Stock Code: 3011

Ji-Haw Industrial, Co., Ltd.

Parent Company Only Financial Statements with Independent Auditors' Report

2024 and 2023

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Independent Auditor's Report

To Ji-Haw Industrial, Co., Ltd.:

Opinions

We have audited the financial statements of Ji-Haw Industrial, Co., Ltd., which comprises of the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis of Audit Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities as an auditor under the abovementioned standards will be explained in the Responsibilities paragraph. We are independent of Ji-Haw Industrial, Co., Ltd. in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasized matters

As mentioned in Note 3 to the Parent Company Only financial statements, Ji-Haw Industrial, Co., Ltd. changed the accounting policy of investment property by resolution of the board of directors on August 13, 2024, and the subsequent measurement was changed from the cost model to the fair value model. The accounting policy is applied retrospectively, and the affected items are adjusted. We did not revise our audit conclusion accordingly.

Key Audit Issues

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of Ji-Haw Industrial, Co., Ltd. of 2024. These issues have already been addressed when we audited and formed our opinions on the Parent

Company Only Financial Statements. Therefore, we do not provide opinions separately for individual issues.

We have determined the matters described below to be the key audit matters of the 2024 financial statements of Ji-Haw Industrial, Co., Ltd. to be communicated in our report.

Occurrence of Revenue Recognition from Sales

Ji-Haw Industrial Co., Ltd. (“The Company”) is primarily engaged in the manufacturing, processing, and sales of precision electronic connectors and sockets, connectors, wires, cables, various electronic components, and other industrial and commercial services. Although overall market demand declined during the year, sales revenue from certain customers increased against the trend. As the amount and proportion of this increase were significant, we, as the auditors, have identified the recognition of sales revenue from these customers as a key audit matter for Ji-Haw Industrial Co., Ltd. Refer to Note 4 to the Parent Company Only financial statements for the accounting policies and disclosures related to operating revenue.

Our principal audit procedures conducted to address the aforementioned key audit matters included:

1. Understand and test the design and implementation effectiveness of main internal controls related to the recognition of sales revenue.
2. Select sufficient samples from the transaction details of customers from whom the sales revenue has increased significantly, check the transaction vouchers, and confirm the remittance beneficiary and the payment collection process to confirm the existence of the sales transaction.
3. For the customers from whom the sales revenue has increased significantly, send the confirmation letter for year-end account balances in accounts receivables and apply alternative procedures if responses to confirmation requests are not received in time, including the examination of transaction certificates and subsequent cash receipts.

Responsibilities of the Management and Governance Body to the Parent Company Only Financial Statements

Responsibilities of the management were to prepare and ensure fair presentation of the Parent Company Only Financial Statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and to exercise proper internal control practices that are relevant to the preparation of Parent Company Only Financial Statements so that the Parent Company Only Financial Statements are free of material misstatements, whether caused by fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of Ji-Haw Industrial, Co., Ltd. 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 Ji-Haw Industrial, Co., Ltd. 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 financial reporting process of Ji-Haw Industrial, Co., Ltd.

Responsibilities of the Auditor When Auditing Parent Company Only Financial Statements

The purposes of our audit were to obtain reasonable assurance of whether the Parent Company Only Financial Statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with auditing principles do not necessarily guarantee detection of all material misstatements within the Parent Company Only Financial Statements. Misstatements can arise from fraud or error Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the Parent Company Only Financial Statement user.

In conducting our audit in accordance with auditing standards, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. 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 internal control of Ji-Haw Industrial, Co., Ltd..
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
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 ability of Ji-Haw Industrial, Co., Ltd. to continue as a going concern. We are bound to remind users of Parent Company Only Financial Statements and make related disclosures if uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause Ji-Haw Industrial, Co., Ltd. to cease to continue as a going concern.

5. Assessing the overall presentation, structure, and contents of the Parent Company Only Financial Statements (including related footnotes), and whether certain transactions and events are presented appropriately in the Parent Company Only Financial Statements.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within Ji-Haw Industrial, Co., Ltd. to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Deloitte Taiwan

CPA Huang Yao Lin

CPA Chou, Shih-Chieh

Number of the approval letter from the Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1060004806

Number of the approval letter from the Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1110348898

March 17, 2025

Ji-Haw Industrial, Co., Ltd.

Balance Sheets

December 31, 2024, December 31, 2023, and January 1, 2023

Unit: NT$ thousand

Account	Assets	December 31, 2024 Amount	%	December 31, 2023 (After restatement) Amount	%	January 1, 2023 (After restatement) Amount	%
	Current assets						
1100	Cash (Note 4 and 6)	$ 40,159	2	$ 37,171	2	$ 166,521	8
1170	Accounts receivable (Note 4, 8, 19 and 25)	248,972	9	184,396	9	192,762	10
1210	Other receivables – related parties (Note 25)	7,600	-	10,900	1	-	-
130X	Inventories (Note 4 and 9)	63,578	2	60,229	3	51,889	3
1470	Other current assets (Note 21 and 25)	16,968	1	10,386	-	1,794	-
11XX	Total current assets	377,277	14	303,082	15	412,966	21
	Non-current Assets						
1517	Financial Assets at Fair Value Through Other Comprehensive Income - Non-current (Note 4 and 7)	47,677	2	-	-	-	-
1550	Investments accounted for using equity method (Note 3, 4 and 10)	1,156,553	44	932,807	47	896,207	46
1600	Property, plant and equipment (Notes 4, 11 and 26)	173,071	6	196,268	10	108,175	6
1755	Right-of-use assets (Notes 4 and 12)	20,563	1	18,544	1	-	-
1760	Investment properties (Notes 3, 4, 13 and 26)	841,347	32	512,182	26	522,260	27
1780	Intangible assets (Notes 4 and 14)	20,837	1	9,381	-	-	-
1840	Deferred income tax assets (Notes 4 and 21)	5,802	-	6,375	-	6,607	-
1990	Other non-current assets	8,336	-	23,278	1	75	-
15XX	Total non-current assets	2,274,186	86	1,698,835	85	1,533,324	79
1XXX	Total assets	$ 2,651,463	100	$ 2,001,917	100	$ 1,946,290	100
Account	**LIABILITIES AND EQUITY**						
	Current liabilities						
2100	Short-term borrowing (Notes 15 and 26)	$ 590,000	22	$ 300,000	15	$ 100,000	5
2170	Notes and Accounts Payable	20,231	1	10,870	-	17,144	1
2180	Accounts payable－related parties (Note 25)	391,787	15	273,827	14	242,380	13
2200	Other payables (Notes 16 and 25)	18,837	1	13,723	1	21,623	1
2280	Current lease liabilities (Notes 4 and 12)	11,189	-	6,751	-	-	-
2300	Other current liabilities	607	-	371	-	205	-
21XX	Total current liabilities	1,032,651	39	605,542	30	381,352	20
	Non-current liabilities						
2540	Long-term borrowing (Notes 15 and 26)	53,400	2	-	-	-	-
2570	Deferred income tax liabilities (Notes 3, 4 and 21)	39,751	2	46,293	2	78,454	4
2580	Non-current lease liabilities (Notes 4 and 12)	10,485	-	11,902	1	-	-
2640	Net defined benefit liabilities (Notes 4 and 17)	192	-	886	-	823	-
2670	Guarantee deposits	343	-	1,562	-	1,562	-
25XX	Total non-current liabilities	104,171	4	60,643	3	80,839	4
2XXX	Total liabilities	1,136,822	43	666,185	33	462,191	24
	Equity (Notes 3, 4 and 18)						
3100	Common shares	1,127,192	42	1,127,192	56	1,127,192	58
3200	Capital surplus	758	-	226,697	11	226,697	11
	Retained earnings (accumulated losses)						
3310	Appropriated as legal capital reserve	-	-	23,586	1	23,586	1
3320	Special reserve	298,757	11	218,029	11	218,029	11
3350	Undistributed earnings (losses to be covered)	(248,697)	(9)	(168,797)	(8)	(30,233)	(1)
3300	Total retained earnings (accumulated losses)	50,060	2	72,818	4	211,382	11
3400	Other equity	336,631	13	(90,975)	(4)	(81,172)	(4)
3XXX	Total equity	1,514,641	57	1,335,732	67	1,484,099	76
	Total liabilities and equities	$ 2,651,463	100	$ 2,001,917	100	$ 1,946,290	100

The accompanying notes are an integral part of the Parent Company Only financial statements.

(Please see the Independent Auditor’s Report of Deloitte & Touche on March 17, 2025)

Chair: Shih Hao-Ji　　Manager: Lin Meng-Chieh　　Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd.

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

Unit: NT$ thousand, except for losses per share in NT$

Account		2024 Amount	2024 %	2023 (After restatement) Amount	2023 (After restatement) %
4000	Operating revenue (Notes 4, 19 and 25)	$ 577,905	100	$ 533,710	100
5000	Operating costs (Notes 9, 14, 20 and 25)	544,900	94	512,040	96
5900	Gross profit	33,005	6	21,670	4
	Operating expenses (Notes 8, 14, 17 and 20)				
6100	Selling expenses	45,781	8	47,364	9
6200	Administrative expenses	79,255	14	61,767	12
6300	Research and Development Expenses	14,252	3	7,682	1
6450	Impairment loss (reversal) of expected credit loss	1,211	-	(8)	-
6000	Total operating expenses	140,499	25	116,805	22
6900	Net operating loss	(107,494)	(19)	(95,135)	(18)
	Non-operating income and expenses				
7100	Interest revenue (Note 20)	584	-	1,742	-
7010	Other income (Notes 12, 13, 20 and 25)	18,960	3	9,440	2
7020	Other gains and losses (Notes 3, 20 and 28)	(29,724)	(5)	(8,672)	(2)
7050	Financial costs (Note 20)	(8,375)	(1)	(2,804)	-
7060	Share of the profit of subsidiaries and affiliates accounted for using equity method (Notes 3, 4 and 10)	(128,804)	(22)	(74,755)	(14)
7000	Total non-operating income and expenses	(147,359)	(25)	(75,049)	(14)

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Account		2024 Amount	2024 %	2023 (After restatement) Amount	2023 (After restatement) %
7900	Loss before tax	($ 254,853)	(44)	($ 170,184)	(32)
7950	Income tax benefits (Notes 3, 4 and 21)	6,072	1	31,866	6
8200	Net loss for the year	(248,781)	(43)	(138,318)	(26)
	Other comprehensive income				
	Items Not Reclassified Into Profit or Loss				
8311	Gains (losses) on remeasurements of defined benefit plans (Notes 4 and 17)	514	-	(308)	-
8312	Revaluation increment of property (Notes 4, 13 and 18)	237,658	41	-	-
8316	Unrealized Gains/Losses on Valuation of Equity Instruments at Fair Value Through Other Comprehensive Income (Notes 4 and 18)	(4,363)	(1)	-	-
8330	Share of other comprehensive income of subsidiaries and affiliated companies under equity method (Notes 4, 10 and 18)	177,921	31	-	-
8349	Income tax related to components of items that will not be reclassified to profit or loss (Notes 4, 18 and 21)	(29,562)	(5)	62	-
8310		382,168	66	(246)	-

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Account		2024 Amount	2024 %	2023 (After restatement) Amount	2023 (After restatement) %
	Items Likely to be Reclassified Into Profit or Loss				
8361	Exchange differences on translation of foreign operations (note 4)	$ 45,860	8	($ 9,803)	(2)
8380	Share of other comprehensive income of subsidiaries under equity method (Note 4)	(11)	-	-	-
8360		45,849	8	(9,803)	(2)
8300	Other comprehensive income (after tax)	428,017	74	(10,049)	(2)
8500	Total comprehensive income for the year	$ 179,236	31	($ 148,367)	(28)
	Loss per share (Notes 3 and 22)				
9710	Basic	($ 2.21)	-	($ 1.23)	-

The accompanying notes are an integral part of the Parent Company Only financial statements.

(Please see the Independent Auditor's Report of Deloitte & Touche on March 17, 2025)

Chair: Shih Hao-Ji Manager: Lin Meng-Chieh Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd.

