

## **Taitien Electronics Co., Ltd.**

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

## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

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

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

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public 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 parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

#### Occurrence of Sales Revenue

The revenue of the Company for the year ended December 31, 2024 had a decrease compared to revenue 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 parent company only financial statements, refer to Notes 4 and 22.

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 Company'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.

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements 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 financial statements are intended only to present the parent company only 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 parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.*

# TAITIEN ELECTRONICS CO., LTD.

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 147,013	8	\$ 119,222	6
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 28)	12,796	1	23,007	1
Financial assets at amortized cost - current (Notes 4, 9 and 10)	-	-	139,444	7
Notes receivable (Notes 4, 11 and 22)	199	-	148	-
Trade receivables (Notes 4, 11 and 22)	112,615	6	109,208	6
Trade receivables from related parties (Notes 4, 22 and 29)	45,441	2	56,242	3
Other receivables (Notes 4 and 11)	3,093	-	5,268	-
Other receivables from related parties (Notes 4 and 29)	-	-	9	-
Current tax assets (Notes 4 and 24)	7,818	-	-	-
Inventories (Notes 4 and 12)	165,597	8	188,365	10
Prepayments (Note 17)	4,039	-	10,048	-
Total current assets	498,611	25	650,961	33
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 28)	18,172	1	19,951	1
Financial assets at amortized cost - non-current (Notes 4, 9, 10 and 30)	200	-	200	-
Investments accounted for using the equity method (Notes 4 and 13)	1,250,368	64	1,160,864	59
Property, plant and equipment (Notes 4, 14 and 31)	82,318	4	97,258	5
Right-of-use assets (Notes 4, 15 and 29)	6,126	1	8,965	-
Other intangible assets (Notes 4 and 16)	251	-	711	-
Deferred tax assets (Notes 4 and 24)	19,575	1	32,940	2
Other non-current assets (Notes 17, 29 and 31)	81,746	4	588	-
Total non-current assets	1,458,756	75	1,321,477	67
TOTAL	\$ 1,957,367	100	\$ 1,972,438	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 150,000	8	\$ 150,000	8
Contract liabilities (Note 22)	3,620	-	4,031	-
Trade payables	18,432	1	30,527	2
Trade payables to related parties (Note 29)	42,214	2	35,656	2
Other payables (Note 19)	40,952	2	43,032	2
Other payables to related parties (Note 29)	754	-	565	-
Current tax liabilities (Notes 4 and 24)	-	-	18,381	1
Lease liabilities - current (Notes 4, 15 and 29)	2,691	-	2,853	-
Other current liabilities (Note 19)	3,096	-	1,950	-
Total current liabilities	261,759	13	286,995	15
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 24)	75,008	4	69,698	3
Lease liabilities - non-current (Notes 4, 15 and 29)	3,599	-	6,290	-
Net defined benefit liabilities - non-current (Notes 4 and 20)	17,902	1	32,060	2
Total non-current liabilities	96,509	5	108,048	5
Total liabilities	358,268	18	395,043	20
EQUITY (Note 21)				
Share capital				
Ordinary shares	683,338	35	683,338	35
Capital surplus	398,096	20	408,346	21
Retained earnings				
Legal reserve	201,040	10	192,005	9
Special reserve	98,407	5	80,963	4
Unappropriated earnings	262,473	14	311,150	16
Total retained earnings	561,920	29	584,118	29
Other equity	(44,255)	(2)	(98,407)	(5)
Total equity	1,599,099	82	1,577,395	80
TOTAL	\$ 1,957,367	100	\$ 1,972,438	100

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

# TAITIEN ELECTRONICS CO., LTD.

## PARENT COMPANY ONLY 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	%
SALES REVENUES (Notes 4, 22 and 29)	\$ 641,807	100	\$ 840,636	100
COST OF GOODS SOLD (Notes 12, 23 and 29)	<u>(524,506)</u>	<u>(82)</u>	<u>(640,329)</u>	<u>(76)</u>
GROSS PROFIT	117,301	18	200,307	24
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	(4,602)	-	(7,986)	(1)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	<u>7,986</u>	<u>1</u>	<u>7,304</u>	<u>1</u>
REALIZED GROSS PROFIT	<u>120,685</u>	<u>19</u>	<u>199,625</u>	<u>24</u>
OPERATING EXPENSES (Notes 23 and 29)				
Selling and marketing expenses	(50,700)	(8)	(55,693)	(7)
General and administrative expenses	(63,992)	(10)	(59,341)	(7)
Research and development expenses	(34,659)	(5)	(40,102)	(5)
Expected credit loss (gain)	<u>1,690</u>	<u>-</u>	<u>(2,750)</u>	<u>-</u>
Total operating expenses	<u>(147,661)</u>	<u>(23)</u>	<u>(157,886)</u>	<u>(19)</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(26,976)</u>	<u>(4)</u>	<u>41,739</u>	<u>5</u>
NON-OPERATING INCOME				
Interest income (Notes 4 and 23)	8,285	1	12,350	1
Other income (Notes 4, 23 and 29)	7,388	1	917	-
Other gains (Note 23)	25,065	4	12,398	2
Finance costs (Notes 23 and 29)	(2,948)	-	(3,156)	-
Share of profit of subsidiaries, associates and joint ventures	<u>16,037</u>	<u>2</u>	<u>43,353</u>	<u>5</u>
Total non-operating income	<u>53,827</u>	<u>8</u>	<u>65,862</u>	<u>8</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	26,851	4	107,601	13
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 24)	<u>516</u>	<u>-</u>	<u>(19,425)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>27,367</u>	<u>4</u>	<u>88,176</u>	<u>11</u>

(Continued)

# TAITIEN ELECTRONICS CO., LTD.

## PARENT COMPANY ONLY 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	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 20)	\$ 10,649	2	\$ 2,718	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 21)	(1,588)	-	(981)	-
Share of the other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method (Notes 4 and 21)	7,528	1	(3,612)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 24)	<u>(3,636)</u>	<u>(1)</u>	<u>179</u>	<u>-</u>
	<u>12,953</u>	<u>2</u>	<u>(1,696)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 21)	62,555	10	(17,197)	(2)
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income (Notes 4 and 21)	(407)	-	229	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 21 and 24)	<u>(12,430)</u>	<u>(2)</u>	<u>3,395</u>	<u>-</u>
	<u>49,718</u>	<u>8</u>	<u>(13,573)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>62,671</u>	<u>10</u>	<u>(15,269)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 90,038</u>	<u>14</u>	<u>\$ 72,907</u>	<u>9</u>
EARNINGS PER SHARE (NT\$; Note 25)				
Basic	<u>\$ 0.40</u>		<u>\$ 1.29</u>	
Diluted	<u>\$ 0.40</u>		<u>\$ 1.28</u>	

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



# TAITIEN ELECTRONICS CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Shares (In Thousands)	Amount	Capital Surplus	Retained Earnings			Other Equity		Total Equity
				Legal Reserve	Special Reserve	Unappropriated 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	
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 21)									
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 (Notes 21 and 24)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,175</u>	<u>(13,757)</u>	<u>(3,687)</u>	<u>(15,269)</u>
Total comprehensive income for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,351</u>	<u>(13,757)</u>	<u>(3,687)</u>	<u>72,907</u>
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 21)									
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 (Notes 21 and 24)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,519</u>	<u>50,044</u>	<u>4,108</u>	<u>62,671</u>
Total comprehensive income for the year ended December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,886</u>	<u>50,044</u>	<u>4,108</u>	<u>90,038</u>
BALANCE, DECEMBER 31, 2024	<u>68,334</u>	<u>\$ 683,338</u>	<u>\$ 398,096</u>	<u>\$ 201,040</u>	<u>\$ 98,407</u>	<u>\$ 262,473</u>	<u>\$ (33,374)</u>	<u>\$ (10,881)</u>	<u>\$ 1,599,099</u>

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

# TAITIEN ELECTRONICS CO., LTD.

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

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 26,851	\$ 107,601
Adjustments for:		
Depreciation expense	34,562	31,764
Amortization expense	460	565
Expected credit (gain) loss	(1,690)	2,750
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(764)	(197)
Finance costs	2,948	3,156
Interest income	(8,285)	(12,350)
Dividend income	(1,499)	-
Share of profit of subsidiaries, associates and joint ventures	(16,037)	(43,353)
Unrealized gain on transactions with subsidiaries, associates and joint ventures	4,602	7,986
Realized gain on transactions with subsidiaries, associates and joint ventures	(7,986)	(7,304)
Net (gain) loss on foreign currency exchange	(9,197)	3,860
Changes in operating assets and liabilities:		
Notes receivable	(51)	1,204
Trade receivables	386	65,924
Trade receivables from related parties	11,690	34,430
Other receivables	121	3,781
Inventories	22,768	55,665
Prepayments	6,009	413
Contract liabilities	(411)	(5,696)
Trade payables	(11,780)	2,618
Trade payables to related parties	6,049	(29,661)
Other payables	(786)	(54,164)
Other payables to related parties	181	(95)
Other current liabilities	1,146	(113)
Net defined benefit liabilities	(3,509)	(3,803)
Cash generated from operations	55,778	164,981
Interest received	10,201	10,987
Interest paid	(2,948)	(3,156)
Income tax paid	(23,074)	(41,212)
Net cash generated from operating activities	39,957	131,600
<b>CASH FLOWS GENERATED FROM INVESTING ACTIVITIES</b>		
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	139,444	7,726

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# TAITIEN ELECTRONICS CO., LTD.

