd.

In cooperation with Nanjing Jiangning (National) Economic and Technological Development Zone's urban planning in Jiangsu Province, China, the subsidiary Taitien Electronic (Nanjing) Ltd. entered into an agreement with the Nanjing Jiangning (National) Economic and Technological Development Zone Administrative Committee on the relocation compensation of assets such as land use rights, buildings, attachments and equipment on April 24, 2022 with a compensation amount of CNY84,913 thousand. Taitien Electronic (Nanjing) Ltd. plans to submit the relevant application and relocate according to the schedule.

- c. On May 3, 2024, the Group's board of directors resolved to purchase a portion of land located in the Da'an Section of Shulin District from a related party, Tai Tien Asset Development Co., Ltd., to meet operational needs. The total purchased land area is approximately 907.17 pings. A sales and purchase agreement was signed in December 2024, with a transaction amount of approximately \$395,000 thousand. As of December 31, 2024, the outstanding payment commitment under this agreement was \$316,000 thousand.

34. SIGNIFICANT EVENT AFTER REPORTING PERIOD

On May 3, 2024, the Group's board of directors resolved to purchase a portion of land located in the Da'an Section of Shulin District from a related party, Tai Tien Asset Development Co., Ltd., to meet operational needs. A sales and purchase agreement was signed in December 2024, with a transaction amount of approximately \$395,000 thousand. The land transfer process was completed in February 2025. Upon completion of the land transfer, the original lease agreement on this land was immediately terminated.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies are as follows:

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,106	32.785 (USD:NTD)	\$ 167,396
JPY	40,612	0.210 (JPY:NTD)	8,525
CNY	23,758	4.561 (CNY:NTD)	108,358
USD	2,858	7.188 (USD:CNY)	93,690
JPY	91,248	0.046 (JPY:CNY)	19,152

Financial liabilities

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Monetary items</u>			
USD	1,172	32.785 (USD:NTD)	38,437
JPY	56,583	0.210 (JPY:NTD)	11,877
CNY	1,872	4.561 (CNY:NTD)	8,539
USD	382	7.188 (USD:CNY)	12,514
JPY	19,792	0.046 (JPY:CNY)	4,154
JPY	257	0.006 (JPY:USD)	54

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 9,510	30.705 (USD:NTD)	\$ 292,014
JPY	12,901	0.217 (JPY:NTD)	2,802
CNY	27,375	4.335 (CNY:NTD)	118,678
USD	2,316	7.083 (USD:CNY)	71,123
JPY	68,300	0.050 (JPY:CNY)	14,835

Financial liabilities

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Monetary items</u>			
USD	1,456	30.705 (USD:NTD)	44,709
JPY	64,779	0.217 (JPY:NTD)	14,070
CNY	1,426	4.335 (CNY:NTD)	6,183
USD	316	7.083 (USD:CNY)	9,704
JPY	19,431	0.050 (JPY:CNY)	4,220
JPY	1,636	0.007 (JPY:USD)	355

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains were \$26,799 thousand and \$16,739 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of functional currencies.

36. OTHERS

Contracts have been signed for the transactions between the Group and Taiden JP Limited, Taitien Electronics (Thailand) Co., Ltd., Zhengzhou Huajing Electronics Ltd., Shenzhen Yijing Ltd., and Henan Dali Electronics Ltd., where the transaction price, terms of payment, and other transaction conditions were laid out. The compliance test is carried out by the internal auditors on a quarterly basis. The relevant internal audit plan and implementation are reviewed by certified accountants to ensure that the Group's transactions with each company are carried out in accordance with the agreed contracts.

37. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (Table 1)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 3)
- 6) Disposal of individual real estate at prices 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 (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 9) Trading in derivative instruments (None)
- 10) Other: Business relationships and inter-company transactions between the parent company and the subsidiaries (Table 5)

b. Information on investees (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and limit on the amount of investment in the mainland China area (Table 7)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the ending period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)
- e. In accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the following disclosures should be made about the controlling company and the subsidiaries individually:
 - 1) Elimination of transactions between the controlling company and subsidiaries and between subsidiaries (Table 5)
 - 2) Information about accommodations of funds or endorsements (Table 1)
 - 3) Information about derivative instrument transactions (None)
 - 4) Significant contingencies (None)
 - 5) Significant events after the reporting period (Note 34)
 - 6) Names, quantities, costs, market prices (if not available, disclose net worth per share), capital proportions and the highest shareholding percentages of the securities (Tables 2, 6 and 7)
 - 7) Others (None)
- f. The subsidiaries holding the parent company's shares should list clearly the Company's name, number of shares held, the total amounts and the related reasons: None.