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

Unit: thousands of New Taiwan Dollar unless otherwise specified

				Retained earnings (accumulated losses)				Other equity				
Account		Common shares	Capital surplus	Appropriated as legal capital reserve	Special reserve	Unappropriated Earnings Losses to be offset	Total	Exchange differences on the translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation increment of property	Total	Total equity
A1	Balance on January 1, 2023	$ 1,127,192	$ 226,697	$ 23,586	$ 218,029	($ 494,359)	($ 252,744)	($ 67,172)	($ 14,000)	$ -	($ 81,172)	$ 1,019,973
A3	Adjustments applied retrospectively and retrospectively	-	-	-	-	464,126	464,126	-	-	-	-	464,126
A5	Balance after restatement on January 1, 2023	1,127,192	226,697	23,586	218,029	(30,233)	211,382	(67,172)	(14,000)	-	(81,172)	1,484,099
D1	Loss for the year ended December 31, 2023	-	-	-	-	(138,318)	(138,318)	-	-	-	-	(138,318)
D3	Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(246)	(246)	(9,803)	-	-	(9,803)	(10,049)
D5	Comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(138,564)	(138,564)	(9,803)	-	-	(9,803)	(148,367)
Y1	Total increase (decrease) in equity for 2023	-	-	-	-	(138,564)	(138,564)	(9,803)	-	-	(9,803)	(148,367)
Z1	Balance after restatement as of December 31, 2023	1,127,192	226,697	23,586	218,029	(168,797)	72,818	(76,975)	(14,000)	-	(90,975)	1,335,732
B3	Appropriation of special reserve in accordance with Jin-Guan-Zheng-Fa-Zi Order No. 10901500221	-	-	-	298,757	(298,757)	-	-	-	-	-	-
C11	Capital reserve to offset deficit	-	(225,939)	(23,586)	(218,029)	467,554	225,939	-	-	-	-	-
D1	Loss for the year ended December 31, 2024	-	-	-	-	(248,781)	(248,781)	-	-	-	-	(248,781)
D3	Other comprehensive income for the year ended December 31, 2024	-	-	-	-	411	411	45,849	(18,946)	400,703	427,606	428,017
D5	Comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	(248,370)	(248,370)	45,849	(18,946)	400,703	427,606	179,236
M7	Change of Ownership Interest in Subsidiaries	-	-	-	-	(327)	(327)	-	-	-	-	(327)
Y1	Total increase (decrease) in equity for 2024	-	(225,939)	(23,586)	80,728	(79,900)	(22,758)	45,849	(18,946)	400,703	427,606	178,909
Z1	Balance on December 31, 2024	$ 1,127,192	$ 758	$ -	$ 298,757	($ 248,697)	$ 50,060	($ 31,126)	($ 32,946)	$ 400,703	$ 336,631	$ 1,514,641

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

(Please see the Independent Auditor's Report of Deloitte & Touche on March 17, 2025)

Chair: Shih Hao-Ji

Manager: Lin Meng-Chieh

Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

Unit: NT$ thousand

Account		2024	2023 (After restatement)
	Cash flows from operating activities		
A00010	Loss before tax	($ 254,853)	($ 170,184)
	Adjustments:		
A20100	Depreciation expense	16,402	7,115
A20200	Amortization Expenses	1,504	71
A20300	Impairment loss (reversal) of expected credit loss	1,211	(8)
A20900	Finance costs	8,375	2,804
A21100	Net gain on reclassification of financial assets	(3,617)	-
A21200	Interest income	(584)	(1,742)
A22300	Share of profit or loss of subsidiaries and affiliated companies using the equity method	128,804	74,755
A22500	Loss on disposal of property, plant and equipment	-	2,609
A22900	Loss on lease modification	353	-
A23700	Impairment loss on equity method assets	39,176	-
A24100	Unrealized exchange gain or loss	2,135	(1,306)
A24600	Loss (gain) on fair value adjustment of investment property	(21,847)	10,078
A29900	Bargain purchase gain	(5,998)	-
A20010	Total Income, Expenses, and Losses	165,914	94,376
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	(50,617)	2,220
A31180	Other receivables	(7,588)	(10,900)
A31200	Inventories	(3,349)	(8,340)
A31240	Other current assets	(6,594)	(8,592)
A32150	Notes and Accounts Payable	120,897	32,633
A32180	Other payables	5,678	(7,900)
A32230	Other current liabilities	236	166
A32240	Net defined benefit liabilities	(180)	(245)
A33000	Cash generated from operations	(30,456)	(76,766)
A33300	Interest paid	(8,375)	(2,751)
AAAA	Net cash flow used in operating activities	(38,831)	(79,517)

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Account		2024	2023 (After restatement)
	Cash flows from investing activities		
B00010	Acquisition of Financial Assets at Fair Value Through Other Comprehensive Income	($ 32,340)	$ -
B01800	Acquisition of long-term equity investment under the equity method	(226,827)	(121,159)
B02400	Return of capital from investee accounted for using the equity method	19,000	-
B02700	Acquisition of property, plants, and equipment	(34,275)	(96,458)
B04500	Purchase of intangible assets	(12,960)	(9,452)
B05350	Acquisition of right-of-use assets	-	(356)
B06700	Increase in other non-current assets	(5,324)	(23,203)
B07500	Interest received	584	1,742
BBBB	Net Cash Outflow From Investing Activities	(292,142)	(248,886)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	290,000	200,000
C01600	Borrowing of long-term loans	53,400	-
C03100	Decrease in guarantee deposits	(1,219)	-
C04020	Repayment of principal of lease liabilities	(8,220)	(947)
CCCC	Net cash flows from financing activities	333,961	199,053
EEEE	Net increase (decrease) in cash	2,988	(129,350)
E00100	Cash at the beginning of the year	37,171	166,521
E00200	Cash at the end of the year	$ 40,159	$ 37,171

The accompanying notes are an integral part of the Parent Company Only financial statements.

(Please see the Independent Auditor's Report of Deloitte & Touche on March 17, 2025)

Chair: Shih Hao-Ji　Manager: Lin Meng-Chieh　Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd.
Notes to the Financial Statements
For the years ended December 31, 2024 and 2023
(expressed in thousands of New Taiwan Dollars unless otherwise specified)

1. Company History

Ji-Haw Industrial, Co., Ltd., (the "Company") was incorporated on January 11, 1983. The major business activities of the Company are the sale and manufacturing of precision electric ports and sockets, connectors, electric wires and cables, electronics components, and other industrial and commercial services. The Company's common shares were listed on the Taiwan Stock Exchange (TWSE) in July 2002.

The financial statements are presented in the Company's functional currency, the New Taiwan dollars.

2. Financial Statement Approval Date and Procedures

These financial statements were authorized for issue by the Board of Directors on March 12, 2025.

3. Application of New and Revised Standards and Interpretations

(1) Initial application of new accounting policies

Subsequent measurement of investment property

The Company's management believes that measurement using the fair value model can provide more reliable and relevant information. Therefore, as resolved by the Board of Directors on August 13, 2024, the Company changed its accounting policy effective January 1, 2024, to measure investment property subsequently using the fair value model. In accordance with Jin-Guan-Zheng-Fa-Zi Order No. 10901500221, a special reserve was appropriated.

Effects from the previous period are summarized as follows:

Effect of assets, liabilities, and equity	Amount before restatement	Adjustment for investment property measured at fair value	Amount after restatement
December 31, 2023			
Investments accounted for using equity method	$ 898,908	$ 33,899	$ 932,807
Investment properties	65,544	446,638	512,182
Total assets affected	$ 964,452	$ 480,537	$ 1,444,989

	Amount before restatement	Adjustment for investment property measured at fair value	Amount after restatement
Deferred tax liabilities	$ 23,235	$ 23,058	$ 46,293
Total liabilities affected	$ 23,235	$ 23,058	$ 46,293
Losses to be offset	($ 626,001)	$ 457,204	($ 168,797)
Other equity	(91,250)	275	(90,975)
Total liabilities affected	($ 717,251)	$ 457,479	($ 259,772)
January 1, 2023			
Investments accounted for using equity method	$ 863,845	$ 32,362	$ 896,207
Investment properties	66,937	455,323	522,260
Total assets affected	$ 930,782	$ 487,685	$ 1,418,467
Deferred tax liabilities	$ 54,895	$ 23,559	$ 78,454
Total liabilities affected	$ 54,895	$ 23,559	$ 78,454
Losses to be offset	($ 494,359)	$ 464,126	($ 30,233)
Total liabilities affected	($ 494,359)	$ 464,126	($ 30,233)
Effect of comprehensive income			
2023			
Other gains and losses	$ 13	($ 8,685)	($ 8,672)
Share of profit or loss of subsidiaries and affiliated companies recognized using the equity method	(76,018)	1,263	(74,755)
Tax income	31,366	500	31,866
Effect of net loss for the current year	(44,639)	(6,922)	(51,561)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on the translation of foreign operations	(10,078)	275	(9,803)
Effect of other comprehensive income after tax in the period	(10,078)	275	(9,803)
Effect of the total comprehensive income in the period	($ 54,717)	($ 6,647)	($ 61,364)
Effect of earnings per share (NTD)			
Basic loss per share	($ 1.17)	($ 0.06)	($ 1.23)

(II) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the accounting policies of the Company.

(III) IFRSs endorsed by the Financial Supervisory Commission, applicable from 2025 onwards

New IFRSs	Effective Date Announced by the International Accounting Standards Board (IASB)
Amendments to IAS 21 "Lack of Convertibility".	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 – Revisions to the Application Guidance on the Classification of Financial Assets under "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026 (Note 2)

Note 1: Applicable for annual reporting periods beginning on or after January 1, 2025. When the amendments are first applied for, the period of comparison shall not be re-stated, but the impact shall be recognized in the retained earnings on the date of initial application or the exchange differences of foreign operations under equity (as appropriate) and related assets and liabilities.

Note 2: Applicable for annual reporting periods beginning on or after January 1, 2026, with early application permitted from January 1, 2025. Upon initial application of the amendment, retrospective application is required without the need to restate comparative periods, and the impact of initial application shall be recognized on the date of initial application. However, if an entity can restate comparative periods without the use of hindsight, it may choose to do so.

As of the approval date of these Parent Company Only financial statements, the Company has assessed that the above amendments to standards and interpretations will not have a material impact on its financial position or financial performance.

(IV) IFRSs issued by the IASB that have been published but have not yet been approved and made effective by the Financial Supervisory Commission (FSC)

New IFRSs	Effective date announced by the IASB (Note)
"Annual Improvements to IFRS Standards – Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – "Contracts Involving Non-Firm Renewable 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 otherwise specified, all new/amended/modified standards and interpretations above shall take effect from the financial year that begins after the specified date.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements" and the main changes include:

- The statement of profit or loss shall classify income and expense items into operating, investing, financing, income tax, and discontinued operations categories.
- The statement of profit or loss shall present subtotals and totals for operating profit or loss, profit or loss before financing and income taxes, and total profit or loss.
- Guidance is provided to enhance the requirements for aggregation and disaggregation: the Company is required to identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and to classify and aggregate them based on shared characteristics, such that each line item presented in the primary financial statements reflects at least one common characteristic. Items with dissimilar characteristics shall be disaggregated

in the primary financial statements and the notes. The Company will label such items as “other” only when no more informative label can be identified.

- Enhanced disclosure of management-defined performance measures: When the Company engages in public communications outside of the financial statements, and conveys management’s perspective on an aspect of the Company’s overall financial performance to users of the financial statements, it shall disclose, in a single note to the financial statements, relevant information regarding the management-defined performance measure. This includes a description of the measure, how it is calculated, a reconciliation to the subtotals or totals specified by IFRS Standards, and the income tax effects of the related reconciling items.

Aside from the impacts mentioned above, as of the approval date of these Parent Company Only financial statements, the Company is still assessing the effects of the amendments to various standards and interpretations on its parent company financial position and performance. The relevant impacts will be disclosed once the assessment is complete.

4. Summary of Significant Accounting Policies

(1) 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.

(2) Basis of Preparation

Except for financial instruments measured at fair value, investment property, and net defined benefit liabilities recognized based on the present value of defined benefit obligations less the fair value of plan assets, these Parent Company Only financial statements have been prepared on a historical cost basis.

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

1. Level 1 inputs: refers to the quoted price (unadjusted) of the same asset or liability available in the active market on the measurement date.
2. Level 2 inputs: these are observable input values for assets or liabilities, either directly (i.e., the price itself) or indirectly (i.e., derived from prices), other than Level 1 quoted prices.
3. Level 3 inputs: this refers to unobservable input values for assets or liabilities.

The subsidiaries and affiliates are incorporated in the Parent Company Only financial statements under the equity method. In order to align the current period profit or loss, other comprehensive income, and equity reported in these Parent Company Only financial statements with the profit or loss, other comprehensive income, and equity attributable to owners of the Company as presented in the consolidated financial statements, certain accounting differences between the Parent Company Only basis and consolidated basis have been adjusted under "Investments accounted for using the equity method," "Share of profit or loss of subsidiaries and associates accounted for using the equity method," "Share of other comprehensive income of subsidiaries and associates accounted for using the equity method," and the related equity items.

(3) Classification of current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within twelve months after the reporting period; and
3. Cash unless the asset is restricted from being used for an exchange or used to settle a liability for more than twelve months after the reporting period.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities expected to be settled within twelve months after the reporting period even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
3. Liabilities for which, as of the balance sheet date, there is no substantive right to defer settlement for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as abovementioned are classified as noncurrent.

(4) Foreign Currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (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 year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year 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 case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are recognized at the rates of exchange prevailing at the dates of the transactions and are not retranslated.