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

	2024	2023
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	15,694	7,077
Payments for property, plant and equipment	(18,082)	(41,017)
Decrease in refundable deposits	-	101
(Increase) decrease in other receivables from related parties	9	(9)
Payments for intangible assets	-	(484)
Increase in prepayments for equipment	(2,158)	(445)
Increase in prepayments for land	(79,000)	-
Dividends received	<u>1,499</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>52,687</u>	<u>(37,351)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	-	50,000
Repayments of short-term borrowings	-	(84,000)
Repayment of the principal portion of lease liabilities	(2,853)	(3,378)
Cash dividends paid	(68,334)	(239,168)
Reduction of capital of subsidiaries	<u>-</u>	<u>183,744</u>
Net cash used in financing activities	<u>(71,187)</u>	<u>(92,802)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>6,334</u>	<u>(442)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	27,791	1,005
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>119,222</u>	<u>118,217</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 147,013</u>	<u>\$ 119,222</u>

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

# **TAITIEN ELECTRONICS CO., LTD.**

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

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### **1. GENERAL INFORMATION**

Taitien Electronics Co., Ltd. (the “Company”), founded in March 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 units 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 parent company only financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

### **2. APPROVAL OF PARENT COMPANY ONLY FINANCIAL STATEMENTS**

The parent company only 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 material impact on the Company’s accounting policies.

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
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 Company 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 parent company only financial statements were authorized for issue, the Company had assessed that the application of other standards and interpretations would not have a material impact on the Company’s parent company only financial position and financial performance.

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
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 parent company only statement of profit or loss shall be placed in the operating, investing, financing, income taxes and discontinued operations categories, as appropriate.
- The parent company only 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 Company 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 parent company only financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the parent company only financial statements and in the notes. The Company 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 Company as a whole, the Company 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 the above impact, as of the date the parent company only financial statements were authorized for issue, the Company was continuing to assess the other impacts of the above amended standards and interpretations on the Company’s parent company only financial position and financial performance and will disclose these impacts when the assessment is completed.

## **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

For the convenience of readers, the accompanying parent company only 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 parent company only financial statements shall prevail.

### **a. Statement of compliance**

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

### **b. Basis of preparation**

The parent company only 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.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, associates and joint ventures, the share of other comprehensive income of subsidiaries, associates and joint ventures and the related equity items, as appropriate, in these parent company only financial statements.

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 Company 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. Foreign currencies

In preparing the Company's parent company only financial statements, transactions in currencies other than the Company'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 the parent company only financial statements, the parent company only financial statements of the Company's foreign operations (including subsidiaries, associates, joint ventures and branches 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.

e. 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.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.



The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

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. 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.

i. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset 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 Company 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.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Company 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 28.

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

The Company always recognizes lifetime ECLs for trade receivables. For all other financial instruments, the Company 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 Company 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 Company considers the following situations as indications that a financial asset is in default (without taking into account any collateral held by the Company):

- 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 Company 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 Company 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.

## k. Revenue recognition

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

## l. Leases

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

### The Company as lessee

The Company 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 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 Company 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 balance sheets.

m. 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.

n. 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 Company'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.

o. 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 Company 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 Company 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 Company'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 Company considers the possible impact of its economic environment implications on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

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

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Cash on hand	\$ 82	\$ 158
Checking accounts and demand deposits	54,855	73,006
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	<u>92,076</u>	<u>46,058</u>
	<u>\$ 147,013</u>	<u>\$ 119,222</u>

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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Cash in bank	0.001%-4.45%	0.001%-5.58%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Non-current</u>		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	\$ 15,140	\$ 16,728
Investments in debt instruments at FVTOCI	<u>3,032</u>	<u>3,223</u>
	<u>\$ 18,172</u>	<u>\$ 19,951</u>

### a. Investments in equity instruments at FVTOCI

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Non-current</u>		
Domestic investments		
Unlisted shares	<u>\$ 15,140</u>	<u>\$ 16,728</u>

These investments in equity instruments for Yongchuang Investment, Taiwan Crystal Superior Technology Co., Ltd. and WK Technology Fund IX II 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

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

The Company 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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Current</u>		
Time deposits with original maturities of more than 3 months (a.)	\$ <u>-</u>	\$ <u>139,444</u>
<u>Non-current</u>		
Time deposits with original maturities of more than 3 months (a. and b.)	\$ <u>200</u>	\$ <u>200</u>

- a. The interest rates for time deposits with original maturities of more than 3 months were approximately 1.72% and 1.59% to 5.48% per annum as of December 31, 2024 and 2023, respectively.
- b. Refer to Note 30 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

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

### December 31, 2023

	<b>At FVTOCI</b>	<b>At Amortized Cost</b>	<b>Total</b>
Gross carrying amount	\$ 4,468	\$ 139,644	\$ 144,112
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	4,468	<u>\$ 139,644</u>	144,112
Adjustment to fair value	<u>(1,245)</u>		<u>(1,245)</u>
	<u>\$ 3,223</u>		<u>\$ 142,867</u>

In order to minimize credit risk, the Company 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 Company 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 Company's 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%	<u>\$ 4,884</u>

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%	<u>\$ 144,112</u>

# **11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES**

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Notes receivable</u>		
Notes receivable - operating	<u>\$ 199</u>	<u>\$ 148</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 113,737	\$ 112,020
Less: Allowance for impairment loss	<u>(1,122)</u>	<u>(2,812)</u>
	<u>\$ 112,615</u>	<u>\$ 109,208</u>
<u>Other receivables</u>		
Income tax refund receivable	\$ 3,066	\$ 3,210
Interest receivable	-	2,052
Others	<u>27</u>	<u>6</u>
	<u>\$ 3,093</u>	<u>\$ 5,268</u>

## Notes Receivable

In order to minimize credit risk, the management of the Company 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 Company 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 Company's credit risk was significantly reduced.

The Company measures the loss allowance for notes receivable at an amount equal to lifetime expected credit losses (ECLs). The ECLs 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 Company 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 Company 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 Company 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 Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime 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. As the Company'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 Company's customer base.

The Company 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 Company 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 Company's provision matrix:

### December 31, 2024

	<b>Not Overdue</b>	<b>Overdue within 90 Days</b>	<b>Overdue 91-180 Days</b>	<b>Overdue 181 Days</b>	<b>Total</b>
Expected credit loss rate	0.13%	5.53%	36.70%	100%	
Gross carrying amount	\$ 107,651	\$ 5,085	\$ 474	\$ 527	\$ 113,737
Loss allowance (lifetime ECLs)	<u>(140)</u>	<u>(281)</u>	<u>(174)</u>	<u>(527)</u>	<u>(1,122)</u>
Amortized cost	<u>\$ 107,511</u>	<u>\$ 4,804</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 112,615</u>

December 31, 2023

	<b>Not Overdue</b>	<b>Overdue within 90 Days</b>	<b>Overdue 91-180 Days</b>	<b>Overdue 181 Days</b>	<b>Total</b>
Expected credit loss rate	0.00%	0.03%	3.98%	100%	
Gross carrying amount	\$ 104,753	\$ 4,328	\$ 134	\$ 2,805	\$ 112,020
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(1)</u>	<u>(6)</u>	<u>(2,805)</u>	<u>(2,812)</u>
Amortized cost	<u>\$ 104,753</u>	<u>\$ 4,327</u>	<u>\$ 128</u>	<u>\$ -</u>	<u>\$ 109,208</u>

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

	<b><u>For the Year Ended December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 2,812	\$ 62
Add: Net remeasurement of loss allowance	-	2,750
Less: Net remeasurement of loss allowance reversed	<u>(1,690)</u>	<u>-</u>
Balance at December 31	<u>\$ 1,122</u>	<u>\$ 2,812</u>

### **Other Receivables**

The other receivables were mainly income tax refund receivable and interest receivable. The Company only transacts with counterparties with good credit ratings. The Company 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 Company assessed the expected credit loss rate of other receivables as 0%.

## **12. INVENTORIES**

	<b><u>December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Merchandise	\$ 27,128	\$ 56,151
Finished goods	43,275	27,113
Work in progress	17,330	13,905
Raw materials and supplies	<u>77,864</u>	<u>91,196</u>
	<u>\$ 165,597</u>	<u>\$ 188,365</u>

For the years ended December 31, 2024 and 2023, the costs of goods sold related to inventories were \$524,506 thousand and \$640,329 thousand, respectively.

### 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

#### Investments in subsidiaries

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Unlisted companies		
Indus Taitien Marketing Ltd.	\$ 72,072	\$ 86,349
Taitien Holding Co., Ltd. (Note)	1,110,840	1,000,631
Taitien USA, Inc.	24,398	31,114
Colorado Crystal Corporation	<u>43,058</u>	<u>42,770</u>
	<u>\$ 1,250,368</u>	<u>\$ 1,160,864</u>

Note: On March 23, 2023, Taitien Holding Co., Ltd. (THCL) returned the share capital of US\$6,000 thousand to the Company for THCL's capital reduction.