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Subsidiaries in different geographical areas are considered as separate operating segments. The reporting segments of the Group are the headquarters, Shenzhen factory, Nanjing factory and others. Specifically, the Group's reportable segments were as follows:

a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Segment Revenue		Segment Profit or Loss	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Headquarters	\$ 445,960	\$ 556,103	\$ (7,324)	\$ 72,983
Shenzhen factory	195,174	169,165	(1,175)	(11,545)
Nanjing factory	550,382	416,934	63,256	24,907
Others	311,936	437,969	(40,663)	18,948
Continuing operations	<u>\$ 1,503,452</u>	<u>\$ 1,580,171</u>	14,094	105,293
Interest income			12,108	14,513
Other revenue			16,501	10,693
Other gains and losses			28,613	18,855
Finance costs			(3,334)	(3,753)
General administration expenses and remuneration of director			<u>(20,796)</u>	<u>(23,981)</u>
Profit before tax (continuing operations)			<u>\$ 47,186</u>	<u>\$ 121,620</u>

The abovementioned revenue was generated from the transactions between entities in the Group and the third parties. All inter-segment transactions for the years ended December 31, 2024 and 2023 were eliminated upon consolidation.

Segment profit represents the profit before tax earned by each segment without allocation of general administration expenses and remuneration of directors, interest income, other revenue, other gains and losses, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The measure of assets and liabilities of the Group is not reported to the chief operating decision maker. Therefore, the information of segment assets and liabilities does not need to be disclosed.

c. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services:

	For the Year Ended December 31	
	2024	2023
SMD crystals	\$ 445,852	\$ 432,760
SMD oscillators	954,172	1,056,635
Others	<u>103,428</u>	<u>90,776</u>
	<u><u>\$ 1,503,452</u></u>	<u><u>\$ 1,580,171</u></u>

d. Geographical information

The Group operates in four principal geographical areas - Taiwan, Asia, Americas and Europe.

The Group's revenue from continuing operations from external customers by location of customers and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2024	2023	2024	2023
Taiwan	\$ 103,481	\$ 169,630	\$ 170,440	\$ 107,521
Asia	1,007,695	902,693	377,706	349,459
Americas	260,344	309,365	33,493	37,416
Europe	119,367	181,600	-	-
Others	<u>12,565</u>	<u>16,883</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 1,503,452</u></u>	<u><u>\$ 1,580,171</u></u>	<u><u>\$ 581,639</u></u>	<u><u>\$ 494,396</u></u>

Non-current assets exclude financial instruments and deferred tax assets.

e. Information about major customers

Single customers who contributed 10% or more to the Company's revenue were as follows:

	For the Year Ended December 31	
	2024	2023
Customer A	<u><u>\$ 168,825</u></u>	(Note)

Note: The amount of revenue did not reach 10% of the Company's total revenue for the year.

TABLE 1**TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024**
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limit on Endorsement/Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period (Note 4)	Actual Amount Borrowed	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/Guarantee Limit (Note 1)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 3)											
0	Taitien Electronics Co., Ltd.	Pletronics, Inc. Taitien USA, Inc. Wintron Electronics Ltd.	c. b. c.	\$ 479,730 479,730 479,730	\$ 32,785 32,785 65,570	\$ 32,785 32,785 65,570	\$ - - -	\$ - - -	2.05% 2.05% 4.10%	\$ 639,640 639,640 639,640	Yes Yes Yes	No No No	No No Yes	

Note 1: The total amount of the guarantees provided by Taitien Electronics Co., Ltd. to subsidiaries shall not exceed 40% of Taitien Electronics Co., Ltd.'s net worth based on its most recent audited financial statements.