For the purpose of presenting Parent Company Only financial statements, the assets and liabilities of foreign operations are translated into the presentation currency - New Taiwan dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(5) Inventory

Inventories are finished goods and are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, the assessment is made on an item-by-item basis, except for inventories within the same category. 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 weighted-average cost.

(6) Investment 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 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 share of other equity of subsidiaries.

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

When the Company's share of loss in a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are substantially part of the Company's net investment in the subsidiary), the loss continues to be recognized in proportion to the Company's ownership.

The excess of the acquisition cost over the Company's share of the net fair value of the identifiable assets and liabilities of a business-acquired subsidiary as of the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized. If the Company's share of the net fair value of the identifiable assets and liabilities of a business-acquired subsidiary as of the acquisition date exceeds the acquisition cost, the excess is recognized as current-period income.

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. 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), had no impairment loss been recognized in prior years. Impairment losses related to goodwill shall not be reversed in subsequent periods.

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 previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, 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 if the Company had directly disposed of the related assets or liabilities.

Unrealized profits or losses on downstream transactions with subsidiaries are eliminated in the Parent Company Only financial statements. Profits and losses on upstream and sidestream transactions with subsidiaries are recognized in Parent Company Only financial statements only to the extent of interests in the subsidiary that are not related to the Company.

(7) Investment in associates

An associate is an entity over which the Company and its subsidiaries have significant influence and that is not a subsidiary.

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

Under the equity method, an investment in an associate 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 associate. The Group also recognizes the changes in the proportionate share of equity of associates.

Any excess of the cost of acquisition over the Comapny's share of the net fair value of the identifiable assets and liabilities of an associate recognized 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 over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Company and its subsidiaries' share of equity of associates. If the Group's ownership interest is reduced due to non-subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be a deduction to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is deducted from retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (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 Group's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, including goodwill, that compose the carrying amount. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

The Company discontinues the use of the equity method from the date its investment ceases to be an associate. The retained interest in the former associate is measured at fair value, and the difference between such fair value (including any consideration received) and the carrying amount of the investment on the date the equity method is discontinued is recognized in profit or loss for the year. In addition, all amounts previously recognized in other comprehensive income that are related to the affiliate are accounted for on the same basis as would be required if the affiliate had directly disposed of the related assets or liabilities.

When the Company transacts with its associates (upstream, downstream, and sidestream), profits and losses on these transactions are recognized in the Parent Company Only financial statements only to the extent of interests in the associate that are not related to the Company.

(8) Property, Plants, and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Properties in the course of construction are carried at cost, less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use and depreciated accordingly.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Except for owned land, which is not depreciated, the difference between the net disposal proceeds and the carrying amount of other property, plant, and equipment upon derecognition is recognized in profit or loss.

(9) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment property also includes land held for currently undetermined future use.

Self-owned investment property is initially measured at cost (including transaction cost).

Investment property is reclassified to property, plant, and equipment at its fair value on the date it begins to be owner-occupied.

When the property, plant and equipment is transferred to investment property after own use, the difference between the original book value and fair value is recognized in other comprehensive income and accumulated in equity under the revaluation increase in equity, and then derecognized from the asset is transferred directly to retained earnings.

(10) Intangible Assets

1. Acquired separately

Separately acquired intangible assets with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives. The Company reviews the estimated useful lives, residual values, and amortization methods at least at the end of each financial year, and applies the effects of any changes in accounting estimates prospectively.

2. Derecognition

Upon 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 for the period.

(11) Impairment of property, plant and equipment, right-of-use assets, and intangible assets

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets, and intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. 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.

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. The impairment loss is recognized in profit or loss.

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

(12) Financial instruments

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

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities not at fair value through profit or loss are added to 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 fair value through profit or loss 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.

(1) Measurement category

Financial assets held by the Company are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

A. Financial assets at amortized cost

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

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

Financial assets measured at amortized cost (including cash, accounts receivable measured at amortized cost, other receivables, and refundable deposits) are, after initial recognition, measured at amortized cost using the effective interest method, which is the gross carrying amount less any impairment losses. Any foreign exchange gains or losses are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying

amount of a financial asset except for the following situations:

a. The interest revenue of purchased or originated credit-impaired financial assets shall be calculated by applying the effective interest rate to the amortized cost of a financial asset.

b. For those financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The interest revenue shall be calculated by applying the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets become credit-impaired when the following events occur: the significant financial difficulty of the issuer or the borrower; a breach of contract; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

B. 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 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, they will be transferred to retained earnings.

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

(2) Impairment of financial assets

At the end of each reporting period, the Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit loss (ECL) for accounts receivable. For other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

For internal risk management purpose, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

A. Internal or external information shows that the debtor is unlikely to pay its creditors.

B. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account,

(3) Removal 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 an equity instrument at FVTOCI in its entirety, the cumulative gain or loss is transferred directly to retained earnings, without recycling through profit or loss.

2. Equity instruments

Debt and equity instruments issued by the Company are classified into financial liabilities or equity depending on the terms of the underlying contract and the definitions of financial liability and equity used.

Equity instruments issued by the Company are recognized at the amount of proceeds received net of direct issuing costs.

The repurchase of the Company's own equity instruments is recognized and deducted under equity. The carrying amount is calculated using the weighted average cost by class of shares. Purchases, sales, issuances, or cancellations of the Company's own equity instruments are not recognized in profit or loss.

3. Financial Liabilities

(1) Subsequent measurement

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

(2) Removal of Financial Liabilities

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

(13) Revenue Recognition

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

<u>Revenue from sale of goods</u>

Revenue comes from the sale of various electronic components. Sales revenue is recognized when the customer obtains the control of good, i.e. when the good is delivered to the buyer, the buyer has discretion in establishing the sales price and channel for the specified good and there is no unsatisfied performance obligation of the Company that may impact the recognition of revenue and accounts receivable at the customer's acceptance. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the Group has objective evidence that all criteria for acceptance have been satisfied.

(14) Leases

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

1. The Company as lessor

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

The sublease shall be classified by reference to the right-of-use asset rather than by reference to the underlying asset. If the head lease is a short-term lease that the entity has accounted for applying a recognition exemption, the sublease shall be classified as an operating lease.

Under an operating lease, lease payment after the deduction of lease incentives is recognized as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Company. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2. Where the Company is a Lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for 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 includes the initial measurement amount of the lease liability. Subsequently, they are measured at cost less accumulated depreciation and accumulated impairment losses, and are adjusted for any remeasurement of the lease liability.

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 (including 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 Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If changes in the lease term or lease payments result in a modification of future lease payments, the Company remeasures the lease liability and correspondingly adjusts the right-of-use asset. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. lease liabilities are presented on a separate line in the Parent Company Only balance sheets.

(15) Employee benefits

1. Short-term Employee Welfare

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 service.

2. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest, and remeasurement) under the 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 liability are recognized as employee benefits expense in the period 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 they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Group's defined benefit plan. The net defined benefit asset shall not exceed the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

(16) Taxation

Income tax expenses represent the sum of the tax currently payable and deferred tax.

1. Current Income Tax

The Company determines current income (loss) in accordance with the Income Tax Act of the Republic of China, which serves as the basis for calculating income tax payable (recoverable).

According to the Income Tax Law 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 Income 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 income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and tax loss carryforwards can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, 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. Deductible temporary differences relating to these investments are recognized as deferred income tax assets only to the extent that sufficient taxable income can be earned to realize the temporary differences, and that reversal is expected in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow all or part of 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 liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment property measured at fair value is a non-depreciable asset, the Company assumes recovery of the asset's carrying amount through sale.

3. Current and deferred tax

Current and deferred income taxes are recognized in profit or loss, except for those related to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

5. Key Sources of Significant Accounting Judgments, Estimates, and Assumptions of Uncertainty

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions that 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.

The accounting policies, estimates, and underlying assumptions adopted by the Company have been assessed by management, and no significant accounting judgments, estimates, or assumption uncertainties have been identified.

6. Cash

	December 31, 2024	December 31, 2023
Cash on hand	$ 528	$ 805
Checking accounts and demand deposits	39,631	36,366
	$ 40,159	$ 37,171

7. Investments in equity instruments at FVTOCI

	December 31, 2024
Non-current	
Domestic investments	
Unlisted (OTC) stocks	
Common shares of SKYMIZER TAIWAN INC.	$ 32,614
Common shares of CERMAX CO., LTD.	15,063
	$ 47,677

The Company has invested in the common shares of Skymizer Taiwan Inc., Cermax Co., Ltd., Soyo Link Energy Co., Ltd., Li Wang Technology Co., Ltd., and S Square System Ltd. for medium- to long-term strategic purposes, and expects to generate profits through long-term investment. The management elected to designate these investments 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.

The Group is unable to recover the investment costs as Soyo Link Energy Co., Ltd., and Li Wang Technology Co., Ltd., have discontinued their operation and S SQUARE SYSTEM LTD., has been incurring losses for several years. Their fair value was assessed to be zero.

8. Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	$ 250,221	$ 184,434
Less: allowance	(1,249)	(38)
	$ 248,972	$ 184,396

The average credit period on sales of goods is 30-150 days with no interest. The rating of major customers is given by using public financial information that is readily available and historical transaction records. The Company's credit exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the management annually.

In order to reduce the credit risk, the Company assigns a team responsible for the determination and approval of credit limits and takes other monitoring measures to ensure that proper actions have been taken to recover the overdue accounts receivable. Additionally, the Company reviews the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables. Accordingly, the management of the Company believes that the Company's credit risk has been significantly reduced.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated considering the past default experience of the debtor and the debtor's current financial position. 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 Company's different customer base.

The Company writes off accounts receivable when there is information 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 trade receivables:

December 31, 2024

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.04%	3.73%	18.85%	-	100.00%	
Gross carrying amount	$ 232,950	$ 15,819	$ 1,093	$ -	$ 359	$ 250,221
Loss allowance (lifetime ECL)	(94)	(590)	(206)	-	(359)	(1,249)
Amortized cost	$ 232,856	$ 15,229	$ 887	$ -	$ -	$ 248,972

December 31, 2023

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.02%	-	-	-	-	
Gross carrying amount	$ 184,434	$ -	$ -	$ -	$ -	$ 184,434
Loss allowance (lifetime ECL)	(38)	-	-	-	-	(38)
Amortized cost	$ 184,396	$ -	$ -	$ -	$ -	$ 184,396

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

	2024	2023
Balance, beginning of year	$ 38	$ 46
Add: Impairment loss recognized for the current year	1,211	-
Less: Reversal	-	(8)
Balance, end of year	$ 1,249	$ 38

9. Inventory

	December 31, 2024	December 31, 2023
Finished goods	$ 63,578	$ 60,229

Cost of goods sold related to inventories includes inventory losses recognized from writing down inventory costs to net realizable value during the reporting period, as well as inventory recovery gains recognized due to increases in net realizable value. The amounts are listed as follows:

	2024	2023
Inventory valuation and obsolescence reversal gain (loss)	$ 3,930	($ 2,835)

10. Investments accounted for using equity method

	December 31, 2024	December 31, 2023
Subsidiary	$ 1,156,553	$ 913,653
Investment in associates	-	19,154
	$ 1,156,553	$ 932,807

(1) Investment in Subsidiaries

	December 31, 2024	December 31, 2023
J.B.T Industrial Co., Ltd. (J.B.T)	$ 582,069	$ 506,123
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	284,493	231,826
JHK Artificial Intelligence (Kunshan) Co., Ltd. (Note) (J.H.K)	80,689	78,917
Ji-Haw Investment Co., Ltd. (J.H.I.)	4,822	4,415
JI-HAW TECHNOLOGY VN CO., LTD (J.H.V)	2,626	2,768
CHINTEK INC. (CHINTEK)	71,112	89,604
Emergence A.I CO., LTD. (Emergence A.I)	4,998	-
Heph A.I studios Technology CO., LTD. (Heph A.I studios Technology)	33,072	-
SILICON TEST TECH. CORP. (SILICON TEST TECH)	33,900	-
Jin-Zuan Semiconductor Investment Co., Ltd. (Jin-Zuan Semiconductor)	58,772	-
	$ 1,156,553	$ 913,653

Note: The company changed its name from JHK Electronics (Kunshan) Co., Ltd. to JHK Artificial Intelligence (Kunshan) Co., Ltd. on September 25, 2023.

The proportion of the Company's ownership in the equity and voting rights of subsidiaries on the balance sheet date was as follows:

	December 31, 2024	December 31, 2023
J.B.T	100.00%	100.00%
J.H.P (Note 1)	40.48%	40.48%
J.H.K	100.00%	100.00%
J.H.I	100.00%	100.00%
J.H.V (Note 2)	100.00%	100.00%
CHINTEK (Note 3)	100.00%	100.00%
Emergence A.I (Note 4)	66.67%	-
Heph A.I studios Technology (Note 5)	100.00%	-
Silicon Test Tech Corp (Note 6)	68.93%	-
Jin-Juan Semiconductor (Note 7)	53.22%	-

Note 1: 40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.