The Company's proportion of ownership and voting rights percentages in subsidiaries at the balance sheet dates are as follows:

	<b>Proportion of Ownership and Voting Rights</b>	
	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Indus Taitien Marketing Ltd.	100%	100%
Taitien Holding Co., Ltd.	100%	100%
Taitien USA, Inc.	100%	100%
Colorado Crystal Corporation	100%	100%

Refer to Table 5 for the details of the subsidiaries indirectly held by the Company.

The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were recognized based on the audited parent company only financial statements for the years ended December 31, 2024 and 2023.

### 14. PROPERTY, PLANT AND EQUIPMENT

#### Assets used by the Company

	<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Transportation Equipment</b>	<b>Other Equipment</b>	<b>Total</b>
<u>Cost</u>					
Balance at January 1, 2023	\$ 47,771	\$ 215,601	\$ -	\$ 7,399	\$ 270,771
Additions	-	38,364	1,075	7,241	46,680
Disposals	-	(2,241)	-	-	(2,241)
Reclassified (Note)	-	<u>9,662</u>	-	-	<u>9,662</u>
Balance at December 31, 2023	<u>\$ 47,771</u>	<u>\$ 261,386</u>	<u>\$ 1,075</u>	<u>\$ 14,640</u>	<u>\$ 324,872</u>

(Continued)

	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Total
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2023	\$ 40,993	\$ 155,480	\$ -	\$ 5,012	\$ 201,485
Disposals	-	(2,241)	-	-	(2,241)
Depreciation expense	<u>1,981</u>	<u>24,492</u>	<u>54</u>	<u>1,843</u>	<u>28,370</u>
Balance at December 31, 2023	<u>\$ 42,974</u>	<u>\$ 177,731</u>	<u>\$ 54</u>	<u>\$ 6,855</u>	<u>\$ 227,614</u>
Carrying amount at December 31, 2023	<u>\$ 4,797</u>	<u>\$ 83,655</u>	<u>\$ 1,021</u>	<u>\$ 7,785</u>	<u>\$ 97,258</u>
<u>Cost</u>					
Balance at January 1, 2024	\$ 47,771	\$ 261,386	\$ 1,075	\$ 14,640	\$ 324,872
Additions	-	11,982	-	4,801	16,783
Disposals	-	(2,674)	-	-	(2,674)
Balance at December 31, 2024	<u>\$ 47,771</u>	<u>\$ 270,694</u>	<u>\$ 1,075</u>	<u>\$ 19,441</u>	<u>\$ 338,981</u>
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2024	\$ 42,974	\$ 177,731	\$ 54	\$ 6,855	\$ 227,614
Disposals	-	(2,674)	-	-	(2,674)
Depreciation expense	<u>1,981</u>	<u>26,752</u>	<u>215</u>	<u>2,775</u>	<u>31,723</u>
Balance at December 31, 2024	<u>\$ 44,955</u>	<u>\$ 201,809</u>	<u>\$ 269</u>	<u>\$ 9,630</u>	<u>\$ 256,663</u>
Carrying amount at December 31, 2024	<u>\$ 2,816</u>	<u>\$ 68,885</u>	<u>\$ 806</u>	<u>\$ 9,811</u>	<u>\$ 82,318</u>

(Concluded)

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

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

Buildings	23 years
Machinery and equipment	3-6 years
Transportation equipment	5 years
Other equipment	3-5 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 31.

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

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Carrying amount</u>		
Land	\$ 6,095	\$ 8,706
Buildings	-	102
Transportation equipment	<u>31</u>	<u>157</u>
	<u>\$ 6,126</u>	<u>\$ 8,965</u>

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets	\$ <u>-</u>	\$ <u>250</u>
Depreciation charge for right-of-use assets		
Land	\$ 2,611	\$ 2,611
Buildings	102	406
Transportation equipment	<u>126</u>	<u>377</u>
	\$ <u>2,839</u>	\$ <u>3,394</u>

b. Lease liabilities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Carrying amount</u>		
Current	\$ <u>2,691</u>	\$ <u>2,853</u>
Non-current	\$ <u>3,599</u>	\$ <u>6,290</u>

The discount rates for lease liabilities were as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Land	1.3%	1.3%
Buildings	1.3%	1.3%
Transportation equipment	2.3%	1.3%-2.3%

c. Material leasing activities and terms

The Company leases land to build its plant and buildings as staff dormitories. The lease period is 2 to 5 years, and the rent shall be paid according to the amount signed in the contract. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	\$ <u>461</u>	\$ <u>191</u>
Expenses relating to low-value asset leases	\$ <u>160</u>	\$ <u>149</u>
Total cash outflow for leases	\$ <u>(3,573)</u>	\$ <u>(3,857)</u>

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



## 16. OTHER INTANGIBLE ASSETS

	Computer Software	
	December 31	
	2024	2023
<u>Cost</u>		
Balance at January 1	\$ 24,847	\$ 24,363
Additions	<u>-</u>	<u>484</u>
Balance at December 31	<u>\$ 24,847</u>	<u>\$ 24,847</u>
<u>Accumulated amortization</u>		
Balance at January 1	\$ 24,136	\$ 23,571
Amortization expenses	<u>460</u>	<u>565</u>
Balance at December 31	<u>\$ 24,596</u>	<u>\$ 24,136</u>
Carrying amount at January 1	<u>\$ 711</u>	<u>\$ 792</u>
Carrying amount at December 31	<u>\$ 251</u>	<u>\$ 711</u>

Computer software is amortized on a straight-line basis over its estimated useful life as follows:

Computer software 2-3 years

	For the Year Ended December 31	
	2024	2023
An analysis of amortization by function		
Operating costs	\$ 170	\$ 250
General and administrative expenses	<u>290</u>	<u>315</u>
	<u>\$ 460</u>	<u>\$ 565</u>

## 17. OTHER ASSETS

	December 31	
	2024	2023
<u>Current</u>		
Prepayments		
Prepayment for purchases	\$ 2,875	\$ 7,041
Others	<u>1,164</u>	<u>3,007</u>
	<u>\$ 4,039</u>	<u>\$ 10,048</u>

(Continued)

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Non-current</u>		
Prepayments for land (Note 29)	\$ 79,000	\$ -
Prepayments for equipment	2,603	445
Refundable deposits	<u>143</u>	<u>143</u>
	<u>\$ 81,746</u>	<u>\$ 588</u>
		(Concluded)

## 18. BORROWINGS

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

## 19. OTHER LIABILITIES

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 20,198	\$ 13,802
Payables for equipment	4,498	5,797
Payables for compensation of employees	3,051	9,522
Payable for insurance	2,439	2,238
Payables for professional service fees	1,913	1,717
Payables for pension cost	1,439	1,331
Payables for remuneration of directors	610	1,904
Payables for commission	219	781
Others	<u>6,585</u>	<u>5,940</u>
	<u>\$ 40,952</u>	<u>\$ 43,032</u>
Other current liability		
Receipts under custody	<u>\$ 3,096</u>	<u>\$ 1,950</u>

## 20. RETIREMENT BENEFIT PLANS

### a. Defined contribution plan

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

### b. Defined benefit plan

The defined benefit plan adopted by the Company 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 Company 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 Company 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 Company 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 Company has no right to influence the fund investment policy and strategy.

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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
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	<u>-</u>	<u>-</u>
Net defined benefit liabilities	<u>\$ 17,902</u>	<u>\$ 32,060</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2023	<u>\$ 111,726</u>	<u>\$ (73,145)</u>	<u>\$ 38,581</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>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Benefits paid	\$ (12,585)	\$ 12,585	\$ -
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 gain - changes in demographic assumptions	(2,505)	-	(2,505)
Actuarial gain - 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	<u>-</u>	<u>(4,901)</u>	<u>(4,901)</u>
Balance at December 31, 2024	<u>\$ 91,480</u>	<u>\$ (73,578)</u>	<u>\$ 17,902</u>

(Concluded)

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:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
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:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
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.