Note 2: The total amount of the guarantees provided by Taitien Electronics Co., Ltd. to individual subsidiaries shall not exceed 30% of Taitien Electronics Co., Ltd.'s net worth based on its most recent audited financial statements.

Note 3: The seven types of relationships between the endorser/guarantor and endorsee/guarantee indicated as numbers in the table above are as follows:

- a. Having a business relationship.
- b. The endorser/guarantor owns directly more than 50% of the ordinary shares of the endorsee/guarantee.
- c. The endorsee/guarantee owns directly or indirectly more than 50% of the ordinary shares of the endorser/guarantor.
- d. The endorser/guarantor owns directly or indirectly more than 50% of the ordinary shares of the endorsee/guarantee.
- e. Mutually endorsed/guaranteed companies for the construction project based on the construction contract.
- f. Due to joint venture, each shareholder provides endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
- g. Companies in the same industry that are liable for joint endorsements/guarantees of the preconstruction house contract under the consumer protection law.

Note 4: The listed amounts were eliminated upon consolidation.

TABLE 2**TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****DECEMBER 31, 2024**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Maximum Number of Shares During the Period	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Taitien Electronics Co., Ltd.	<u>Fund</u> AB FCP I-Global High Yield Portfoloio Allianz Global Investors Income and Growth Fund Franklin Income A (Mdis) USD	None	Financial assets at FVTPL - current	18,363	\$ 4,786	-	\$ 4,786	18,363	Notes 1 and 2
		None	Financial assets at FVTPL - current	16,413	4,676	-	4,676	16,413	Notes 1 and 2
		None	Financial assets at FVTPL - current	10,582	3,334	-	3,334	10,582	Notes 1 and 2
	<u>Corporate bond</u> Apple Inc. VI	None	Financial assets at FVTOCI - non-current	160,000	3,032	-	3,032	160,000	Notes 1 and 2
		None	Financial assets at FVTOCI - non-current	530,000	3,951	2.53	3,951	530,000	Notes 1 and 2
		None	Financial assets at FVTOCI - non-current	275,000	-	18.33	-	275,000	Notes 1 and 2
	Shares Yongchuang Investment Taiwan Crystal Superior Technology Co., Ltd. WK Technology Fund IX II Ltd.	None	Financial assets at FVTOCI - non-current	1,500,000	11,189	1.34	11,189	1,500,000	Notes 1 and 2
Taitien Electronic (Shenzhen) Ltd.	<u>Equity investment</u> YanTai MDH Technology Co., Ltd.	None	Financial assets at FVTOCI - non-current	762,700	9,092	1.24	9,092	762,700	Notes 1 and 2

Note 1: All of the marketable securities held are not pledged as collateral.

Note 2: For the information about subsidiaries, associates and joint ventures, refer to Table 6 and Table 7.

TABLE 3**TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES****ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Taitien Electronics Co., Ltd.	Land Parcel No. 224, Section Da'an, Shulin District, New Taipei City.	May 3, 2024	\$ 395,000	Has paid \$79,000 thousand. The remaining amounts will be settled in accordance with the contract.	Tai Tien Asset Development Co., Ltd.	Substantive related party	Note	Note	Note	Note	Negotiation and appraisal reports of two parties. (Appraised value amounted to \$403,691 thousand by Euro-Asia Asset Valuation)	For operational office and production use.	None

Note: The related party is the original acquirer; therefore, it is not applicable.

TABLE 4**TAITIEN ELECTRONICS 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****FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)	
			Purchase/ Sale	Amount (Note 4)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total
Purchase										
Taitien Electronics Co., Ltd.	Taitien Electronic (Nanjing) Ltd.	Parent company	Purchase	\$ 186,918	51	Net 45-60 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	\$ (40,906)	(67)
Taitien Electronic (Shenzhen) Ltd.	Taitien Electronic (Nanjing) Ltd.	The same parent company	Purchase	161,087	96	105 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	(63,637)	(96)
Taitien Electronic (Nanjing) Ltd.	Taitien Electronic Co., Ltd.	Parent company	Purchase	124,017	15	Net 45-90 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	(36,728)	(24)
Sale										
Taitien Electronic Co., Ltd	Taitien Electronic (Nanjing) Ltd.	Parent company	Sale	(124,027) (Note 1)	19	Net 45-90 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	36,728	23
Taitien Electronic (Nanjing) Ltd.	Taitien Electronic (Shenzhen) Ltd.	The same parent company	Sale	(161,087)	17	105 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	63,637	24
Taitien Electronic (Nanjing) Ltd	Taitien Electronic Co., Ltd.	Parent company	Sale	(188,441) (Note 2)	20	Net 45-60 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	41,563 (Note 3)	16

Note 1: Taitien Electronic (Nanjing) Ltd. recognized \$124,017 thousand as purchases and \$10 thousand as manufacturing costs.