Note 2: In response to market demand, the company completed its incorporation and registration on September 27, 2023.

Note 3: To expand its automotive product line and market, the Company acquired 100% equity interest in the company for NT$98,000 thousand in cash on October 27, 2023. Please refer to Note 28 of the Company’s 2024 consolidated financial statements.

Note 4: In response to market demand, the company completed its incorporation and registration on February 23, 2024.

Note 5: In response to market demand, the company completed its incorporation and registration on March 4, 2024.

Note 6: Due to market demand, the Company acquired a 51.03% equity interest in the company for NT$39,000 thousand in cash on March 25, 2024. Please refer to Note 28 of the Company’s 2024 consolidated financial statements. An additional investment of NT$15,000 thousand was made on October 8, 2024, increasing the Company’s equity interest to 68.93%. Please refer to Note 29 of the Company’s 2024 consolidated financial statements.

Note 7: For changes in the Company’s equity interest in the investee, please refer to (2) Investments in Associates and Note 28 of the Company’s 2024 consolidated financial statements.

(2) Investment in associates

	December 31, 2023
Individual non-significant associates	
CERMAX CO., LTD. (CERMAX)	$ 19,154
Jin-Zuan Semiconductor Investment Co., Ltd. (Jin-Zuan Semiconductor)	-
	$ 19,154

The Company established Jin-Juan Semiconductor with a cash investment of NT$40,000 thousand on March 8, 2024. On March 28, 2024, the investee conducted a cash capital increase of NT$125,000 thousand, in which the Company did not participate, resulting in the loss of control. Therefore, the investee is classified as an individually immaterial associate. The company conducted a capital reduction and returned capital of NT$78,375 thousand on May 15, 2024, of which the Company received NT$19,000 thousand. The Company acquired 13.39% and 15.59% equity interests in the company for NT$21,066 thousand and NT$21,762 thousand in cash on

August 28, 2024 and November 15, 2024, respectively, resulting in a total equity interest of 53.22% and thereby making the company a subsidiary of the Company. This acquisition resulted in a total bargain purchase gain of NT$5,998 thousand. The company officially became a subsidiary of the Company on November 15, 2024. For details, please refer to (1) Investments in Subsidiaries.

The Company acquired CERMAX as an individually immaterial associate for NT$20,000 thousand in cash on November 10, 2023. The goodwill generated from the acquisition of these companies is the cost of NTD 14,075 thousand serially credited to the associates. The company conducted a cash capital increase on October 6, 2024, in which the Company did not participate, resulting in the loss of significant influence. The remaining 18.81% equity interest held by the Company was remeasured at its fair value of NT$19,700 thousand on that date and reclassified as a financial asset measured at fair value through other comprehensive income. As a result, the Company recognized a net gain on reclassification of financial assets in the amount of NT$3,617 thousand.

Financial information about the Company's associates was as follows:

	2024	2023
The Company's share		
Net loss for the year	$ 695	($ 846)
Other comprehensive income	8,800	-
	$ 9,495	($ 846)

11. Property, plants, and equipment

	Land	Buildings	Machinery and equipment	Transportation Equipment	Other equipment	Leasehold improvements	Construction in progress	Total
Cost								
Balance on January 1, 2024	$ 184,300	$ 13,958	$ 33,818	$ 3,910	$ 2,558	$ -	$ -	$ 238,544
Additions	77	-	12,550	-	1,768	10,418	9,462	34,275
Disposals	-	-	(1,646)	-	(583)	-	-	(2,229)
Reclassified as investment property	(69,660)	-	-	-	-	-	-	(69,660)
Reclassified	-	-	-	-	-	-	19,945	19,945
Balance on December 31, 2024	$ 114,717	$ 13,958	$ 44,722	$ 3,910	$ 3,743	$ 10,418	$ 29,407	$ 220,875
Accumulated Depreciation								
Balance on January 1, 2024	$ -	$ 11,272	$ 26,138	$ 3,031	$ 1,835	$ -	$ -	$ 42,276
Depreciation expense	-	663	3,231	454	535	2,874	-	7,757
Disposals	-	-	(1,646)	-	(583)	-	-	(2,229)
Balance on December 31, 2024	$ -	$ 11,935	$ 27,723	$ 3,485	$ 1,787	$ 2,874	$ -	$ 47,804
Carrying amount at December 31, 2024	$ 114,717	$ 2,023	$ 16,999	$ 425	$ 1,956	$ 7,544	$ 29,407	$ 173,071
Cost								
Balance on January 1, 2023	$ 88,121	$ 13,958	$ 41,784	$ 3,910	$ 2,843	$ -	$ -	$ 150,616
Additions	96,179	-	199	-	80	-	-	96,458
Disposals	-	-	(8,165)	-	(365)	-	-	(8,530)
Balance on December 31, 2023	$ 184,300	$ 13,958	$ 33,818	$ 3,910	$ 2,558	$ -	$ -	$ 238,544
Accumulated Depreciation								
Balance on January 1, 2023	$ -	$ 10,604	$ 27,580	$ 2,437	$ 1,820	$ -	$ -	$ 42,441
Depreciation expense	-	668	4,114	594	380	-	-	5,756
Disposals	-	-	(5,556)	-	(365)	-)	-	(5,921)
Balance on December 31, 2023	$ -	$ 11,272	$ 26,138	$ 3,031	$ 1,835	$ -	$ -	$ 42,276
Carrying amount at December 31, 2023	$ 184,300	$ 2,686	$ 7,680	$ 879	$ 723	$ -	$ -	$ 196,268

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

Buildings	10-24 years
Machinery and equipment	5-8 years
Transportation Equipment	5 years
Other equipment	2-5 years
Leasehold improvements	3 years

Depreciation is calculated over the estimated useful lives of 10 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

Please refer to Note 26 for the amount of property, plants, and equipment pledged for borrowing.

12. Lease agreement

(I) Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amounts		
Buildings	$ 15,542	$ 14,520
Transportation Equipment	5,021	4,024
	$ 20,563	$ 18,544

	2024	2023
Additions to right-of-use assets	$ 11,724	$ 19,903
Depreciation charge for right-of-use assets		
Buildings	$ 6,842	$ 854
Transportation Equipment	1,803	505
	$ 8,645	$ 1,359
Revenue from sublease of right-of-use assets (recognized as other income)	($ 6,404)	$ -

(2) Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount		
Current	$ 11,189	$ 6,751
Non-current	$ 10,485	$ 11,902

Range of discount rates for lease liabilities was as follows:

	December 31, 2024	December 31, 2023
Buildings	2.00%~3.07%	2.10%
Transportation Equipment	2.10%~3.52%	2.10%~2.30%

(III) Other rental information

	December 31, 2024	December 31, 2023
Total cash outflow for leases	($ 8,697)	($ 978)

13. Investment properties (restated)

Investment property measured at fair value

	Land and buildings
Balance on January 1, 2024	$ 512,182
From property, plant and equipment	69,660
Gain on fair value change	21,847
Revaluation surplus of property	237,658
Balance on December 31, 2024	$ 841,347
Balance on January 1, 2023	$ 522,260
Losses from changes in fair value	(10,078)
Balance on December 31, 2023	$ 512,182

Investment property is measured at fair value on a recurring basis. The valuation basis of its fair value is as follows:

	December 31, 2024	December 31, 2023
Outsourced appraisal and review by CPAs	$ 841,347	$ 512,182

The Company measures the following investment properties subsequently using the income approach based on the discounted cash flow analysis method. The key contractual terms and valuation information are as follows:

December 31, 2024

Target	New Taipei City Xindian District Office
Important contract terms	1. Rent: 184 thousand/month 2. Remaining lease term: 6 months
Local rent prices	NTD 526 - NTD 841 NTD/ping/month
Rent prices of similar properties	Same as above
Current status	Normal use
Discount rate	3.770%
Outsourced or self-assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers
Name of appraiser	Ming-Hang Tsai, Che-Hao Yang
Date of Valuation	December 31, 2024
Fair value of outsourced appraisal	NT$534,029 thousand

December 31, 2023

Target	New Taipei City Xindian District Office
Important contract terms	1. Rent: NTD 184 - NTD 225 thousand/month 2. Remaining lease term: 6 months
Local rent prices	NTD 500 - NTD 700 NTD/ping/month
Rent prices of similar properties	Same as above
Current status	Normal use
Discount rate	3.645%
Outsourced or self-assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers
Name of appraiser	Tsai Ming-Hang
Date of Valuation	December 31, 2023
Fair value of outsourced appraisal	NTD 512,182 thousand

The fair value of investment property amounting to 10% of total assets as of December 31, 2023 was appraised on August 1, 2024 by Tsai Ming-Hang, a real estate appraiser of Zhan-Mao Real Estate Appraisers, which is qualified as a real estate appraiser in Taiwan. The basis of the review was issued on August 1, 2024 by Cheng Yun-Ta, a CPA of Atax Accounting Firm, and the conclusion of the review was that the fair values were reasonable.

The valuation procedure of the income approach is to estimate the effective total revenue, estimate the total expenses, calculate the net income, determine the discount rate and calculate the income price. The above parameters are estimated based on the relevant information of the subject of evaluation and the comparison target with the same or similar characteristics in the last three years, and adjusted after judging their continuity, stability and growth, in order to confirm the availability and reasonableness of the information. Changes in revenues (cash inflows) and expenses (cash outflows) for future periods are based on the historical revenues and expenses (cash flows) of the subject of the survey, the revenues and expenses (cash flows) of comparable industry or alternative comparables, the rate of idleness or loss, and the current or probable future planned revenues and expenses. The objective net income after deducting the total expenses from the total revenue is based on the objective net income that can make the most effective use of the subject matter survey, and is extrapolated by referring to the income of the neighboring similar property under the most effective use.

Except for undeveloped land, the fair value of investment property is assessed using the income approach. The key assumptions are as follows. When the estimated capitalization rate or discount rate decreases (increases), the fair value will increase (decrease).

	2024	2023
Discount rate	3.770%	3.645%
Income capitalization	1.73%	1.73%

The discounted cash flow (DCF) analysis under the income approach is used as the valuation method. During the lease term, the valuation is based on the contractual rent provided by the Company; after the lease term expires, the valuation is based on market rent. Discounted cash flow analysis under income approach: It refers to the method in which the net income and ending value of each period during the future discounted cash flow analysis period of the subject of survey are discounted at an appropriate discount rate and then summed up to estimate the price of the subject of survey. Applicable to real estate investment evaluation for investment purpose.

The Company measures the following investment properties subsequently using the land development analysis method. The key contractual terms and valuation information are as follows:

December 31, 2024

Target	Land in Baoxing Section, Xindian District, New Taipei City
Estimated Total Sales Amount	NT$749,848 thousand
Current status	Normal use
Profit Margin	18.000%
Comprehensive Capital Interest Rate	2.770%
Outsourced or self-assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers
Name of appraiser	Tsai Ming-Hang
Date of Valuation	September 30, 2024 (Note)
Fair value of outsourced appraisal	NT$307,318 thousand

Note: A valuer's statement on the validity of the original valuation report as of December 31, 2024, has been obtained.

The Company's land located in Baoxing Section, Xindian District, New Taipei City, is currently used as a temporary parking lot. As the land is undeveloped and there is no existing lease agreement, and due to the limited number of comparable lease transactions for industrial land in the area, its fair value is assessed using the land development analysis method. When the estimated total sales amount increases (decreases), the profit margin decreases (increases), or the comprehensive capital interest rate decreases (increases), the fair value will increase (decrease).

Based on the legally designated use and development intensity of the land, changes in land value resulting from development and improvement are assessed. The estimated total sales amount after development or construction is calculated, from which direct costs, indirect costs, capital interest, and profit during the development period are deducted. The resulting amount represents the land development analysis value prior to development or construction, which is referred to as the land development analysis price. The procedures for land development analysis valuation are as follows:

(1) Determine the land development plan and expected development timeline.

(2) Investigate various costs and related expenses, and collect market data.

(3) Conduct an on-site inspection and assess the level of environmental development.

(4) Estimate the area of land or buildings to be sold after development or construction.

(5) Estimate the total sales amount after development or construction.

(6) Estimate various costs and related expenses.

(7) Select an appropriate profit margin and comprehensive capital interest rate.

(8) Calculate the land development analysis value.

The forecast for the overall economic situation is as follows:

(1) Taiwan's export products have been influenced by the rise of artificial intelligence opportunities, with information and communication technology (ICT) and audiovisual products maintaining strong performance. Traditional manufacturing sectors have benefited from restocking demand and an increase in orders.