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
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

## 21. EQUITY

### a. Share capital

#### Ordinary shares

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)		
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

(Continued)

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<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>\$ 398,096</u>	<u>\$ 408,346</u>
		(Concluded)

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company'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 dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 23 (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 from the earnings for 2023 and 2022, which were approved in the shareholders' meetings on June 13, 2024 and June 16, 2023, respectively, were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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:

	<b>For the Year Ended December 31, 2024</b>
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:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
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	15,450	15,450
	<u>\$ 98,407</u>	<u>\$ 80,963</u>

e. Other equity items

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
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>50,044</u>	<u>(13,757)</u>
Balance at December 31	<u>\$ (33,374)</u>	<u>\$ (83,418)</u>

2) Unrealized valuation loss on financial assets at FVTOCI

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (14,989)	\$ (11,302)
Recognized for the year		
Unrealized (loss) gain - debt instruments	(407)	229
Unrealized loss - equity instruments	(1,588)	(981)
Share from subsidiaries accounted for using the equity method	7,528	(3,612)
Income tax effect	<u>(1,425)</u>	<u>677</u>
Other comprehensive gain (loss) recognized for the year	<u>4,108</u>	<u>(3,687)</u>
Balance at December 31	<u>\$ (10,881)</u>	<u>\$ (14,989)</u>

## 22. REVENUE

a. Contract information

Revenue from the sale of goods

The main operating revenue of the Company 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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>January 1, 2023</b>
Notes receivable, trade receivables and trade receivables from related parties (Notes 11 and 29)	<u>\$ 158,255</u>	<u>\$ 165,598</u>	<u>\$ 274,994</u>
Contract liabilities - current			
Sale of goods (Note 29)	<u>\$ 3,620</u>	<u>\$ 4,031</u>	<u>\$ 9,727</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:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Sale of goods	\$ <u>1,734</u>	\$ <u>8,042</u>
c. Disaggregation of revenue		

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Type of goods or services		
SMD crystals	\$ 172,831	\$ 195,706
SMD oscillators	451,233	620,054
Others	<u>17,743</u>	<u>24,876</u>
	\$ <u>641,807</u>	\$ <u>840,636</u>

## 23. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

### a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Bank deposits	\$ 5,611	\$ 8,006
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>8,285</u>	\$ <u>12,350</u>

### b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Settlement income	\$ 3,648	\$ -
Dividends	1,499	-
Others	<u>2,241</u>	<u>917</u>
	\$ <u>7,388</u>	\$ <u>917</u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	\$ 764	\$ 197
Net foreign exchange gains	<u>24,301</u>	<u>12,201</u>
	<u>\$ 25,065</u>	<u>\$ 12,398</u>

d. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on bank loans	\$ 2,849	\$ 3,017
Interest on lease liabilities	<u>99</u>	<u>139</u>
	<u>\$ 2,948</u>	<u>\$ 3,156</u>

e. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Property, plant and equipment	\$ 31,723	\$ 28,370
Right-of-use assets	2,839	3,394
Intangible assets	<u>460</u>	<u>565</u>
	<u>\$ 35,022</u>	<u>\$ 32,329</u>
An analysis of depreciation by function		
Operating costs	\$ 28,738	\$ 24,997
Operating expenses	<u>5,824</u>	<u>6,767</u>
	<u>\$ 34,562</u>	<u>\$ 31,764</u>
An analysis of amortization by function		
Operating costs	\$ 170	\$ 250
Operating expenses	<u>290</u>	<u>315</u>
	<u>\$ 460</u>	<u>\$ 565</u>

f. Employee benefit expense

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term benefits	\$ 135,706	\$ 132,548
Post-employment benefits (Note 20)		
Defined contribution plan	5,551	5,422
Defined benefit plan	1,392	1,711
Other employee benefits	<u>22,705</u>	<u>23,940</u>
	<u>\$ 165,354</u>	<u>\$ 163,621</u>
An analysis of employee benefit expense by function		
Operating costs	\$ 81,153	\$ 76,911
Operating expenses	<u>84,201</u>	<u>86,710</u>
	<u>\$ 165,354</u>	<u>\$ 163,621</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% and 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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Compensation of employees	10.0%	8.0%
Remuneration of directors	2.0%	1.6%

Amount

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

If there is a change in the amounts after the annual parent company only 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 parent company only 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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Foreign exchange gains	\$ 35,260	\$ 36,874
Foreign exchange losses	<u>(10,959)</u>	<u>(24,673)</u>
Net foreign exchange gains	<u>\$ 24,301</u>	<u>\$ 12,201</u>

## 24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax (profit) expense are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax		
In respect of the current year	\$ -	\$ 14,436
Adjustments for prior years	(3,414)	(2,531)
Income tax on unappropriated earnings	<u>289</u>	<u>4,898</u>
	<u>(3,125)</u>	<u>16,803</u>
Deferred tax		
In respect of the current year	<u>2,609</u>	<u>2,622</u>
Income tax expense recognized in profit or loss	<u>\$ (516)</u>	<u>\$ 19,425</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Profit before tax from continuing operations	<u>\$ 26,851</u>	<u>\$ 107,601</u>
Income tax expense calculated at the statutory rate	\$ 5,370	\$ 21,520
Nondeductible expenses in determining taxable income	837	951
Tax-exempt income	(479)	(160)
Unrecognized deductible temporary differences	(3,119)	(5,253)
Adjustments for prior years' income tax	(3,414)	(2,531)
Income tax on unappropriated earnings	<u>289</u>	<u>4,898</u>
Income tax (profit) expense recognized in profit or loss	<u>\$ (516)</u>	<u>\$ 19,425</u>

b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax assets		
Tax refund receivable	<u>\$ 7,818</u>	<u>\$ -</u>
Current tax liabilities		
Income tax payable	<u>\$ -</u>	<u>\$ 18,381</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

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehen- sive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Capitalizing expenditures	\$ 156	\$ (45)	\$ -	\$ 111
Allowance loss	391	-	-	391
Unrealized loss on foreign exchange	3,254	(2,494)	-	760
Inventory write-downs	8,622	-	-	8,622
Unamortized fixed manufacturing overheads	1,538	(192)	-	1,346
Payables for annual leave	178	59	-	237
				(Continued)

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehen- sive Income</b>	<b>Closing Balance</b>
Unrealized gain on affiliated company transaction	\$ 1,591	\$ (808)	\$ -	\$ 783
Defined benefit obligations	7,505	(701)	(2,130)	4,674
Unrealized share of the other comprehensive loss of subsidiaries, associates and joint ventures	1,304	-	(1,304)	-
Fair value changes of financial assets at FVTOCI	249	-	81	330
Translation of foreign operations	7,902	-	(7,902)	-
Fair value changes of financial assets at FVTPL	250	(250)	-	-
Loss carryforward	<u>-</u>	<u>2,321</u>	<u>-</u>	<u>2,321</u>
	<u>\$ 32,940</u>	<u>\$ (2,110)</u>	<u>\$ (11,255)</u>	<u>\$ 19,575</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Unrealized gain on foreign exchange	\$ 4,351	\$ 493	\$ -	\$ 4,844
Unrealized valuation gain on financial assets at FVTPL	-	6	-	6
Translation of foreign operations	-	-	4,609	4,609
Net gain on investments accounted for using the equity method	65,347	-	-	65,347
Unrealized share of the other comprehensive gain of subsidiaries, associates and joint ventures	<u>-</u>	<u>-</u>	<u>202</u>	<u>202</u>
	<u>\$ 69,698</u>	<u>\$ 499</u>	<u>\$ 4,811</u>	<u>\$ 75,008</u> (Concluded)

For the year ended December 31, 2023

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehen- sive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Capitalizing expenditures	\$ 174	\$ (18)	\$ -	\$ 156
Allowance loss	-	391	-	391
Unrealized loss on foreign exchange	2,587	667	-	3,254
Inventory write-downs	8,622	-	-	8,622
Unamortized fixed manufacturing overheads	1,125	413	-	1,538
Payables for annual leave	175	3	-	178
Unrealized gain on affiliated company transaction	1,482	109	-	1,591
Defined benefit obligations	8,808	(760)	(543)	7,505
Unrealized share of the other comprehensive loss of subsidiaries, associates and joint ventures	582	-	722	1,304
Fair value changes of financial assets at FVTOCI	294	-	(45)	249
Translation of foreign operations	4,462	-	3,440	7,902
Fair value changes of financial assets at FVTPL	<u>422</u>	<u>(172)</u>	<u>-</u>	<u>250</u>
	<u>\$ 28,733</u>	<u>\$ 633</u>	<u>\$ 3,574</u>	<u>\$ 32,940</u>

Deferred tax liabilities

Temporary differences				
Unrealized gain on foreign exchange	\$ 4,486	\$ (135)	\$ -	\$ 4,351
Net gain on investments accounted for using the equity method	<u>61,957</u>	<u>3,390</u>	<u>-</u>	<u>65,347</u>
	<u>\$ 66,443</u>	<u>\$ 3,255</u>	<u>\$ -</u>	<u>\$ 69,698</u>

- e. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Deductible temporary differences		
Gain or loss on investment in subsidiaries and associates accounted for using the equity method	<u>\$ 163,045</u>	<u>\$ 152,895</u>

- f. 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 were recognized were \$342,523 thousand and \$318,373 thousand, respectively.

- g. Income tax assessments

The tax authorities have assessed the income tax returns of the Company through 2022.

## 25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
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:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
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 Company may settle the compensation of employees in cash or shares; therefore, the Company 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.



## 26. CASH FLOW INFORMATION

### a. Non-cash transactions

In addition to those disclosed in other notes, the Company 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 Company's acquisition of property, plant and equipment were \$4,498 thousand and \$5,797 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

	Opening Balance	Cash Flows	Non-cash Changes			Closing Balance
			New Leases	Interest Expense	Others	
Short-term borrowings	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Lease liabilities	<u>9,143</u>	<u>(2,853)</u>	<u>-</u>	<u>99</u>	<u>(99)</u>	<u>6,290</u>
	<u>\$ 159,143</u>	<u>\$ (2,853)</u>	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ (99)</u>	<u>\$ 156,290</u>

For the year ended December 31, 2023

	Opening Balance	Cash Flows	Non-cash Changes			Closing Balance
			New Leases	Interest Expense	Others	
Short-term borrowings	\$ 184,000	\$ (34,000)	\$ -	\$ -	\$ -	\$ 150,000
Lease liabilities	<u>12,271</u>	<u>(3,378)</u>	<u>250</u>	<u>139</u>	<u>(139)</u>	<u>9,143</u>
	<u>\$ 196,271</u>	<u>\$ (37,378)</u>	<u>\$ 250</u>	<u>\$ 139</u>	<u>\$ (139)</u>	<u>\$ 159,143</u>

## 27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the businesses within the Company 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 Company's overall strategy remained unchanged in the current year.