Note 2: Taitien Electronic Co., Ltd. recognized \$186,918 thousand as purchases, \$1,100 thousand as manufacturing costs, \$250 thousand as machinery equipment costs and \$173 thousand as research and development expenses.

Note 3: Taitien Electronic Co., Ltd. recognized \$40,906 thousand as trade payables of related parties and \$657 thousand as other payables of related parties.

Note 4: The listed amounts were eliminated upon consolidation.

TABLE 5**TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES****INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS****FOR THE YEAR ENDED DECEMBER 31, 2024**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No	Company Name	Related Party	Transaction Flow	Transaction Details			Percentage of Consolidated Net Revenue or Total Assets (%) (Note 2)
				Financial Statement Accounts	Amount (Notes 1 and 6)	Transaction terms	
0	Taitien Electronics Co., Ltd. ("parent company")	Taitien Electronic (Nanjing) Ltd.	From the parent company to the sub-subsidiary	Sales	\$ 124,027 (Note 3)	Price set based on cost-plus pricing. Payment is due net 45-90 days on the condition that each related party resells the goods to a third party.	8
		Taitien USA, Inc.	From the parent company to the subsidiary	Trade receivables Sales	36,728 56,816	Price set based on cost-plus pricing. Payment is due net 45-90 days on the condition that each related party resells the goods to a third party.	2 4
		Pletronics, Inc.	From the parent company to the sub-subsidiary	Endorsements and guarantees Sales	32,785 13,819	Price set based on cost-plus pricing. Payment is due net 45-60 days on the condition that each related-party resells the goods to a third party.	2 1
		Wintron Electronics Ltd.	From the parent company to the sub-subsidiary	Endorsements and guarantees Endorsements and guarantees	32,785 65,570		2 3
1		Taitien Electronic Co., Ltd.	From the sub-subsidiary to the parent company	Sales Trade receivables	188,441 (Note 4) 41,563 (Note 5)	Price set based on cost-plus pricing. The credit period is net 45-60 days.	13 2
		Taitien Electronic (Shenzhen) Ltd.	Between subsidiaries	Sales Trade receivables	161,087 63,637	Price set based on cost-plus pricing. The credit period is net 105 days.	11 3
		Wintron Electronics Ltd.	Between subsidiaries	Sales Trade receivables	28,219 23,086	Price set based on cost-plus pricing. The credit period is net 45-60 days.	2 1
2	Taitien Electronic (Shenzhen) Ltd.	Wintron Electronics Ltd.	Between subsidiaries	Sales Trade receivables	30,168 16,842	Price set based on cost-plus pricing. The credit period is net 45-90 days.	2 1

(Continued)

Business relationships between parent and subsidiaries:

Taitien Electronic Co., Ltd., Colorado Crystal Corporation, and Pletronics, Inc. are mainly engaged in the production and sales of electronics components; Taitien USA, Inc. is mainly engaged in sales of electronics components; Taitien Electronic (Nanjing) Ltd. and Taitien Electronic (Shenzhen) Ltd. are mainly engaged in the manufacturing of crystal related products and equipment; Wintron Electronics Ltd. is mainly engaged in the manufacturing and selling of frequency control components, sensor components, electronic measurement instruments and machine system design. Taitien Holding Co., Ltd., Hardy Holding Corporation and Indus Taitien Marketing Ltd. are mainly holding company.

Note 1: The transaction has been eliminated upon consolidation.

Note 2: Regarding the percentage of transaction amount to consolidated total operating revenue or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenue for income statement accounts.

Note 3: Taitien Electronic (Nanjing) Ltd. recognized \$124,017 thousand as purchases and \$10 thousand as manufacturing costs.