(2) On the production side, the momentum of information and electronics manufacturing remains robust. The growing demand for high-performance computing, AI applications, and cloud data services has driven wafer foundry production. However, due to the sluggish recovery of the global economy, end-user demand in traditional industries has yet to show a significant rebound.

The investment properties are currently leased out in the form of operating leases, and the rental incomes generated are as follows:

	2024	2023
Rental income	$ 6,193	$ 9,328

Lease payments receivable under operating leases of investment properties in the future was as follows:

	December 31, 2024	December 31, 2023
Year 1	$ 1,103	$ 4,851

14. Intangible Assets

	Software licensing	Technology licensing	Trademark rights	Total
Cost				
Balance on January 1, 2024	$ 8,513	$ 939	$ -	$ 9,452
Acquired separately	11,979		981	12,960
Balance on December 31, 2024	$ 20,492	$ 939	$ 981	$ 22,412
Accumulated Amortization				
Balance on January 1, 2024	$ 71	$ -	$ -	$ 71
Amortization Expenses	1,396	94	14	1,504
Balance on December 31, 2024	$ 1,467	$ 94	$ 14	$ 1,575
Carrying amount at December 31, 2024	$ 19,025	$ 845	$ 967	$ 20,837
Cost				
Balance on January 1, 2023	$ -	$ -	$ -	$ -
Acquired separately	8,513	939	-	9,452
Balance on December 31, 2023	$ 8,513	$ 939	$ -	$ 9,452
Accumulated Amortization				
Balance on January 1, 2023	$ -	$ -	$ -	$ -
Amortization Expenses	71	-	-	71
Balance on December 31, 2023	$ 71	$ -	$ -	$ 71
Carrying amount at December 31, 2023	$ 8,442	$ 939	$ -	$ 9,381

Amortization expenses are provided on a straight-line basis over useful years shown as follows:

Software licensing	2-10 years
Technology licensing	10 years
Trademark rights	10 years

Summary of amortization expenses by function:

	2024	2023
Operating costs	$ 945	$ 71
Administrative expenses	14	-
Research and Development Expenses	545	-
	$ 1,504	$ 71

15. Borrowings

(1) Short-term loans

	December 31, 2024	December 31, 2023
Secured borrowing (Note 26)		
Bank borrowing	$ 590,000	$ 300,000

The interest rates for bank loans were 2.63% and 1.99% per annum as of December 31, 2024 and 2023, respectively.

(2) Long-term loans

	December 31, 2024	December 31, 2023
Secured borrowing (Note 26)		
Bank borrowing	$ 53,400	$ -

The Company obtained new bank borrowings in the amount of NT$53,400 thousand in 2024, secured by its own land as collateral. As of December 31, 2024, the effective annual interest rate ranged from 3.28% to 3.38%.

16. Other payables

	December 31, 2024	December 31, 2023
Salaries and bonuses payable	$ 10,356	$ 7,944
Payables for expenses	6,718	5,779
Other payables – related parties (Note 25)	1,763	-
	$ 18,837	$ 13,723

17. Post-retirement benefit plan

(1) Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (the “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.

(2) Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. 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 5.8% 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, Ministry of Labor. The Company has no right to influence the investment policy and strategy.

The amounts included in the Parent Company Only balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 1,694	$ 1,935
Fair value of plan assets	(1,502)	(1,049)
Net defined benefit liabilities	$ 192	$ 886

Movements in net defined benefit liabilities were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Balance on January 1, 2023	$ 7,522	($ 6,699)	$ 823
Current service cost	66	-	66
Net interest expense	127	-	127
Expected return on plan assets	-	(118)	(118)
Recognized in profit or loss	193	(118)	75
Remeasurement			
Actuarial profit or loss - changes in assumptions	102	22	124
Actuarial profit or loss - changes in experience	184	-	184
Recognized in other comprehensive income or loss	286	22	308
Contributions from the employer	-	(320)	(320)
Benefits paid	(6,066)	6,066	-
Balance on December 31, 2023	$ 1,935	($ 1,049)	$ 886
Balance on January 1, 2024	$ 1,935	($ 1,049)	$ 886
Net interest expense	23	-	23
Expected return on plan assets	-	(14)	(14)
Recognized in profit or loss	23	(14)	9
Remeasurement			
Actuarial profit or loss - changes in assumptions	(3)	(250)	(253)
Actuarial profit or loss - changes in experience	(261)	-	(261)
Recognized in other comprehensive income or loss	(264)	(250)	(514)
Contributions from the employer	-	(189)	(189)
Balance on December 31, 2024	$ 1,694	($ 1,502)	$ 192

An analysis by function of the amounts recognized in profit or loss in respect to the defined benefit plans is as follows:

	2024	2023
Administrative expenses	$ 9	$ 75

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

1. Investment risk: The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
2. Interest risk: A decrease in the corporate 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 plan's debt investments.
3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary 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 principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.2407%	1.222%
Expected return on plan assets	1.2407%	1.222%
Expected rate of salary increase	0.5000%	0.500%

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

	December 31, 2024	December 31, 2023
Discount rate		
0.25% increase	($ 43)	($ 55)
0.25% decrease	$ 44	$ 57
Expected rate of salary increase		
0.25% increase	$ 44	$ 56
0.25% decrease	($ 42)	($ 54)
Expected return on plan assets		
0.25% increase	$ -	($ 1)
0.25% decrease	$ -	$ 1

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

	December 31, 2024	December 31, 2023
The expected contributions to the plan for the next year	$ 191	$ 230
The average duration of the defined benefit obligation	10.47 years	11.75 years

18. Equity (Restated)

(1) Common stock share capital

	December 31, 2024	December 31, 2023
Number of shares authorized (in thousands)	180,000	180,000
Amount of shares authorized	$ 1,800,000	$ 1,800,000
Number of shares issued and fully paid (in thousands)	112,719	112,719
Amount of shares issued	$ 1,127,192	$ 1,127,192

Fully paid ordinary shares, with a par value of NT$10, each of which carries one vote per share and carry a right to receive dividends. The portion of authorized capital reserved for the issuance of employee stock options is 27,000,000 shares.

(2) Capital Reserve

	December 31, 2024	December 31, 2023
It may be used to offset losses, distribute cash, or allocate to share capital.		
Additional paid-in capital	$ -	$200,024
Treasury share transactions	-	25,915
Donated assets received	758	758
	$ 758	$226,697

The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital and once a year).

(3) Retained earnings and dividend policy

According to the company's articles of association and profit distribution policy, if there is a surplus in the annual financial statements, it shall be used to pay taxes and make up for accumulated losses. Subsequently, 10% is set aside as a statutory surplus reserve until it reaches the paid-in capital. Any remaining surplus may be allocated or reversed according to the company's operational needs or legal requirements as special surplus reserves. If there is still a balance, it will be added to the accumulated undistributed profits, and the board of directors will propose a profit distribution resolution to the shareholders' meeting for approval, ranging from 10% to 100%. For the policies on the distribution of compensation of employees and remuneration of directors set forth in the Articles of Incorporation, refer to "Compensation of employees and remuneration of directors" in Note 20 (g).

The cash dividend shall not be less than 30% of the total dividend. However, if the cash dividend per share is less than NT$0.1, it may be changed to a stock dividend. The ratio of profit distribution may be adjusted based on factors such as the actual profit for the year, capital budgeting, and financial conditions.

Appropriation of earnings to the legal reserve could be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. When the company has no losses, the portion of the statutory surplus reserve exceeding 25% of the total paid-in capital may be used for capitalization, and the remainder may be distributed in cash.

The company held shareholder meetings on June 28, 2024, and June 29, 2023, respectively, and passed resolutions for the appropriation of losses for 2023 and 2022.

The loss offset proposal for 2023 is as follows:

	2023
Legal reserve to offset deficits	($ 23,586)
Special surplus reserve for offsetting deficits	($ 218,029)
Capital reserve to offset deficit	($ 225,939)

The Board of Directors proposed the following loss offset plan for 2024 on March 17, 2025:

	2024
Special surplus reserve for offsetting deficits	($ 248,697)

The loss offset plan for 2023 is subject to approval by the shareholders at the Annual General Meeting scheduled to be held in June 2025.

(4) Special reserve

	December 31, 2024
Initial Amount Recognized upon First Adoption of the Fair Value Model for Investment Property	$ 298,757

When investment property is initially measured at fair value, the net increase in fair value is transferred to retained earnings. However, if the retained earnings are insufficient, a special reserve is appropriated only to the extent of the recorded retained earnings. Subsequent net increases in fair value are appropriated to a special reserve. If the cumulative net increase in fair value decreases or the investment property is disposed of in the future, the previously appropriated special reserve may be reversed accordingly. If the investment property is reclassified as property, plant and equipment, the related special reserve is reversed as the asset is subsequently depreciated.

(5) Other Equity Items

1. Unrealized Gain or Loss on Financial Assets Measured at Fair Value Through Other Comprehensive Income

	2024	2023
Balance, beginning of year	($ 14,000)	($ 14,000)
In respect of the current year		
Unrealized gain or loss on equity instruments	(4,363)	-
Share of Other Comprehensive Income of Subsidiaries and Associates Accounted for Using the Equity Method	(14,583)	-
Balance, end of year	($ 32,946)	($ 14,000)

2. Revaluation increment of property

	2024
Balance, beginning of year	$ -
Revaluation increment of property	237,658
Share of Other Comprehensive Income of Subsidiaries and Associates Accounted for Using the Equity Method	192,504
Income tax recognized in other comprehensive income	(29,459)
Balance, end of year	$ 400,703

19. Revenue

	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	$ 577,905	$ 533,710

(1) Balance of contract

	December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivable (note 8)	$ 250,221	$ 184,434	$ 192,808

(2) Disaggregation of revenue from contracts with customers

2024

	Reportable segment		
	Connection cables	Others	Total
Category of products or services			
Revenue from sale of goods	$ 575,485	$ 2,420	$ 577,905

2023

	Reportable segment		
	Connection cables	Others	Total
Category of products or services			
Revenue from sale of goods	$ 528,503	$ 5,207	$ 533,710

20. Net loss (restated)

(1) Interest income

	2024	2023
Bank deposits	$ 511	$ 1,742
Others	73	-
	$ 584	$ 1,742

(2) Other income

	2024	2023
Rental income	$ 12,597	$ 9,328
Bargain purchase gain	5,998	-
Others	365	112
	$ 18,960	$ 9,440

(3) Other gains and losses

	2024	2023
Foreign currency exchange gain (loss), net	($ 5,038)	$ 4,015
Gain on Fair Value Adjustment of Investment Property	21,847	(10,078)
Net gain on reclassification of financial assets	3,617	-
Impairment loss on equity method assets	(39,176)	-
Loss on lease modification	(353)	-
Loss on disposal of property, plant and equipment	-	(2,609)
Others	(10,621)	-
	($ 29,724)	($ 8,672)

(4) Financial cost

	2024	2023
Interest expense from bank borrowing	$ 7,898	$ 2,720
Interest expense from lease liabilities	477	84
	$ 8,375	$ 2,804

Information on interest capitalization is as follows:

	2024	2023
Amount of capitalized interest	$ 3,747	$ -
Interest rate of capitalized interest	2.07%~3.29%	-

(5) Depreciation and amortization

	2024	2023
Property, plants, and equipment	$ 7,757	$ 5,756
Right-of-use assets	8,645	1,359
Intangible assets	1,504	71
Total	$ 17,906	$ 7,186
Analysis of depreciation by function		
Operating expenses	$ 6,687	$ 7,115
Other gains and losses	9,715	-
	$ 16,402	$ 7,115
Amortization expenses by function		
Operating costs	$ 945	$ 71
Operating expenses	559	-
	$ 1,504	$ 71

(6) Employee welfare expenses

	2024	2023
Retirement benefits		
Defined contribution plan	$ 3,305	$ 2,726
Defined benefit plan (Note 17)	9	75
Subtotal	3,314	2,801
Others	79,955	76,981
Total	$ 83,269	$ 79,782
Analysis of employee benefits by function		
Operating expenses	$ 83,269	$ 79,782

(7) Employee remuneration and directors' remuneration

In accordance with the Company's Articles of Incorporation, employee compensation and director remuneration are allocated at rates ranging from 3% to 15% and 1% to 5%, respectively, based on pre-tax profit before deducting such compensation. As the Company incurred net losses before tax in both 2024 and 2023, no employee compensation or director remuneration has been estimated or recognized.

If the amounts in the annual Parent Company Only financial statements change after the date of issuance, they will be adjusted in the following year's financial statements in accordance with accounting estimates.

The Company held Board of Directors meetings on March 13, 2024, and March 17, 2023, and resolved not to distribute employee compensation and director remuneration for 2023 and 2022, respectively. The resolutions are consistent with the amounts recognized in the Parent Company Only financial statements for 2023 and 2022.