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

Key management personnel of the Company 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 Company 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.

## 28. FINANCIAL INSTRUMENTS

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

The Company's management believes that the carrying amounts of financial assets and financial liabilities recognized in the parent company only 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

December 31, 2024

	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
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>\$ 15,140</u>	<u>\$ 18,172</u>

December 31, 2023

	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
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>\$ 16,728</u>	<u>\$ 19,951</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

<b>Financial Assets</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance at January 1, 2024	\$ 16,728
Recognized in other comprehensive income	<u>(1,588)</u>
Balance at December 31, 2024	<u>\$ 15,140</u>

For the year ended December 31, 2023

<b>Financial Assets</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance at January 1, 2023	\$ 7,409
Reduction of capital reduction of investments accounted	(4,700)
Recognized in other comprehensive income	(981)
Purchase	<u>15,000</u>
Balance at December 31, 2023	<u>\$ 16,728</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 Company 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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 12,796	\$ 23,007
Financial assets at amortized cost (1)	305,638	426,674
		(Continued)

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Financial assets at FVTOCI		
Equity instruments	\$ 15,140	\$ 16,728
Debt instruments	3,032	3,223

Financial liabilities

Amortized cost (2)	224,611	230,983 (Concluded)
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- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, trade receivables from related parties, other receivables (excluding income tax refund receivable), other receivables from related parties and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term loans, trade payables, trade payables to related parties, other payables (excluding payable for salaries and bonuses, payable for compensation of employees, payable for remuneration of directors, payable for insurance, payable for pension cost and payable for VAT), and other payables to related parties.

d. Financial risk management objectives and policies

The Company's major financial instruments include cash and cash equivalents, financial assets at amortized cost, investments in equity and debt instruments, notes receivable, trade receivables, notes payable, trade payables, borrowings and lease liabilities. The Company's corporate treasury function monitors and manages the financial risks relating to the operations of the Company 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 Company'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 Company's exposure to market risks or the manner in which these risks are managed and measured.

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company has foreign currency-denominated sales and purchases, which exposed the Company to foreign currency risk. The Company 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 Company's foreign-currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Company was mainly exposed to the USD, JPY and RMB.

The following table details the Company'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.

	<b>USD Impact</b>		<b>JPY Impact</b>	
	<b>For the Year Ended</b>		<b>For the Year Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profit or loss	\$ 6,452 (i)	\$ 12,365 (i)	\$ (168) (ii)	\$ (563) (ii)
			<b>CNY Impact</b>	
			<b>For the Year Ended</b>	
			<b>December 31</b>	
			<b>2024</b>	<b>2023</b>
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 amortized cost, trade receivables and trade payables 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, trade receivables and trade payables in CNY that were not hedged at the end of the year.

The above results of the Company'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 and the increase in net financial liabilities in JPY.

b) Interest rate risk

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

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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Fair value interest rate risk		
Financial assets	\$ 92,276	\$ 185,502
Financial liabilities	121,290	124,143
Cash flow interest rate risk		
Financial assets	54,563	72,904
Financial liabilities	35,000	35,000

#### Sensitivity analysis

The sensitivity analysis below was determined based on the Company'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 Company's pre-tax profit for the years ended December 31, 2024 and 2023 would have decreased/increased by \$196 thousand and \$379 thousand, respectively, which was mainly a result of the decrease in floating rate assets.

#### c) Other price risk

The price risk of the Company's investments in mutual funds, overseas bonds and equity instruments mainly comes from the financial assets at FVTPL and financial assets at FVTOCI. The investments in mutual funds, overseas bonds and equity instruments are strategic investments, and the Company 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 \$182 thousand and \$200 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Company's sensitivity to price risk of the financial assets decreased mainly due to the change in mutual funds. The Company's sensitivity to investments in overseas bonds and equity instruments increased 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 Company. At the end of the accounting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to failure of counterparties to discharge their obligations and due to the financial guarantees provided by the Company, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The policies adopted by the Company are applicable only to transactions with reputable counterparties. Where necessary, sufficient collateral must be obtained to reduce the risk of financial losses. The Company 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 Company 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 supervisor every year.

The Company 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 Company's concentration of credit risk by geographical locations was mainly in Asia, which accounted for 53% and 45% of the total credit risk as of December 31, 2024 and 2023, respectively.

## 3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company'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 Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2024 and 2023, the Company 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 Company'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 Company 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

	<b>On Demand or Less than 1 Month</b>	<b>1 Month to 3 Months</b>	<b>3 Months to Less than 1 Year</b>	<b>1 Year to Less than 5 Years</b>	<b>5 Years or More</b>
Non-interest bearing liabilities	\$ 43,948	\$ 30,663	\$ -	\$ -	\$ -
Lease liabilities	237	475	2,041	3,629	-

(Continued)

	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
Fixed interest rate liabilities	\$ -	\$ 115,567	\$ -	\$ -	\$ -
Variable interest rate liabilities	<u>35,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 79,224</u>	<u>\$ 146,705</u>	<u>\$ 2,041</u>	<u>\$ 3,629</u>	<u>\$ -</u>
(Concluded)					

Further information on the maturity analysis for lease liabilities:

	Less than 1 Year	1 Year to Less than 5 Years	5 Years to Less than 10 Years	10 Years to Less than 15 Years	15 Years to Less than 20 Years	20 Years or More
Lease liabilities	<u>\$ 2,753</u>	<u>\$ 3,629</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	\$ 53,627	\$ 27,356	\$ -	\$ -	\$ -
Lease liabilities	272	543	2,137	6,382	-
Fixed interest rate liabilities	-	115,466	-	-	-
Variable interest rate liabilities	<u>35,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 88,906</u>	<u>\$ 143,365</u>	<u>\$ 2,137</u>	<u>\$ 6,382</u>	<u>\$ -</u>

Further information on the maturity analysis for lease liabilities:

	Less than 1 Year	1 Year to Less than 5 Years	5 Years to Less than 10 Years	10 Years to Less than 15 Years	15 Years to Less than 20 Years	20 Years or More
Lease liabilities	<u>\$ 2,952</u>	<u>\$ 6,382</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>287,570</u>	<u>361,410</u>
	<u>\$ 437,570</u>	<u>\$ 511,410</u>



## 29. TRANSACTIONS WITH RELATED PARTIES

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

### a. Related party name and category

Related Party Name	Related Party Category
Indus Taitien Marketing Ltd.	Subsidiary
Taitien USA, Inc.	Subsidiary
Colorado Crystal Corporation	Subsidiary
Pletronics, Inc.	Subsidiary
Taitien Electronics (Nanjing) Ltd.	Subsidiary
Taitien Electronics (Shenzhen) Ltd.	Subsidiary
Wintron Electronics Ltd.	Subsidiary
Tai Tien Asset Development Co., Ltd	Substantial related party
Tai Tien Electronic Co., Ltd.	Substantial related party

### b. Revenue

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2024	2023
Sales	Subsidiaries		
	Taitien Electronics (Nanjing) Ltd.	\$ 124,027	\$ 147,067
	Taitien USA, Inc.	56,816	93,471
	Others	<u>15,005</u>	<u>43,994</u>
		<u>\$ 195,848</u>	<u>\$ 284,532</u>

The sales price to related parties is calculated based on the resale price less the price difference ratio. The terms of payments are subject to the conditions of resale to a third party. The terms of payments are 45 to 90 days for related parties and 30 to 150 days for other companies.

