

ASIA VITAL COMPONENTS CO., LTD
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese financial statements shall prevail.

Independent Auditors' Report

To ASIA VITAL COMPONENTS CO., LTD

Opinion

We have audited the accompanying consolidated balance sheets of ASIA VITAL COMPONENTS CO., LTD and its subsidiaries (the "Company ") as of December 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter-Making Reference to the Audits of Component Auditors section of our report) the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2024, and their consolidated financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Assessment of revenue recognition for hub-warehouse

The Company's recognized NT\$71,761,296 thousand as net sales for the year ended December 31, 2024, and source of revenue comes from the sale of goods. According to the partial sales contract of the Company, the Company prepare the stock in the hub-warehouse based on the customer's demand. The Company recognizes revenue upon the goods are picked up from the hub-warehouses and accepted by the customers if picked up. Since the revenue recognition of sales from hub-warehouse should determine the performance obligation and the timing of revenue recognition, we consider this is a key audit matter.

Our audit procedures included, but are not limited to, understanding and testing the effectiveness of the internal controls around sales revenue, include periodic reconciliation; performing test of details on the revenue from hub-warehouse and verifying the reconciliation data between the Company and customers in order to assure the occurrence of sales revenue; performing cutoff tests on the revenue from hub-warehouse for a specific period before and after the end of the financial reporting period, includes verifying documentation from hub-warehouse custodians to assess the appropriateness of revenue cutoff; confirming the inventory quantities with materiality hub-warehouse custodian to ensure the movements and remaining quantities of inventories in the hub-warehouses.

Please refer to Note 4 and 6 of consolidated financial statements for the revenue recognised disclosion.

2. Valuation for slow-moving inventories

As of December 31, 2024 the Company's net inventories amounted to NT\$33,397,345 thousand, constituting 33% of consolidated total assets which is significant for the financial statements. The valuation for slow-moving inventories due to the uncertainty caused by the rapid change of product technology, is closely related to the significant management judgment. Therefore, we consider this is a key audit matter.

Our audit procedures included, but are not limited to, understanding and testing the effectiveness of the internal controls over the Company's slow-moving inventories reserve process; evaluating the appropriateness of the reserve policies for slow-moving inventories; sample-testing the accuracy of inventory aging, analyzing changes in inventory aging, considering anticipated demand and write-off activities, and recalculating inventory reserve; assessing inventory status by observing the inventory counting process.

In addition, we evaluated the adequacy of disclosures of inventories. Please refer to Note 4, 5 and 6 to the consolidated financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

Certain subsidiaries included in the consolidated financial statements were audited by other independent accountants. These subsidiaries' total assets amounted to NT\$1,059,585 thousand and NT\$375,259 thousand, which accounted for 1.06% and 0.52% of the total consolidated assets as of December 31, 2024 and 2023, respectively. The net sales of these subsidiaries amounted to NT\$1,271,678 thousand and NT\$800,759 thousand, which accounted for 1.77% and 1.35% of the consolidated net sales for the years ended December 31, 2024 and 2023, respectively. Certain investments, which were accounted for under the equity method based on the financial statements of the investees, were audited by other independent accountants. Our audit, insofar as it relates to the investments accounted for under the equity method balances of NT\$545,834 thousand and NT\$269,484 thousand, which accounted for 0.55% and 0.38% of the total consolidated assets as of December 31, 2024 and 2023, respectively, and the related shares of investment income from the associates amounted to NT\$100,716 thousand and NT\$83,156 thousand, which accounted for 0.82% and 1.04% of the consolidated income from continuing operations before income tax for the years ended December 31, 2024 and 2023, respectively, and the related shares of other comprehensive income from the associated amounted to (NT\$3,590) thousand and (NT\$1,292) thousand, which accounted for (0.38%) and 0.35% of the consolidated total comprehensive income, for the years ended December 31, 2024 and 2023, respectively, is based solely on the reports of other independent accountants.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretation Committee as endorsed and as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

We have audited and expressed an unqualified opinion on only the parent company's financial statements of the Company as of and for the years ended December 31, 2024 and 2023, respectively.