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

(8) Foreign exchange gain

	2024	2023
Total foreign exchange gain	$ 4,435	$ 22,697
Total foreign exchange loss	(9,473)	(18,682)
Net gain	($ 5,038)	$ 4,015

21. Income tax (restated)

(1) Income tax recognized in profit or loss

The main components of income tax benefits are as follows:

	2024	2023
Deferred tax		
In respect of the current year	($ 6,072)	($ 31,866)
Income tax gains recognized in profit or loss	($ 6,072)	($ 31,866)

The reconciliation of accounting profit and income tax benefit was as follows:

	2024	2023
Income Tax Benefit Calculated Based on Statutory Tax Rate on Pre-tax Net Income	($ 50,970)	($ 34,037)
Non-deductible expenses in determining taxable income	10,948	2,580
Land increment value taxes	9,783	-
Unrecognized loss carryforwards	24,167	17,888
Deductible temporary differences not recognized	-	(18,297)
Income tax gains recognized in profit or loss	($ 6,072)	($ 31,866)

(2) Income tax recognized in other comprehensive income

	2024	2023
Deferred tax		
In respect of the current year		
- Re-measurement of defined benefit plans	($ 103)	$ 62
- Share of Other Comprehensive Income of Subsidiaries Accounted for Using the Equity Method	(29,459)	-
	($ 29,562)	$ 62

(3) Current tax assets

	December 31, 2024	December 31, 2023
Current tax assets (Classified under other current assets)		
Tax refund receivable	$ 217	$ 219

(4) Deferred tax assets and liabilities

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

2024

Deferred tax assets	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Balance, end of year
Allowance for write-down of inventories	$ 2,099	($ 786)	$ -	$ 1,313
Defined benefit obligation	1,476	(36)	(103)	1,337
Net unrealized foreign exchange loss	-	352	-	352
Unrealized impairment loss of financial assets	2,800	-	-	2,800
	$ 6,375	($ 470)	($ 103)	$ 5,802

Deferred tax liabilities	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Balance, end of year
Net unrealized foreign exchange gain	$ 245	($ 245)	$ -	$ -
Net gain from foreign investments accounted for using the equity method	29,715	(15,651)	-	14,064
Investment properties	4,124	(429)	-	3,695
Provision for Land Increment Value Taxes	12,209	9,783	-	21,992
	$ 46,293	($ 6,542)	$ -	39,751

2023

Deferred tax assets	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Balance, end of year
Allowance for write-down of inventories	$ 1,532	$ 567	$ -	$ 2,099
Defined benefit obligation	1,463	(49)	62	1,476
Net unrealized foreign exchange loss	812	(812)	-	-
Unrealized impairment loss of financial assets	2,800	-	-	2,800
	$ 6,607	($ 294)	$ 62	$ 6,375

Deferred tax liabilities	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Balance, end of year
Net unrealized foreign exchange gain	$ -	$ 245	$ -	$ 245
Net gain from foreign investments accounted for using the equity method	61,367	(31,652)	-	29,715
Investment properties	4,877	(753)	-	4,124
Provision for Land Increment Value Taxes	12,209	-	-	12,209
	$ 78,454	($ 32,160)	$ -	$ 46,293

(5) Unused loss carryforwards for which no deferred tax assets have been recognized in the Parent Company Only balance sheets

	December 31, 2024	December 31, 2023
Loss carryforwards		
Expiry in 2024	$ -	$ 46,971
Expiry in 2025	51,749	64,045
Expiry in 2026	53,454	53,454
Expiry in 2027	70,987	70,987
Expiry in 2029	67,882	67,882
Expiry in 2030	50,643	50,643
Expiry in 2031	79,357	79,357
Expiry in 2033	79,478	89,439
Expiry in 2034	120,835	-
	$ 574,385	$ 522,778

(6) Assessment of Income Tax Returns

The Company's corporate income tax filings up to and including the 2022 fiscal year have been assessed and approved by the tax authority.

22. Loss per share (restated)

The net loss per share and the weighted average number of common shares issued for the calculation of the net loss per share are as follows:

	2024	2023
Net loss for the year	($248,781)	($138,318)

No. of shares

Unit: thousands of shares

	2024	2023
Weighted average number of ordinary shares used to calculate basic losses per share	112,719	112,719

23. Capital risk management

In consideration of the industry characteristics and future developments, as well as external environmental factors, the Company plans its needs for future working capital, research and development expenses, and dividend payments, in order to ensure that entities in the Group will be able to continue as going concerns while maximizing shareholder value in the long run through maintaining optimal capital structure and the optimization of the debt and equity balance.

The Company's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the management's recommendations, the Company expects to balance its capital structure through the payment of dividends, borrowings from financial institutions or the payment of old debt.

The Company is not subject to any other external capital requirements.

24. Financial Instruments

(1) Fair value – financial instruments not measured at fair value

The Company believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximated their fair values.

(2) Fair value – financial instruments at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Other Comprehensive Income				
Investments in equity instruments				
Unlisted shares on domestic markets	$ -	$ 47,677	$ -	$ 47,677

2. Valuation techniques and inputs for Level 2 fair value measurement

Category of financial instrument	Valuation techniques and inputs
Unlisted shares on domestic markets	Valuation was performed using the market approach, specifically the comparable publicly traded company method, based on average historical volatility and risk-free interest rate as of the valuation reference date.

(3) Categories of Financial Instrument

	December 31, 2024	December 31, 2023
Financial assets		
Measured at fair value through other comprehensive income		
Investments in equity instruments	$ 47,677	$ -
Measured at amortized cost (note 1)	301,701	235,836
Financial liabilities		
Measured at amortized cost (note 2)	1,064,241	592,038

Note 1: The balance includes financial assets measured at amortized cost, such as cash, accounts receivable, other receivables – related parties, other receivables (classified under other current assets), and refundable deposits (classified under other non-current assets).

Note 2: The balance includes financial liabilities measured at amortized cost, such as short-term borrowings, notes and accounts payable, accounts payable – related parties, other payables, long-term borrowings, and refundable deposits received.

(4) Purpose and policy of financial risk management

In the course of its operating activities, the Company engages in various financial instruments, including equity investments, accounts receivable, accounts payable, bank borrowings, and lease liabilities. However, due to the aforementioned financial instruments and operating activities, the Company is exposed to risks such as credit risk, liquidity risk, and market risk.

To avoid the possible adverse impact by the aforementioned financial risks on the Company, the Company has been dedicated to analyzing, identifying, and evaluating relevant financial risks. The financial risk management framework of the Company is supervised by the Board of Directors. The accounting department establishes and follows financial risk management policies. Financial risk control procedures are regularly and irregularly reviewed by the internal auditors and related results are reported to the Board of Directors on a regular basis. The Company is committed to developing a disciplined and constructive control environment to reduce the potential adverse impact of the aforementioned risks on the Company.

1. Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There were no changes in the exposures of financial instruments to market risk and the management and measurement of such exposures.

(1) Exchange rate risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed by hedging which was not for the purpose of making profits. Foreign currency inflows and outflows resulted in natural hedging effects in the long run, and exchange rate changes had little impact on the Company's operations. Therefore, the Company only adjusted the cash reserves of foreign currency deposits and did not use accounts receivable/payable as derivative products for hedging. However, the hedging for exchange rate risk will be carried out through relevant commodities in a timely manner based on the exchange rate movement and the evaluation report of financial institutions.

Refer to note 28 for the carrying amounts of monetary assets and liabilities denominated in non-functional currencies at the balance sheet dates.

Sensitivity Analysis

The Company is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following schedule details the sensitivity analysis of the Company when the New Taiwan dollar (functional currency) strengthens or weakens by 1% against relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. The positive figures in the table represent the amount by which the pre-tax net loss would increase/decrease if the New Taiwan dollar depreciates by 1% against each respective foreign currency; if the New Taiwan dollar appreciates by 1% against each respective foreign currency, the impact on the pre-tax net loss would be the same amount in the opposite direction.

	USD impact	
	2024	2023
Profit or loss	($ 1,141)	($ 769)

This was mainly due to the Company's bank deposits and receivables and payables denominated in U.S. dollars that were outstanding and not cash flow hedged at the balance sheet date.

(2) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
Financial liabilities	$ 21,674	$ 18,653
Risk of cash flow changes due to interest rate		
Financial assets	39,094	35,490
Financial liabilities	643,400	300,000

Sensitivity Analysis

The sensitivity analyses below have been determined on the basis of the exposure to interest rates for non-derivative instruments on balance sheet dates. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the asset and liability outstanding on the balance sheet dates outstanding for the entire period. A 100 basis point 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.

If interest rates were to increase by 100 basis points, with all other variables held constant, the Company's pre-tax net loss for 2024 and 2023 would increase by NT$6,043 thousand and NT$2,645 thousand, respectively. This is primarily attributable to the Company's net position in variable-rate deposits and variable-rate borrowings.

(3) Other pricing risks

The Company was exposed to equity price risk through its investments in domestic and foreign listed equity securities. The Company does not actively trade these investments. Relevant personnel has been assigned to the supervision of price risk and assessment of the timing of increasing the hedging.

As the amount of equity investment was not material, there was no significant price risk of changes in equity price.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the balance sheet date, the Company's maximum exposure to credit risk resulting from the counterparty's default on its contractual obligations and the Company's provision of financial guarantee is the carrying amount of the financial assets on the Parent Company Only balance sheets.

To mitigate the impact of credit risk, the Company considers the default risk by industries and countries of each customer, as well as the nature of the counterparty (capital scale, loan status, etc.), based on which credit policies, payment terms and trade terms were established by the accounting department. If necessary, a third-party risk assessment institution was engaged to assess its risk. Relevant terms are reviewed and audited by the audit office regularly.

Given that most of the major customers are well-known domestic listed (TWSE/TPEx) companies with normal transaction records, the default risks is quite low. The risk from new small customers is managed by only receiving advance payments or cash. After the transaction basis becomes stable, the credit limit is updated by referring to external information. Hence, there is limited impact of the credit risk on the Company. Furthermore, the Company has established a provision policy, set allowance account, and presented in the statement to reflect the estimation of the potential loss resulted from the credit risk.

3. Liquidity risk

Liquidity risk refers to the risk that relevant obligations are not fulfilled due to the Company's failure to settle the financial liabilities by cash or other financial assets. The share capital and working capital of the Company is sufficient, therefore there is no liquidity risk from the inability to raise capital for fulfilling contractual obligations. Bank borrowing is an important source of liquidity for the Company. As of December 31, 2024 and 2023, the Company had unused bank credit facilities of NT$45,000 thousand and NT$100,000 thousand, respectively.

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

The analysis for the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods has been drawn up based on the undiscounted cash flows (including both the principal and estimated interests) of financial liabilities from the earliest date on which the Company can be required to pay. 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.

The undiscounted interest payment relating to borrowing with variable interest rates was extrapolated based on the yield curve as of the end of the reporting period.

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative Financial Liabilities				
Non-interest bearing liabilities	$ 18,723	$ 1,446	$ 62	$ 343
Variable interest rate liabilities	1,420	4,260	595,637	53,641
Lease liabilities	968	1,935	8,709	10,651
	$ 21,111	$ 7,641	$ 604,408	$ 64,635

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative Financial Liabilities				
Non-interest bearing liabilities	$ 116,477	$ 94,265	$ 79,733	$ 1,562
Variable interest rate liabilities	100,169	-	201,792	-
Lease liabilities	509	1,180	5,312	12,132
	$ 217,155	$ 95,445	$ 286,837	$ 13,694

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

25. Related Party Transactions

In addition to those disclosed in other notes, details of transactions between the Company and other related parties were disclosed below:

(1) Names of related parties and their relationships

Related Party Name	Related Party Category
J.B.T	Subsidiaries
J.H.P	Subsidiaries
CHINTEK	Subsidiaries
Emergence A.I	Subsidiaries
Heph A.I studios Technology	Subsidiaries
Jin-Zuan Semiconductor	Subsidiaries
SHAN YI Investment Co., LTD (SHAN YI Investment)	Sub-subsidiary
Fable Technology Co. Ltd. (Fable)	Substantive related party

(2) Operating revenues

Account Item	Related Party Category	2024	2023
Revenue from sale of goods	Subsidiaries	$ 1,607	$ 139

The Company's operating revenue from related parties is conducted under normal commercial terms and conditions, with payment terms consistent with those for general sales transactions.

(3) Purchase

Account Item	Related Party Name	2024	2023
Purchase	Subsidiaries		
	J.H.P	$ 503,798	$ 495,404
	Others	34,071	16,992
		$ 537,869	$ 512,396

The Company's purchase prices from related parties are based on normal commercial terms and conditions. The payment terms for J.H.P are monthly settlement with a 240-day payment period, while the terms for other related parties are consistent with those for general suppliers.