### c. Cost of goods sold

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiaries		
Taitien Electronics (Nanjing) Ltd.	\$ 186,918	\$ 253,047
Others	<u>9,641</u>	<u>21,054</u>
	<u>\$ 196,559</u>	<u>\$ 274,101</u>

The prices of goods purchased from related parties are determined with reference to the market price and are calculated according to the company's resale price less the price difference ratio. The terms of payments are 45 to 90 days for related parties and 30 to 150 days for other companies.

d. Contract liabilities

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiaries		
Others	\$ 69	\$ 217

e. Receivables from related parties

Line Item	Related Party Category/Name	December 31	
		2024	2023
Trade receivables	Subsidiaries		
	Taitien Electronics (Nanjing) Ltd.	\$ 36,728	\$ 40,165
	Taitien USA, Inc.	7,752	15,529
	Others	961	548
		<u>\$ 45,441</u>	<u>\$ 56,242</u>
Other receivables	Subsidiaries		
	Others	\$ -	\$ 9

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2024 and 2023, no impairment losses were recognized for trade receivables from related parties. The following table details the aging of receivables from related parties:

December 31, 2024

	Not Overdue	Overdue within 90 Days	Overdue 91 to Less than 180 Days	Overdue 181 Days or More	Total
Expected credit loss (ECL) rate	0.00%	0.00%	0.00%	100%	
Gross carrying amount	\$ 33,164	\$ 12,277	\$ -	\$ -	\$ 45,441
Loss allowance (lifetime ECLs)	-	-	-	-	-
Amortized cost	<u>\$ 33,164</u>	<u>\$ 12,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,441</u>

December 31, 2023

	<b>Not Overdue</b>	<b>Overdue within 90 Days</b>	<b>Overdue 91 to Less than 180 Days</b>	<b>Overdue 181 Days or More</b>	<b>Total</b>
Expected credit loss (ECL) rate	0.00%	0.00%	0.00%	100%	
Gross carrying amount	\$ 45,305	\$ 10,937	\$ -	\$ -	\$ 56,242
Loss allowance (lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 45,305</u>	<u>\$ 10,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,242</u>

f. Payables to related parties

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>December 31</b>	
		<b>2024</b>	<b>2023</b>
Trade payables	Subsidiaries		
	Taitien Electronics (Nanjing) Ltd.	\$ 40,906	\$ 34,035
	Others	<u>1,308</u>	<u>1,621</u>
		<u>\$ 42,214</u>	<u>\$ 35,656</u>
Other payables	Subsidiaries		
	Others	<u>\$ 754</u>	<u>\$ 565</u>

The outstanding trade and other payables to related parties are unsecured.

g. Prepayments

<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Substantive related party		
Tai Tien Asset Development Co., Ltd.	<u>\$ 79,000</u>	<u>\$ -</u>

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 31 and 32.

h. Lease arrangements

Acquisition right-of-use assets

The Company leases land for a period of five years to build the plant, and the rent payable is based on the amount stated in the contract. Upon termination of the lease, the Company shall have no preferential right to purchase the land, and it is agreed that the Company 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	Substantial related party Tai Tien Asset Development Co., Ltd.	\$ 6,095	\$ 8,706
Lease liabilities - current	Substantial related party Tai Tien Asset Development Co., Ltd.	\$ 2,659	\$ 2,624
Lease liabilities - non-current	Substantial related party Tai Tien Asset Development Co., Ltd.	\$ 3,599	\$ 6,258

Related Party Category/Name	For the Year Ended December 31	
	2024	2023

Interest expense

Substantial related party Others	\$ 97	\$ 131
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Depreciation expense

Substantial related party Others	\$ 2,611	\$ 2,611
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Lease expense

Substantial related party Others	\$ 144	\$ 176
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The Company 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.

i. Endorsements and guarantees

Endorsements and guarantees provided by the Company

	December 31			
	2024		2023	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Subsidiaries				
Wintron Electronics Ltd.	\$ 65,570	\$ -	\$ 61,410	\$ -
Pletronics, Inc.	32,785	-	30,705	-
Taitien USA, Inc.	<u>32,785</u>	<u>-</u>	<u>30,705</u>	<u>-</u>
	<u>\$ 131,140</u>	<u>\$ -</u>	<u>\$ 122,820</u>	<u>\$ -</u>

j. Other transactions with related parties

Expenses

Related Party Line Item	Category/Name	For the Year Ended December 31	
		2024	2023
Subsidiaries			
Others	Manufacturing expense	\$ 68	\$ 82
	Selling and marketing expenses	1,800	3,698
	General and administrative expenses	64	315
Subsidiaries			
Others	Research and development expenses	<u>1,100</u>	<u>283</u>
		<u>\$ 3,032</u>	<u>\$ 4,378</u>

k. 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	\$ 19,554	\$ 22,745
Post-employment benefits	<u>695</u>	<u>716</u>
	<u>\$ 20,249</u>	<u>\$ 23,461</u>

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

### 30. 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)	\$ <u>200</u>	\$ <u>200</u>

### 31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Company 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>1,036</u>

- b. Relocation Compensation Agreement for Subsidiary 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 RMB84,913 thousand. Taitien Electronic (Nanjing) Ltd. plans to submit the relevant application and relocate according to the schedule.

- c. On May 3, 2024, the Company's board of directors resolved to purchase a portion of the land located in the Da'an Section of Shulin District from the related party, Tai Tien Asset Development Co., Ltd., to meet operational needs. The total purchased land area is approximately 907.17 pings. A 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.

### 32. SIGNIFICANT EVENT AFTER REPORTING PERIOD

On May 3, 2024, the Company's board of directors resolved to purchase a portion of the 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.

### 33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company'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

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In NTD)</b>
<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
Non-monetary items			
Investments accounted for using the equity method			
USD	38,138	32.785 (USD:NTD)	1,250,368

Financial liabilities

Monetary items			
USD	1,172	32.785 (USD:NTD)	38,347
JPY	56,583	0.210 (JPY:NTD)	11,877
CNY	1,872	4.561 (CNY:NTD)	8,539

December 31, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In NTD)</b>
<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
Non-monetary items			
Investments accounted for using the equity method			
USD	37,807	30.705 (USD:NTD)	1,160,864

Financial liabilities

Monetary items			
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

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains were \$24,301 thousand and \$12,201 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of functional currencies.

### **34. OTHERS**

Contracts have been signed for the transactions between Taitien Electronics Co., Ltd. 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 Company's transactions with each company are carried out in accordance with the agreed contracts.

### **35. 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)

b. Information on investees (Table 5)

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 6)
- 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 7):
  - 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 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 8)

TABLE 1

TAITIEN ELECTRONICS CO., LTD.

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	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.	c.	\$ 479,730	\$ 32,785	\$ 32,785	\$ -	\$ -	2.05%	\$ 639,640	Yes	No	No	
		Taitien USA, Inc.	b.	479,730	32,785	32,785	-	-	2.05%	639,640	Yes	No	No	
		Wintron Electronics Ltd.	c.	479,730	65,570	65,570	-	-	4.10%	639,640	Yes	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.

TABLE 2

TAITIEN ELECTRONICS CO., LTD.

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)

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	None	Financial assets at FVTPL - current	18,363	\$ 4,786	-	\$ 4,786	18,363	Notes 1 and 2
	Allianz Global Investors Income and Growth Fund	None	Financial assets at FVTPL - current	16,413	4,676	-	4,676	16,413	Notes 1 and 2
	Franklin Income A (Mdis) USD	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
	<u>Shares</u>								
	Yongchuang Investment	None	Financial assets at FVTOCI - non-current	530,000	3,951	2.53	3,951	530,000	Notes 1 and 2
Taitien Electronic (Shenzhen) Ltd.	Taiwan Crystal Superior Technology Co., Ltd.	None	Financial assets at FVTOCI - non-current	275,000	-	18.33	-	275,000	Notes 1 and 2
	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
	<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 Tables 5 and 6.

TABLE 3

TAITIEN ELECTRONICS CO., LTD.

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED 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 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.

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)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)	
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total
<u>Purchases</u>										
Taitien Electronics Co., Ltd. ("Parent Company")	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)
<u>Sales</u>										
Taitien Electronics 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 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 Electronics Co., Ltd. recognized \$186,918 thousand as purchases, \$1,100 thousand as manufacturing costs, \$250 thousand as machinery and equipment costs, and \$173 thousand as research and development expenses.

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

TABLE 5

TAITIEN ELECTRONICS CO., LTD.

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 3)		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 Electronics 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)	Subsidiary
	Taitien Holding Co., Ltd.	Tortola, British Virgin Islands	Holding company	468,521	468,521	14,126,824	100	1,110,840	48,894	(Note 1) 49,682	Subsidiary
	Taitien USA, Inc. Colorado Crystal Corporation	California, USA Colorado, USA	Sales of electronics components	104,209	104,209	3,200,000	100	24,398	(8,643)	(8,643)	Subsidiary
			Production, and sales of electronics components	78,187	78,187	385,094	100	43,058	(1,506)	(1,506)	Subsidiary
Taitien Holding Co., Ltd.	Hardy Holding Corporation	Tortola, British Virgin Islands	Holding company	455,089 (US\$ 13,881)	455,089 (US\$ 13,881)	13,880,974	100	1,114,428 (US\$ 33,992)	50,127 (US\$ 1,561)	50,127 (US\$ 1,561)	Sub-subsubsidiary
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-subsubsidiary

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 6.

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, RMB1=NT\$4.5608; net income items denominated in foreign currencies are translated using the average exchange rate of 2024: US\$1=NT\$32.1120, RMB1=NT\$4.5099.

Note 4: The highest number of investee’s shares held during the period is the same as those held at the end of period, and all the shares held were not pledged as collateral.

TABLE 6

TAITIEN ELECTRONICS CO., LTD.

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 (Note 5)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 (Note 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 5)	Carrying Amount as of December 31, 2024 (Note 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 (RMB 39,931)	c.	-	-	-	-	(4,257) (RMB -944)	100	(4,257) (RMB -944)	195,180 (RMB 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	Investment Amount Authorized by the Investment Commission, MOEA	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 two types and should be explained:
- a. The financial statements audited and attested by the parent company’s CPA in the ROC.
  - b. Others.
- 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, RMB1=NT\$4.5608; net income items denominated in foreign currencies are translated using the average exchange rate of 2024: US\$1=NT\$32.1120, RMB1=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 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 7

TAITIEN ELECTRONICS CO., LTD.