Note 4: Taitien Electronic Co., Ltd. recognized \$186,918 thousand as purchases, \$1,100 thousand as manufacturing costs, \$250 thousand as machinery equipment costs and \$173 thousand as research and development expenses.

Note 5: Taitien Electronic Co., Ltd. recognized \$40,906 thousand as trade payables of related parties and \$657 thousand as other payables of related parties.

Note 6: Transactions with amounts above \$10 million are listed in this table.

(Concluded)

TABLE 6**TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES**

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2024	December 31, 2023	Number of Shares (In Thousands)	%	Carrying Amount			
Taitien Electronic Co., Ltd.	Indus Taitien Marketing Ltd.	Tortola, British Virgin Islands	Holding company	\$ 7,631	\$ 7,631	50,000	100	\$ 72,072	\$ (22,307)	\$ (20,112) (Note 1)	Subsidiary
	Taitien Holding Co., Ltd.	Tortola, British Virgin Islands	Holding company	468,521	468,521	14,126,824	100	1,110,840	48,894	49,682 (Note 1)	Subsidiary
	Taitien USA, Inc. Colorado Crystal Corporation	California, USA Colorado, USA	Sales of electronics components Production, and sales of electronics components	104,209 78,187	104,209 78,187	3,200,000 385,094	100 100	24,398 43,058	(8,643) (1,506)	(8,643) (1,506)	Subsidiary Subsidiary
Taitien Holding Co., Ltd.	Hardy Holding Corporation	Tortola, British Virgin Islands	Holding company	455,089 (US\$ 13,881)	445,089 (US\$ 13,881)	13,880,974	100	1,114,428 (US\$ 33,992)	50,127 (US\$ 1,561)	50,127 (US\$ 1,561)	Sub-subsidiary
Indus Taitien Marketing Ltd.	Pletronics, Inc.	Washington state, USA	Production, and sales of electronics components	106,846 (US\$ 3,259)	106,846 (US\$ 3,259)	41,000	100	75,504 (US\$ 2,303)	(22,286) (US\$ -694)	(22,286) (US\$ -694)	Sub-subsidiary

Note 1: These were transactions between subsidiaries and upstream transactions of the unrealized profit and realized profit.

Note 2: For information on investments in mainland China, refer to Table 7.

Note 3: The above original investment amount is calculated by the original investment exchange rate. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2024: US\$1=NT\$32.7850, CNY1=NT\$4.5608; net income items denominated in foreign currencies are translated using the average exchange rate of 2024: US\$1=NT\$32.1120, CNY1=NT\$4.5099.

Note 4: The transaction has been eliminated upon consolidation.

Note 5: The highest number of shares held of each investee during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

TABLE 7

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, current profit and loss and recognized investment income or loss, carrying amount of the investment at the end of the period and repatriations of investment income:

Investee Company	Main Businesses and Products	Paid-in Capital (Notes 3 and 6)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 3)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 (Notes 3 and 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of December 31, 2024 (Notes 3 and 5)	Accumulated Repatriation of Investment Income as of December 31, 2024	Remark
					Outward	Inward							
Taitien Electronic (Nanjing) Ltd.	Manufacturing of crystal related products and equipments	\$ 285,230 (US\$ 8,700)	b. 1)	\$ 286,410 (US\$ 8,736)	\$ -	\$ -	\$ 286,410 (US\$ 8,736)	\$ 56,260 (US\$ 1,752)	100	\$ 49,485 (US\$ 1,541)	\$ 721,696 (US\$ 22,013)	\$ -	Note 2. a.
Taitien Electronic (Shenzhen) Ltd.	Manufacturing of crystal related products and equipments	157,368 (US\$ 4,800)	b. 2)	170,449 (US\$ 5,199)	-	-	170,449 (US\$ 5,199)	578 US\$ 18	100	482 (US\$ 15)	389,027 (US\$ 11,866)	-	Note 2. a.
Wintron Electronics Ltd.	Manufacturing and selling of frequency control components, sensor components, electronic measuring instruments and machine system design	182,118 (CNY 39,931)	c.	-	-	-	-	(4,257) (CNY -944)	100	(4,257) (CNY -944)	195,180 (CNY 42,795)	-	Note 2. a.