(4) Receivables from related parties

Account Item	Related Party Name	December 31, 2024	December 31, 2023
Accounts Receivable - Related Parties	J.H.P	$ 662	$ -
Other receivables - related parties	J.H.P	$ 7,600	$ 10,900

Outstanding receivables from related parties are not secured by any guarantees. No allowance for doubtful accounts was recognized for receivables from related parties in 2024 and 2023.

(5) Payables to related parties (excluding borrowings from related parties)

Account Item	Related Party Name/Category	December 31, 2024	December 31, 2023
Accounts payable－related parties	Subsidiaries		
	J.H.P	$ 380,546	$ 267,822
	Others	11,241	6,005
		$ 391,787	$ 273,827
Other Payables - Related Parties	Subsidiaries	$ 1,763	$ -

Outstanding payables to related parties are unsecured.

(6) Prepayments

Account Item	Related Party Name/Category	December 31, 2024
Prepayments	Emergence A.I	$ 1,974
	Substantive related party	127
		$ 2,101

(7) Sublease Agreement

Sublease of operating lease

The consolidated entity subleased the right-of-use asset for the Nangang office to a related party under an operating lease. The lease term is one year, and the rental rate is based on the market rent level of similar assets. Fixed lease payments are collected monthly in accordance with the lease agreement.

The rental income is summarized as follows:

Account Item	Category/Name of related party	2024
Rental income	Subsidiaries	
	CHINTEK	$ 4,725
	Others	1,638
	Sub-subsidiary	40
		$ 6,403

(8) Other related-party transactions

Account Item	Category/Name of related party	2024
Other income	Subsidiaries	$ 173

(9) Compensation to key management

	2024	2023
Short-term employee benefits	$ 16,435	$ 12,166
Retirement benefits	634	335
	$ 17,069	$ 12,501

The remuneration to directors and key management was determined by the remuneration committee based on individual performance and markets.

26. Pledged assets (restated)

The following assets were provided as collateral for bank borrowings:

	December 31, 2024	December 31, 2023
Property, plants, and equipment, net	$ 116,740	$ 88,941
Investment properties	841,347	585,045
	$ 958,087	$ 673,986

27. Major Post-balance Sheet Events

On February 25, 2025, the Company subscribed to an unsecured convertible promissory note issued by OXMIQ Labs Inc. in the amount of US$1,000 thousand.

On February 27, 2025, the Company subscribed to a cash capital increase of its subsidiary, Emergence A.I, in the amount of NT$10,000 thousand without subscribing in proportion to its original shareholding. As a result, the Company's equity interest increased from 66.67% to 80.00%.

28. Significant Assets and Liabilities Denominated in Foreign Currencies

The following information was aggregated by the foreign currencies other than functional currencies of the Company and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2024

	Foreign currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary Item			
USD	$ 8,832	32.785 (USD: NTD)	$ 289,557
Non-monetary items			
Investments accounted for using equity method			
USD	11,286	32.785 (USD: NTD)	370,004
THB	604,873	0.9623 (THB: NTD)	582,069
VND	2,020,000	0.0013 (VND: NTD)	2,626
Financial Liabilities			
Monetary Item			
USD	12,311	32.785 (USD: NTD)	403,616

December 31, 2023

Financial assets	Foreign currencies	Exchange Rate	Carrying Amount
Monetary Item			
USD	$ 6,717	30.705 (USD: NTD)	$ 206,245
Non-monetary items			
Investments accounted for using equity method			
USD	10,264	30.705 (USD: NTD)	315,158
THB	561,299	0.9017 (THB: NTD)	506,123
VND	2,306,667	0.0012 (VND:NTD)	2,768
Financial Liabilities			
Monetary Item			
USD	9,222	30.705 (USD: NTD)	283,162

Foreign exchange gains and losses with material influence (including realized and unrealized) are as follows:

	2024		2023	
Foreign currencies	Exchange Rate	Net exchange gains (losses)	Exchange Rate	Net exchange gains (losses)
USD	32.785 (USD: NTD)	($ 5,038)	31.155 (USD: NTD)	$ 4,015

29. Other Disclosures

(1) Information about significant transactions:

1. Loaning of funds to others (None)
2. Making endorsements/guarantees for others. (Table 1)
3. Marketable securities held at the end of the period (excluding investments in subsidiaries and affiliates) (Table 2)
4. The cumulative amount of buying or selling the same securities reaches NT$300 million or more than 20% of the paid-in capital. (None)
5. The amount of real estate acquisition reaches NT$300 million or more than 20% of the paid-in capital. (None)

6. The amount of property disposed of at or above NT$300 million or 20% of the paid-in capital. (None)
7. Total purchases from and sales to related parties reaching 100 million NTD or more than 20% of the Paid-in capital. (Table 3)
8. Accounts receivable from related parties reaching at least NT$100 million or 20% of the paid-in capital. (Table 4)
9. Trading in derivative instruments. (None)

(2) Information on invested businesses (Table 5)

(3) Investment information in Mainland China

1. 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, repatriations of investment income, and limit of investment in mainland China of the investee company in mainland China, including the name, main business activities, and amount of principal business activities in mainland China. (Table 6)
2. Any of the following significant transactions with the investee in Mainland China, either directly or indirectly through a third region, and their prices, terms of payment, and unrealized gain or loss: (None)
   (1) The amount and percentage of purchases, and the ending balance and percentage.
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
   (3) The amount of property transactions and the amount of the resultant gains or losses.
   (4) The balance of negotiable instrument endorsements, guarantees, or pledges of collateral at the end of the period and the purposes.
   (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
   (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

(4) Information on major shareholders: the names of shareholders with a shareholding ratio of more than 5%, the number and percentage of shareholdings. (Table 7)

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Endorsements/guarantees for others

From January 1 to December 31, 2024

Table 1

Unit: Unless otherwise stated, in NT$ thousands.

No.	Name of Endorser/ Guarantor	The Endorsed/Guaranteed		Endorsement/ Guarantee Limit per Company	Highest Balance of Endorsements/ Guarantees in the Current Year	Closing Balance of Endorsements/ Guarantees	Actual amount drawn	Amount of Endorsements/ Guarantees Secured by Property	Cumulative amount of endorsements/ Guarantees as a percentage of net worth stated in the latest financial statements (%)	Endorsement/ Guarantee Limit	Parent Company's Guarantees/ Endorsements to Subsidiaries	Subsidiary's Guarantees/ Endorsements to Parent Company	Guarantees/ Endorsements to the Mainland Area	Remarks
		Investee	Relationship											
0	Ji-Haw Industrial, Co., Ltd.	CHINTEK Inc.	Subsidiaries	$ 320,632 (The guarantee limit for any single entity is capped at 20% of the net equity attributable to shareholders as presented in Ji-Haw's most recent financial statements.)	$ 25,000	$ 25,000	$ 25,000	$ -	1.56	$ 641,265 (The maximum amount of endorsements and guarantees shall be limited to 40% of the Company's net share value as shown in the most recent financial statements)	Y	N	N	
1	SHAN YI Investment Co., Ltd.	Jin-Zuan Semiconductor Investment Co., Ltd.	Subsidiaries	219,671 (The guarantee limit for any single entity is capped at 100% of the net equity attributable to shareholders as presented in SHAN YI Investment Co.'s most recent financial statements.)	80,000	80,000	80,000	80,000	36.42	439,342 (The maximum guarantee limit is capped at 200% of the net equity attributable to shareholders as presented in SHAN YI Investment Co.'s most recent financial statements.)	N	N	N	

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Marketable Securities Held

December 31, 2024

Table 2

Unit: Unless otherwise stated, in NT$ thousands.

Holding Company Name	Marketable Securities Type and Name	Relationship with the issuer of securities	Financial Statement Account	End of the period				Remarks
				Shares/Units	Carrying Amount	Shareholding ratio (%)	Fair value	
Ji-Haw Industrial, Co., Ltd.	shares							
	SKYMIZER TAIWAN INC.	-	Non-current financial assets at fair value through other comprehensive income	82,500	$ 32,614	2.14	$ 32,614	Note 2
	CERMAX CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	1,250,000	15,063	18.81	15,063	Note 2
	Soyo Link Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	300,000	-	7.14	-	Note 2
	Li Wang Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	185,185	-	6.90	-	Note 2
	S SQUARE SYSTEM LTD.	-	Non-current financial assets at fair value through other comprehensive income	747	-	3.19	-	Note 2
SHAN YI Investment Co.	TEKCORE CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	5,819,318	188,836	8.74	188,836	Note 3

Note 1: Marketable securities stated in this table refer to stocks within the scope of IFRS 9 "Financial Instruments".

Note 2: Not provided as collateral, pledged, or restricted in other ways.

Note 3: A portion of the said securities has been provided to the subsidiary (Jin-Juan Semiconductor Investment Co., Ltd.) as collateral for borrowings. For details on endorsements and guarantees, please refer to Table 1.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

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

2024

Table 3

Unit: Unless otherwise stated, in NT$ thousands.

Buyer (Seller)	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Percentage to Total Sales (Purchases) (%)	Collection/ Payment terms	Unit Price	Collection/Payment terms	Ending Balance	Percentage to Total Notes/ Accounts Receivable (Payable) (%)	
Ji-Haw Industrial, Co., Ltd.	J.H.P	Subsidiaries	Purchase	$ 503,798	87	Note 1	-	Note 1	($ 380,546)	92	-
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	Sales	(503,798)	57	Note 1	-	Note 1	380,546	77	-

Note 1: 240 days for monthly settlement.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

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

December 31, 2024

Table 4

Unit: Unless otherwise stated, in NT$ thousands.

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	$ 380,546	1.55	$ -	-	$ 41,367	$ -

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Information on investees

2024

Table 5

Unit: Unless otherwise stated, in NT$ thousands.

Investor	Investee	Location	Main business or production items	Initial investment amount		Balance as of December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Remarks
				Balance as at December 31, 2024	Balance as at December 31, 2023	No. of shares	Percentage of ownership (%)	Carrying Amount			
Ji-Haw Industrial, Co., Ltd.	J.B.T	227, M003, Laem Chabang Industrial Estate, Sukhumvit Road, Thungsukla, Sriracha, Chonburi 20230 Thailand	Manufacturing and trading of computer cables or plugs	$ 207,215	$ 207,215	18,600,000	100.00	$ 582,069	($ 53,603)	($ 53,603)	Subsidiaries
	J.H.I	Sertus Chambers, P.O. Box 603, Apia, Samoa.	Investing in overseas financial products and stocks	9,649	9,649	300,000	100.00	4,822	106	106	Subsidiaries
	J.H.V	3rd Floor, No. 87 89 Khuat Duy Tien Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi	Manufacturing and trading of computer cables or plugs	3,159	3,159	-	100.00	2,626	(319)	(319)	Subsidiaries
	CHINTEK Inc.	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Development and sales of automotive electronics and other software products	133,000	98,000	5,100,000	100.00	71,112	(24,652)	(29,584)	Subsidiaries
	CERMAX CO., LTD.	No. 36, Lane 816, Bo'ai St., Zhubei City, Hsinchu County	Manufacturing and trading of precision ceramics, precision instruments and machinery	-	20,000	-	-	-	(19,123)	(3,071)	Note 1 and Note 3
	Emergence A.I Co., Ltd.	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Management consulting and technology R&D services	10,000	-	1,000,000	66.67	4,998	(7,295)	(5,002)	Subsidiaries
	Heph A.I Studio Technology Co., Ltd.	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Software R&D and management consulting services	45,000	-	4,500,000	100.00	33,072	(11,928)	(11,928)	Subsidiaries
	Silicon Test Tech Corp.	2F., No. 2, Lane 214, Section. 1, Zhongxing Road., Sanchong Rd., Zhudong Township, Hsinchu County	IC packaging OEM	54,000	-	1,660,000	68.93	33,900	(8,104)	(4,494)	Subsidiary Note 1
	Jin-Zuan Semiconductor Investment Co., Ltd.	No. 53, Baoxing Road, Xindian District, New Taipei City	General investment	63,827	-	4,610,000	53.22	58,772	15,369	3,530	Subsidiary Note 1
Silicon Test Tech	Jern Yao Co., Ltd.	5F-3, No. 262, Section 2, Huamei Street, North District, Taichung City	IC packaging OEM	1,000	-	100,000	100.00	1,069	(17)	5	Subsidiary Note 1
CHINTEK	C.P.T	Room 402, No. 12-5, Higashi-Shinagawa 1-chome, Shinagawa-ku, Tokyo	Integrated sales of software and equipment	1,524	-	72	75.00	1,432	(107)	(80)	Subsidiaries
Jin-Juan Semiconductor Co.	SHAN YI Investment Co., Ltd.	No. 53, Baoxing Road, Xindian District, New Taipei City	General investment	163,500	-	14,850,000	100.00	189,265	32,327	(140)	Subsidiary Note 1

Note 1: The investment income recognized in the current period is recognized in accordance with the shareholding ratio from the date of acquisition.