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.
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.	Sale	\$ (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
	Purchase	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.	Purchase	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.	Sale	(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	-
	Purchase	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 8****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.

## TAITIEN ELECTRONICS CO., LTD.

### THE CONTENTS OF PARENT COMPANY ONLY STATEMENTS OF MAJOR ACCOUNTING ITEMS

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<u>Item</u>	<u>Statement Index</u>
Major Accounting Items in Assets, Liabilities and Equity	
Statement of cash and cash equivalents	1
Statement of financial assets at fair value through profit or loss - current	2
Statement of financial assets at amortized cost	3
Statement of notes receivable	4
Statement of trade receivables	5
Statement of other receivables	Note 11
Statement of inventories	6
Statement of prepayments	7
Statement of financial assets at fair value through other comprehensive income - non-current	8
Statement of changes in investments accounted for using the equity method	9
Statement of changes in property, plant and equipment	Note 14
Statement of changes in right-of-use assets	10
Statement of accumulated depreciation of changes in right-of-use assets	11
Statement of changes in intangible assets	Note 16
Statement of deferred tax assets	Note 24
Statement of other non-current assets	12
Statement of short-term borrowings	13
Statement of trade payables	14
Statement of other payables	Note 19
Statement of other current liabilities	Note 19
Statement of lease liabilities	15
Statement of deferred tax liabilities	Note 24
Statement of net defined benefit liabilities - non-current	Note 20
Major Accounting Items in Profit or Loss	
Statement of operating revenue	16
Statement of operating costs	17
Statement of operating expenses	18
Statement of other operating income and expenses	Note 23
Statement of finance costs	Note 23
Statement of labor, depreciation, depletion and amortization by function	19

**STATEMENT 1****TAITIEN ELECTRONICS CO., LTD.****PARENT COMPANY ONLY STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>
Cash		
NTD		\$ 82
Bank deposits		
Checking accounts		292
Demand deposits		10,835
Foreign deposits	Including US\$426 thousand @32.785, JPY40,522 thousand @0.210, HK\$9 thousand @4.222, EUR212 thousand @34.14, CNY3,071 thousand @4.561	43,728
Cash equivalents (investments with original maturities of less than 3 months)		<u>92,076</u>
		<u>\$ 147,013</u>

TAITIEN ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT  
DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Excluding Number of Shares, Par Value and Unit Price)

Name of Financial Instruments	Summary	Number of Shares	Cost of Acquisition	Fair Value	
				Unit Price	Total Amount
Financial assets mandatorily classified as at fair value through profit or loss Mutual fund - beneficiary certificates	AB FCP I-Global High Yield Portfolioio	18,363	\$ 4,719	260.6408	\$ 4,786
	Allianz Global Investors Income and Growth Fund	16,413	5,002	284.9017	4,676
	Franklin Income A (Mdis) USD	10,582	<u>3,373</u>	315.0639	<u>3,334</u>
			<u>\$ 13,094</u>		<u>\$ 12,796</u>

**TAITIEN ELECTRONICS CO., LTD.**

**PARENT COMPANY ONLY STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST**

**DECEMBER 31, 2024**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>		<b>Summary</b>	<b>Amount</b>
Current			
Restricted time deposits	Restricted time deposits with interest rate of 1.72%		<u>\$ 200</u>

**TAITIEN ELECTRONICS CO., LTD.****PARENT COMPANY ONLY STATEMENT OF NOTES RECEIVABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Summary</b>	<b>Amount</b>
RUBY TECH CORPORATION	Domestic sales	\$ 152
COSMOPOLITAN ELECTRIC INDUSTRY CO., LTD.	Domestic sales	27
MERIT LILIN ENT. CO., LTD.	Domestic sales	<u>20</u>
		<u>\$ 199</u>

**TAITIEN ELECTRONICS CO., LTD.****PARENT COMPANY ONLY STATEMENT OF TRADE RECEIVABLES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Summary</b>	<b>Amount</b>
Unrelated parties		
Wistorn InfoComm (Chengdu) Co, Ltd	Domestic sales	\$ 8,715
INGRASYS TECHNOLOGY INC.	Domestic sales	7,156
Others (Note)	Domestic sales	<u>97,866</u>
		<u>113,737</u>
Less: Allowance for doubtful accounts		<u>(1,122)</u>
		<u>\$ 112,615</u>
Related parties		
Taitien Electronics (Nanjing) Ltd.	Domestic sales	\$ 36,728
Taitien USA, Inc.	Domestic sales	7,752
Others (Note)	Domestic sales	<u>961</u>
		<u>\$ 45,441</u>

Note: The balance of each individual client included in “Others” does not exceed 5% of the account balance.



**STATEMENT 6****TAITIEN ELECTRONICS CO., LTD.****PARENT COMPANY ONLY STATEMENT OF INVENTORIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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Item	Amount	
	Cost	Net Realizable Value (Note)
Merchandise	\$ 42,505	\$ 27,128
Finished goods	54,029	43,275
Work in progress	17,793	17,330
Raw materials	91,592	75,346
Supplies	<u>2,786</u>	<u>2,518</u>
	208,705	<u>\$ 165,597</u>
Loss: Allowance for decline in value of inventories	<u>(43,108)</u>	
	<u>\$ 165,597</u>	

Note: The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale (including inventory obsolescence losses).

**TAITIEN ELECTRONICS CO., LTD.****PARENT COMPANY ONLY STATEMENT OF PREPAYMENTS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>
Prepayments	Payment in advance	\$ 2,875
	Prepaid insurance	660
	Prepaid sales tax	314
	Others (Note)	<u>190</u>
		<u>\$ 4,039</u>

Note: The balance of each individual item included in “Others” does not exceed 5% of the account balance.

TAITIEN ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT  
DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Excluding Number of Shares, Par Value and Unit Price)

		Balance, January 1, 2024		Addition		Decrease		Others (Notes 1 and 2)	Balance, December 31, 2024	
Name	Summary	Number of Shares	Fair Value	Number of Shares	Amount	Number of Shares	Amount		Number of Shares	Fair Value
Domestic investment										
Unlisted shares	Yong Chuang Investment Corporation	530,000	\$ 5,501	-	\$ -	-	\$ -	\$ (1,550)	530,000	\$ 3,951
	Taiwan Crystal Superior Technology Corporation	275,000	-	-	-	-	-	-	275,000	-
	WK Technology Fund IX II Ltd	1,500,000	11,227	-	-	-	-	(38)	1,500,000	11,189
			16,728		-		-	(1,588) (Note 1)		15,140
Foreign Investment										
Corporate bonds	Apple Inc.	160,000	3,223	-	-		-	(191) (Note 2)	160,000	3,032
			\$ 19,951		\$ -		\$ -	\$ (1,779)		\$ 18,172

Note 1: Unrealized loss on investments in equity instruments at fair value through other comprehensive income.

Note 2: Unrealized gain on investments in debt instruments at fair value through other comprehensive loss of \$(407) thousand, unrealized exchange gain of \$210 thousand and amortization of interest income of \$6 thousand.

TAITIEN ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Excluding Number of Shares and Unit Price)

	Balance, January 1, 2024		Addition		Decrease		Using the Equity Method			Balance, December 31, 2024			Market Price or Net Equity Value		
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Investment (Loss) Income (Note 1)	Exchange Differences	Others (Note 2)	Number of Shares	Ownership %	Amount	Unit Price	Total Amount	Collateral
Taitien Holding Co., Ltd.	14,126,824	\$ 1,000,631	-	\$ -	-	\$ -	\$ 49,682	\$ 52,999	\$ 7,528	14,126,824	100	\$ 1,110,840	55.50	\$ 1,117,113	None
Indus Taitien Marketing Ltd.	50,000	86,349	-	-	-	-	(20,112)	5,835	-	50,000	100	72,072	1,531.34	76,567	None
Taitien USA, Inc.	3,200,000	31,114	-	-	-	-	(8,643)	1,927	-	3,200,000	100	24,398	7.62	24,398	None
Colorado Crystal Corporation	385,094	42,770	-	-	-	-	(1,506)	1,794	-	385,094	100	43,058	70.73	27,237	None
		<u>\$ 1,160,864</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ 19,421</u>	<u>\$ 62,555</u>	<u>\$ 7,528</u>			<u>\$ 1,250,368</u>		<u>\$ 1,245,315</u>	

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

Note 2: Including the amount of \$7,528 thousand of share of the other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using the equity method.