2. Limit on the amount of investments in the mainland China area:

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024 (Note 3)	Investment Amount Authorized by the Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 4)
\$ 456,859 (US\$ 13,935)	\$ 456,859 (US\$ 13,935)	\$ 959,459

Note 1: The method of investment includes the following:

- a. Direct investment in mainland China.
- b. Indirect investment in mainland China through companies registered in a third region.
 - 1) Taitien Electronic (Nanjing) Ltd. was invested through Hardy Holding Corporation.
 - 2) Taitien Electronic (Shenzhen) Ltd. was invested through Hardy Holding Corporation.
- c. Other method.

Wintron Electronics Ltd. was invested through Taitien Electronic (Shenzhen) Ltd.

(Continued)

Note 2: The method of the investment income (loss) recognition includes the following:

- a. The financial statements audited and attested by the parent company's CPA in the ROC.
- b. Other.

Note 3: The above original investment amount is calculated by the original investment exchange rate. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2024: US\$1=NT\$32.7850, CNY1=NT\$4.5608; net income items denominated in foreign currencies are translated using the average exchange rate of 2024: US\$1=NT\$32.1120, CNY1=NT\$4.5099.

Note 4: Calculated by the 60% of consolidated net worth according to letter No. 09704604680 issued by Ministry of Economic Affairs.

Note 5: The transaction has been eliminated upon consolidation.

Note 6: The highest number of shares held of each investee during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

(Concluded)

TABLE 8**TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES**

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

1. There were the amounts and percentages of the purchases, also the amounts and percentages displayed in the ending balance of the related payables and
2. There were the amounts and percentages of the sales, also the amounts and percentages displayed in the ending balance of the related receivables;
3. There were the amount and the profits/losses incurred from the proceeds from property transactions:

Related Party	Transaction Type	Amount	% to Total Sales or Purchases	Transaction Details			Notes Receivable (Payable)/Trade Receivables (Payables)		Unrealized (Gain) Loss
				Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Taitien Electronic (Nanjing) Ltd.	Sales	\$ (124,027)	(19)	Price set based resale deducting spread rate	Net 45-90 days from the end of the month of when invoice is issued	Net 30-150 days from the end of the month of when invoice is issued	\$ 36,728	23	\$ 741
	Purchases	186,918	51	Price set based resale deducting spread rate	Net 45-60 days from the end of the month of when invoice is issued	Net 30-150 days from the end of the month of when invoice is issued	(40,906)	(67)	1,433
Taitien Electronic (Shenzhen) Ltd.	Purchases	2,510	1	Price set based resale deducting spread rate	Net 45-60 days from the end of the month of when invoice is issued	Net 30-150 days from the end of the month of when invoice is issued	(830)	(1)	-
Wintron Electronics Ltd.	Sales	(906)	0	Price set based resale deducting spread rate	Net 45-60 days from the end of the month of when invoice is issued	Net 30-150 days from the end of the month of when invoice is issued	14	0	-
	Purchases	6,903	2	Price set based resale deducting spread rate	Net 45-60 days from the end of the month of when invoice is issued	Net 30-150 days from the end of the month of when invoice is issued	(478)	(1)	140
	Property Transaction	4,560	0	Price set based on contract	Net 45-60 days from the end of the month of when invoice is issued	Net 30-150 days from the end of the month of when invoice is issued	-	-	776

4. Refer to Table 1 for information relating to the ending balance and purposes of notes endorsements/guarantees or the collaterals provided.
5. There was no other information relating to the maximum balance and ending balance of financing facility, the rate intervals and the gross amounts of interest in the period.
6. There was no other transaction that had a significant impact on the gains or losses for the period, such as the rendering or receipt of services.

TABLE 9**TAITIEN ELECTRONICS CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sheng-Tai Song	9,900,618	14.48
Jia Yu Investment Corp.	7,283,636	10.65

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares that are held by shareholders with individual ownerships of 5% or greater, and that have been issued without physical registration (including treasury shares) by Taitien Electronics Co., Ltd. as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of a difference in the preparation bases for the number of issued shares and for the number of outstanding shares.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to the Market Observation Post System.