Note 2: Refer to Table 6 for information on investment in mainland China.

Note 3: As the Company did not participate in the cash capital increase of the investee, the remaining 18.81% equity interest held by the Company was reclassified as a financial asset measured at fair value through other comprehensive income on the date significant influence was lost.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Information on investment in mainland China

2024

Table 6

Unit: Unless otherwise stated, in NT$ thousands.

Investee	Main business or production items	Paid-in capital	Method of Investment	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	Net profit (loss) of the investee for the year ended December 31, 2024	Percentage of Ownership of Direct or Indirect Investment	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Remarks
					Outward	Inward							
J.H.K	Manufacturing and trading of computer cables or plugs	$ 3,234 (US$ 100,000)	Direct investment with 100% ownership	$ 3,279 (US$ 100,000)	$ -	$ -	$ 3,279 (US$ 100,000)	($ 2,309)	100%	($ 2,309)	$ 80,689	$ 277,250	-
J.H.P	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	414,018 (US$12,600,000)	40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.	314,736 (US$9,600,000)	-	-	314,736 (US$9,600,000)	(46,318)	100%	(50,991)	706,414	-	Note 2
Chuzhou Ding Wang	Investment development	279,316 (CNY60,180,000)	Held directly by the 100% owned subsidiary, J.H.P.	-	-	-		-	39%	-	1,760	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 318,015 (US$9,700,000)	$ 416,370 (US$12,700,000)	$ 948,431 (Note 3)

Note 1: Net Profit (Loss) of the Investee and the investment income (Loss) was recognized based on the average exchange rate from January 1, 2024 to December 31, 2024; the other accounts were all based on prevailing exchange rate as of December 31, 2024.

Note 2: The investment loss recognized for the current year amounted to NT$50,991 thousand. Of this amount, NT$22,130 thousand (including unrealized upstream and lateral transactions) was recognized directly by the Company based on its 40.48% equity interest, while the remaining NT$28,861 thousand (including unrealized upstream transactions) was recognized through its wholly owned subsidiary, J.B.T, based on its 59.52% equity interest.

Note 3: Calculated pursuant to Article 3 of “Principle of investment or Technical Cooperation in Mainland China”, MOEA, which was the higher of the net worth of the entity or 60% of the consolidated net worth.

Ji-Haw Industrial, Co., Ltd.

Information on major shareholders

December 31, 2024

Table 7

Name of The Major Shareholder	Shares	
	Number of Shares Owned	Shareholding ratio
No data for this quarter	-	-

Note: 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 held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the Parent Company Only financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

§TABLE OF CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS§

Ji-Haw Industrial, Co., Ltd.

Statement of cash

December 31, 2024

Statement 1

Unit: thousands of New Taiwan Dollar
unless otherwise specified

Name	Amount
Cash	
Cash on hand (note 1)	$ 528
Bank checking accounts	537
Demand deposits (note 2)	39,094
	$ 40,159

Note 1: The details of foreign currencies in cash on hand were as follows: (expressed in dollars)

Currency	Amount in foreign currency	Exchange Rate
JPY	$ 30	0.2099
USD	25	32.7850
THB	44	0.9623
CNY	102,310	4.5608
HKD	32	4.2220
SGD	10	24.1300
HUF	20,700	0.0830
PHP	715	0.5626
DKK	136	4.5739
SEK	292	2.9586
Germany	26	15.9657
CZK	1,100	1.3563

Note 2: Including US$1,102 thousand translated at the rate of US$1=NT$32.785.

Ji-Haw Industrial, Co., Ltd.

Statement of accounts receivable

December 31, 2024

Statement 2 Unit: NT$ thousand

Customer Name	Amount
CH200	$ 70,653
CH416	53,668
CH045	29,235
TA835	22,718
AS102	19,823
JHT23	19,409
Others (note)	34,715
Total	250,221
Less: allowance	1,249
Net	$248,972

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

Ji-Haw Industrial, Co., Ltd.

Statement of inventories

December 31, 2024

Statement 3

Unit: NT$ thousand

Name	Amount	
	Cost	Market price (note 1)
Raw materials	$ 516	$ 65
Finished goods	69,625	67,064
Total	70,141	$ 67,129
Less: allowance (note 2)	6,563	
Net	$ 63,578	

Note 1: The net realizable value

Note 2: The allowance for loss on decline in value of inventory and slow-moving inventory

Ji-Haw Industrial, Co., Ltd.

Statement of changes in investments accounted for using equity method

December 31, 2024

Statement 4

Unit: thousands of New Taiwan Dollar unless otherwise specified

	Par value	Balance, beginning of year: No. of shares	Balance, beginning of year: Shareholding ratio (%)	Increase for the current year: Amount	Increase for the current year: No. of shares	Decrease for the current year: Amount	Decrease for the current year: No. of shares	Amount	Investment income (loss)	Other comprehensive income	Impairment loss	Change in ownership	Balance, end of year: No. of shares	Balance, end of year: Shareholding ratio (%)	Balance, end of year: Amount	Remarks
Unlisted shares																
J.B.T	THB 10	18,600,000	100.00	$ 506,123	-	$ -	-	$ -	($ 53,603)	$ 129,549	$ -	$ -	18,600,000	100.00	$ 582,069	-
J.H.P		-	40.48	231,826	-	-	-	-	(22,130)	74,797	-	-	-	40.48	284,493	Note 2
J.H.K		-	100.00	78,917	-	-	-	-	(2,309)	4,081	-	-	-	100.00	80,689	-
J.H.I	USD 1	300,000	100.00	4,415	-	-	-	-	106	301	-	-	300,000	100.00	4,822	-
J.H.V		-	100.00	2,768	-	-	-	-	(319)	177	-	-	-	100.00	2,626	-
CHINTEK		1,600,000	100.00	89,604	3,500,000	35,000	-	-	(29,584)	(11)	(23,897)	-	5,100,000	100.00	71,112	Note 3
Emergence A.I		-	-	-	1,000,000	10,000	-	-	(5,002)	-	-	-	1,000,000	66.67	4,998	Note 3
Heph A.I Studios		-	-	-	4,500,000	45,000	-	-	(11,928)	-	-	-	4,500,000	100.00	33,072	Note 3
Cheng Cheng		-	-	-	1,660,000	54,000	-	-	(4,494)	-	(15,279)	(327)	1,660,000	68.93	33,900	Note 3
Jin Juan		-	-	-	6,510,000	88,825	(1,900,000)	(19,000)	3,530	(14,583)	-	-	4,610,000	53.22	58,772	Note 4
Li Juan		1,250,000	25.04	19,154	-	-	(1,250,000)	(16,083)	(3,071)	-	-	-	-	-	-	Note 5
				$ 932,807	17,170,000	$ 232,825	(3,150,000)	($ 35,083)	($ 128,804)	$ 194,311	($ 39,176)	($ 327)			$ 1,156,553	

Note 1: The long-term investment has not been provided as collateral or pledged for the current period.

Note 2: The investment loss recognized for the current year amounted to NT$50,991 thousand. Of this amount, NT$22,130 thousand (including unrealized upstream and lateral transactions) was recognized directly by the Company based on its 40.48% equity interest, while the remaining NT$28,861 thousand (including unrealized upstream transactions) was recognized through its wholly owned subsidiary, J.B.T, based on its 59.52% equity interest.

Note 3: The increase for the current year is attributable to newly added investments accounted for using the equity method.

Note 4: The increase for the current year is attributable to newly added investments accounted for using the equity method in the amount of NT$82,827 thousand and a bargain purchase gain of NT$5,998 thousand. The decrease for the period is due to capital reduction and return of capital.

Note 5: The decrease for the current year is due to the Company not participating in the cash capital increase of the investee. As a result, the remaining 18.81% equity interest held by the Company was reclassified as a financial asset measured at fair value through other comprehensive income on the date significant influence was lost.

Ji-Haw Industrial, Co., Ltd.

Statement of short-term borrowings

December 31, 2024

Statement 5

Unit: NT$ thousand

Type and debtor	Contract period	Annual interest rate (%)	Amount	Loan Commitment	Collateral
Mortgage loan					
Taichung Commercial Bank	July 23, 2024 - July 23, 2025	2.63%	$ 371,700	$ 441,700	Note 1 and Note 2
Taichung Commercial Bank	August 2, 2024 - August 2, 2025	2.63%	18,300	18,300	Note 1 and Note 2
Taichung Commercial Bank	August 16, 2024 - August 16, 2025	2.63%	60,000	60,000	Note 1 and Note 2
Taichung Commercial Bank	September 24, 2024 - September 24, 2025	2.63%	20,000	20,000	Note 1 and Note 2
Taichung Commercial Bank	October 1, 2024 - October 1, 2025	2.63%	80,000	80,000	Note 1 and Note 2
Taichung Commercial Bank	October 7, 2024 - October 7, 2025	2.63%	20,000	20,000	Note 1 and Note 2
Taichung Commercial Bank	November 14, 2024 - November 14, 2025	2.63%	20,000	20,000	Note 1 and Note 2
			$ 590,000	$ 660,000	

Note 1: Secured by property, plant and equipment and investment property (Baoxing Road Section, Xindian District, New Taipei City).

Note 2: The credit facility includes a shared portion of NT$25,000 thousand that has been utilized jointly with CHINTEK. As of the end of 2024, the Company had an unused short-term credit facility of NT$45,000 thousand.

Ji-Haw Industrial, Co., Ltd.

Statement of operating costs

2024

Statement 6

Unit: NT$ thousand

Name	Amount
Cost of self-produced products	
Raw materials, beginning of the year	$ 516
Add: raw materials purchased	1,613
Less: raw materials, end of the year	516
Cost of raw materials sold	1,602
Recognized as expenses	11
Raw materials used	-
Manufacturing costs	-
Add: finished goods, beginning of the year	70,206
Purchases for the Current Period	546,553
Less: Reclassified to Expenses	851
Finished goods, end of the year	69,625
Cost of self-produced products	546,283
Raw materials sold as goods	1,602
Other operating costs	945
Reversal of write-down of inventories	(3,930)
Operating costs	$ 544,900

Ji-Haw Industrial, Co., Ltd.

Statement of operating expenses

2024

Statement 7 Unit: NT$ thousand

Item	Selling expenses	Administrative expenses	R&D expenses	Total
Salary expenses	$ 25,126	$ 49,151	$ -	$ 74,277
Services	-	8,516	-	8,516
Depreciation expenses	505	2,899	3,283	6,687
Insurance expenses	2,653	3,795	-	6,448
Others (note)	17,497	14,894	10,969	43,360
Subtotal	$ 45,781	$ 79,255	$ 14,252	139,288
Expected credit loss				1,211
Total				$ 140,499

Note: The amount of items included in others does not exceed 5% of the account balance.

Ji-Haw Industrial, Co., Ltd.

Statement of employee benefits and depreciation expenses by function

2024 and 2023

Statement 8

Unit: NT$ thousand

	2024				2023			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as other gains and losses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as other gains and losses	Total
Employee benefits								
Salaries	$ -	$ 66,123	$ -	$ 66,123	$ -	$ 65,122	$ -	$ 65,122
Labor and health insurance	-	5,762	-	5,762	-	4,746	-	4,746
Pension	-	3,314	-	3,314	-	2,801	-	2,801
Remuneration to directors	-	4,840	-	4,840	-	5,376	-	5,376
Others	-	3,230	-	3,230	-	1,737	-	1,737
	$ -	$ 83,269	$ -	$ 83,269	$ -	$ 79,782	$ -	$ 79,782
Depreciation expense	$ -	$ 6,687	$ 9,715	$ 16,402	$ -	$ 7,195	$ 1,313	$ 8,508
Amortization Expenses	$ 945	$ 559	$ -	$ 1,504	$ 71	$ -	$ -	$ 71

Note 1: The number of employees for the current and prior year was 76 and 72, respectively, including 6 directors not concurrently serving as employees in each year. The calculation basis is consistent with that used for employee benefit expenses.

Note 2: (1) The average employee benefit expense for the current year was NT$1,120 thousand; NT$1,127 thousand in the previous year.

(2) The average employee salary expense for the current year was NT$945 thousand; NT$987 thousand in the previous year.

(3) Change in Average Employee Salary Expense: (4.26)%

(4) The Company no longer has supervisors, and their functions have been replaced by the Audit Committee in accordance with applicable regulations.

(5) Remuneration Policy (Including Directors, Managers, and Employees):

Remuneration to directors and supervisors: remuneration is appropriated according to the Articles of Incorporation, regulated by the Remuneration Committee, resolved by the Board of Directors and distributed after passed by the shareholders' meeting.

Compensation to the management and employees: compensation standards are formulated based on their duties, education, professional skills. Salary adjustment and bonus distribution are made depending on the Company's operation, employees' performance, etc. The compensation to the management is resolved by the Remuneration Committee and passed by the Board of Directors.