**TAITIEN ELECTRONICS CO., LTD.****PARENT COMPANY ONLY STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Balance at January 1, 2024</b>	<b>Addition</b>	<b>Decrease</b>	<b>Balance at December 31, 2024</b>	<b>Note</b>
Land	\$ 19,332	\$ -	\$ -	\$ 19,332	
Buildings	813	-	(813)	-	
Transportation equipment	<u>250</u>	<u>-</u>	<u>-</u>	<u>250</u>	
	<u>\$ 20,395</u>	<u>\$ -</u>	<u>\$ (813)</u>	<u>\$ 19,582</u>	

**TAITIEN ELECTRONICS CO., LTD.****PARENT COMPANY ONLY STATEMENT OF ACCUMULATED DEPRECIATION OF CHANGES  
IN RIGHT-OF-USE ASSETS****FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Balance at January 1, 2024</b>	<b>Addition</b>	<b>Decrease</b>	<b>Balance at December 31, 2024</b>	<b>Note</b>
Land	\$ 10,626	\$ 2,611	\$ -	\$ 13,237	
Buildings	711	102	(813)	-	
Transportation equipment	<u>93</u>	<u>126</u>	<u>-</u>	<u>219</u>	
	<u>\$ 11,430</u>	<u>\$ 2,839</u>	<u>\$ (813)</u>	<u>\$ 13,456</u>	

**TAITIEN ELECTRONICS CO., LTD.****PARENT COMPANY ONLY STATEMENT OF OTHER NON-CURRENT ASSETS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>
Refundable deposits	Deposits for agent for stock affairs and lease deposits	\$ 143
Prepayments for land (Note)		79,000
Prepayments for equipment		<u>2,603</u>
		<u>\$ 81,746</u>

Note: Please refer to Notes 31 and 32.

TAITIEN ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENT OF SHORT-TERM BORROWINGS  
DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)

Type of Borrowing	Description	Balance, End of Year	Contract Period	Interest Rate (%)	Loan Commitment	Collateral or Guarantee
Bank loans						
Unsecured loans	ChinaTrust Commercial Bank	\$ 115,000	2024.12.03-2025.03.03	2.00	\$ 150,000	None
Unsecured loans	Chang Hwa Commercial Bank	<u>35,000</u>	2024.11.29-2025.01.20	2.04	170,000	None
		<u>\$ 150,000</u>				



**TAITIEN ELECTRONICS CO., LTD.****PARENT COMPANY ONLY STATEMENT OF TRADE PAYABLES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Vendor Name</b>	<b>Summary</b>	<b>Amount</b>
Unrelated parties		
Citizen Finedevice Co., Ltd.	Purchase payables	\$ 4,243
Mikasa Corporation	"	3,367
Kyocera Asia Pacific Pte. Ltd.	"	2,744
KVG Corporation	"	2,098
Taiwan Crystal Superior Technology Co., Ltd.	"	2,019
TAI-SAW TECHNOLOGY CO., LTD.	"	1,074
Others (Note)	"	<u>2,887</u>
		<u>\$ 18,432</u>
Related parties		
Taitien Electronics (Nanjing) Ltd.	Purchase payables	\$ 40,906
Others (Note)	"	<u>1,308</u>
		<u>\$ 42,214</u>

Note: The balance of each individual vendor included in "Others" does not exceed 5% of the account balance.

**TAITIEN ELECTRONICS CO., LTD.****PARENT COMPANY ONLY STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Lease Period</b>	<b>Discount Rate</b>	<b>Balance, End of Year</b>	<b>Note</b>
Land	Land in Shude St.	2017.05.01-2027.04.30	1.30%	\$ 6,258	
Transportation equipment	Mainly used as company cars	2023.03.31-2025.03.30	2.30%	<u>32</u>	
				<u>\$ 6,290</u>	

**TAITIEN ELECTRONICS CO., LTD.****PARENT COMPANY ONLY STATEMENT OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Excluding Quantity)**

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<b>Item</b>	<b>Quantity</b>	<b>Amount</b>
SMD crystals	100,392 thousand	\$ 172,831
SMD oscillators	20,584 thousand	451,233
Others		<u>17,743</u>
		<u>\$ 641,807</u>

**TAITIEN ELECTRONICS CO., LTD.**
**PARENT COMPANY ONLY STATEMENT OF COST OF GOODS SOLD**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(In Thousands of New Taiwan Dollars)**


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<b>Item</b>	<b>Amount</b>
Raw materials, beginning of year	\$ 104,965
Raw material purchased	93,949
Add: Transferred from work in progress	48,598
Transferred from merchandise inventories	<u>1,263</u>
Less: Raw material, end of year	(91,592)
Used by research and development department	236
Cost of raw materials sold	<u>(8,255)</u>
Raw materials used	<u>149,164</u>
Supplies, beginning of year	1,271
Add: Supplies purchased	30,345
Less: Supplies, end of year	(2,786)
Cost of supplies sold	<u>(333)</u>
Supplies used	<u>28,497</u>
Direct labor	39,356
Manufacturing expense	<u>98,423</u>
Manufacturing cost	315,440
Work in progress, beginning of year	13,920
Add: Transferred from finished goods	177,186
Less: Work in progress, end of year	(17,793)
Transferred to raw materials	<u>(48,598)</u>
Cost of finished goods	440,155
Finished goods, beginning of year	41,632
Less: Finished goods, end of year	(54,029)
Transferred to work in progress	(177,186)
Transferred to sample expense	(1,647)
Used by research and development department	<u>(61)</u>
Cost of production	<u>248,864</u>
Merchandise inventories, beginning of year (including inventories in transit)	69,685
Add: Merchandise inventories purchased	242,952
Less: Merchandise inventories, end of year	(42,505)
Used by research and development department	(1,559)
Transferred to sample expense	(95)
Transferred from raw materials	<u>(1,263)</u>
Cost of merchandise sold	<u>267,215</u>
Add: Raw materials and supplies sold	8,588
Less: Revenue from sale of scraps	<u>(161)</u>
Cost of goods sold, total	<u>\$ 524,506</u>

## TAITIEN ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENT OF OPERATING EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Expected Credit Gain
Payroll expense (Note 1)	\$ 22,968	\$ 28,839	\$ 17,999	\$ -
Commission expense	2,053	-	-	-
Professional fees	2,431	9,341	115	-
Depreciation expense	1,098	1,741	2,985	-
Experimental supplies	-	-	5,502	-
Shipping expenses	2,968	4	60	-
Expected credit gain	-	-	-	(1,690)
Others (Note 2)	<u>19,182</u>	<u>24,067</u>	<u>7,998</u>	<u>-</u>
	<u>\$ 50,700</u>	<u>\$ 63,992</u>	<u>\$ 34,659</u>	<u>\$ (1,690)</u>

Note 1: Including payroll expenses and remuneration of directors.

Note 2: The balance of each individual item included in "Others" does not exceed 5% of the account balance.

## TAITIEN ELECTRONICS CO., LTD.

## PARENT COMPANY ONLY STATEMENT OF LABOR, DEPRECIATION, DEPLETION AND AMORTIZATION BY FUNCTION

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024			2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Labor cost						
Salary and bonus	\$ 65,900	\$ 68,831	\$ 134,731	\$ 61,250	\$ 68,944	\$ 130,194
Labor and health insurance	8,018	7,183	15,201	8,506	7,669	16,175
Pension	2,811	4,132	6,943	2,887	4,246	7,133
Directors' remuneration	-	975	975	-	2,354	2,354
Others	<u>4,424</u>	<u>3,080</u>	<u>7,504</u>	<u>4,268</u>	<u>3,497</u>	<u>7,765</u>
	<u>\$ 81,153</u>	<u>\$ 84,201</u>	<u>\$ 165,354</u>	<u>\$ 76,911</u>	<u>\$ 86,710</u>	<u>\$ 163,621</u>
Depreciation expense	<u>\$ 28,738</u>	<u>\$ 5,824</u>	<u>\$ 34,562</u>	<u>\$ 24,997</u>	<u>\$ 6,767</u>	<u>\$ 31,764</u>
Amortization expense	<u>\$ 170</u>	<u>\$ 290</u>	<u>\$ 460</u>	<u>\$ 250</u>	<u>\$ 315</u>	<u>\$ 565</u>

Note:

- a. The average numbers of the Company's employees were 219 and 218 in 2024 and 2023, respectively, with 7 and 7 non-employee directors, respectively.
- b. Average employee labor costs for the years ended December 31, 2024 and 2023 were \$775 thousand and \$764 thousand, respectively.
- c. Average salaries for the years ended December 31, 2024 and 2023 was \$636 thousand and \$617 thousand, respectively.
- d. Change in average employee salary and bonus was 3.1%.
- e. The Company did not have supervisors for the years ended December 31, 2024 and 2023.
- f. The Company's compensation policies:

- 1) Earnings distribution plan according to the Company's Articles of Incorporation

If the Company records a profit in a year, the Company shall set aside 5%-15% of the profit for employee's remuneration, which shall be distributed in shares or cash by resolution of the board of directors and rates of no higher than 2% of the above mentioned profit for directors' remuneration which shall be resolved by the board of directors. Distribution plan for employees' and directors' remuneration shall be presented to the Company's shareholders meeting. If the Company has accumulated deficits, it shall reserve the amount of compensation in advance, and then allocate the compensation of employees and remuneration of directors in accordance with the aforementioned ratio.

- 2) The Company's policy on the payment of remuneration to directors, managers and employees

- a) The remuneration of the directors of the Company is determined based on the distribution standards specified in the Articles of Incorporation of the Company, and based on the Company's operating performance with reference to industry standards.
- b) The remuneration of the Company's managers and employees, including salaries, bonuses, and employee remuneration, is handled in accordance with the Company's personnel regulations and salary related regulations based on personal performance and operational contribution; the remuneration of managers shall be submitted to the Remuneration Committee for deliberation and approval before being submitted to the board of directors for resolution.