Ernst & Young, Taiwan

Republic of China

March 12, 2025

Notice to Readers

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

English translation of Consolidated Financial Statements Originally issued in Chinese
ASIA VITAL COMPONENTS CO., LTD
CONSOLIDATED BALANCE SHEETS
December 31, 2024 and 2023
(Expressed in thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2024		December 31, 2023		Liabilities and Equity	Notes	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets						Current liabilities					
Cash and cash equivalents	6(1)	\$29,923,508	30	\$26,956,969	38	Short-term loans	6(14)	\$9,585,252	10	\$6,765,540	10
Financial assets measured at amortized costs, current	6(2), 8	2,075,672	2	2,134,278	3	Short-term notes payable	6(15)	—	—	30,000	0
Notes receivable, net	4,6(3)	1,305,637	1	784,120	1	Contract liabilities, current	6(24)	2,881	0	516	0
Accounts receivable, net	4,6(4)	6,461,331	6	5,748,404	8	Notes payable		5,192,111	5	3,661,646	5
Other receivables	6(4),(5)	533,799	1	655,852	1	Accounts payable		23,691,532	24	15,111,400	21
Other receivables-related parties	6(5)	5,681	0	7,955	0	Other payables	6(16)	7,924,925	8	6,127,180	9
Inventories, net	6(6)	33,397,345	33	17,234,926	24	Current tax liabilities	4, 6(29)	2,491,022	2	1,689,363	2
Prepayments	6(7)	751,509	1	561,098	1	Lease liabilities, current	4, 6(25)	335,637	0	254,125	0
Other current assets		1,637,875	2	808,571	1	Other current liabilities	6(17)	5,520,145	5	2,406,429	3
Total current assets		\$76,092,357	76	54,892,173	77	Current portion of long-term loans	6(19)	3,544,621	4	787,127	1
						Total current liabilities		\$58,288,126	58	36,833,326	51
Non-current assets						Non-current liabilities					
Financial assets measured at fair value through other comprehensive income, noncurrent	4,6(8)	493,663	1	164,310	0	Corporate bonds payable	6(18)	—	—	2,400,000	4
Financial assets at amortized cost-noncurrent	6(2)	32,719	0	30,642	0	Long-term loans	6(19)	3,348,795	3	2,977,023	4
Investments accounted for under the equity method	6(9)	636,808	1	363,888	1	Deferred tax liabilities	4, 6(29)	2,135,455	2	2,039,195	3
Property, plant and equipment	4, 6(10), 8	13,805,248	14	11,350,100	16	Lease liabilities-Non current	4, 6(25)	1,960,515	2	869,355	1
Right-of-use assets	4, 6(25), 8	3,019,998	3	1,714,950	2	Long-term deferred revenue	6(20)	661,136	1	665,737	1
Investment property	4, 6(11), 8	268,763	0	105,638	0	Guarantee deposits		38,659	0	35,503	0
Intangible assets	6(12)	168,667	0	176,574	0	Total non-current liabilities		\$8,144,560	8	8,986,813	13
Deferred tax assets	4, 6(29)	1,296,010	1	1,285,158	2	Total liabilities		\$66,432,686	66	45,820,139	64
Other non-current assets	6(13), 8	4,054,739	4	1,566,069	2						
Net defined benefit assets, noncurrent	4, 6(21)	36,589	0	17,715	0	Equity attributable to the parent company					
Total non-current assets		\$23,813,204	24	16,775,044	23	Capital	6(22)				
						Common stock		3,875,535	4	3,833,101	5
						Advance receipts for share capital		6,995	0	—	—
						Additional paid-in capital	6(22)	3,546,404	4	3,866,691	6
						Retained earnings	6(22)				
						Legal reserve		2,298,983	2	1,768,785	2
						Special reserve		1,451,514	2	1,119,685	2
						Undistributed earnings		18,300,365	18	12,892,929	18
						Total retained earnings		22,050,862	22	15,781,399	22
						Other components of equity		(609,162)	(1)	(1,451,514)	(2)
						Total equity attributable to the parent company		28,870,634	29	22,029,677	31
						Non-controlling interests	6(22)	4,602,241	5	3,817,401	5
						Total equity		33,472,875	34	25,847,078	36
Total assets		\$99,905,561	100	\$71,667,217	100	Total liabilities and equity		\$99,905,561	100	\$71,667,217	100

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

English translation of Consolidated Financial Statements originally issued in Chinese
ASIA VITAL COMPONENTS CO., LTD
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2024 and 2023
(Expressed in thousands of New Taiwan Dollars, except for earnings par share)

Items	Notes	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Operating Revenue	4,6(24)	\$71,761,296	100	\$59,194,356	100
Operating costs	6(25).(26)	(54,890,855)	(76)	(46,806,236)	(79)
Gross profit		16,870,441	24	12,388,120	21
Operating expenses	6(25).(26)				
Sales and marketing expenses		(1,093,714)	(2)	(989,645)	(2)
General and administrative expenses		(797,915)	(1)	(802,959)	(1)
Research and development expenses		(4,101,162)	(6)	(3,128,895)	(5)
Expected credit impairment losses		(54,991)	(0)	(45,522)	(0)
Subtotal		(6,047,782)	(9)	(4,967,021)	(8)
Operating income		10,822,659	15	7,421,099	13
Non-operating income and expenses					
Interest income	6(27)	552,811	1	387,857	1
Other income	6(27)	1,410,129	2	755,146	1
Other gains and losses	6(27)	(95,092)	(0)	(186,556)	(0)
Finance costs	6(27)	(439,160)	(1)	(433,646)	(1)
Share of profit or loss of associates	4,6(9)	100,264	0	81,182	0
Subtotal		1,528,952	2	603,983	1
Income before income tax		12,351,611	17	8,025,082	14
Income tax expense	6(29)	(3,158,934)	(4)	(2,210,618)	(4)
Net income		9,192,677	13	5,814,464	10
Other comprehensive income (loss)	6(28)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit pension plans		17,044	0	(6,080)	(0)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		254,851	0	68	0
Income tax related to items that will not be reclassified		(3,409)	(0)	1,215	0
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		824,563	1	(429,724)	(1)
Share of other comprehensive income (loss) of associates		(3,869)	(0)	(2,492)	(0)
Income tax related to items that may be reclassified subsequently		(155,222)	(0)	67,945	0
Total other comprehensive loss, net of tax		933,958	1	(369,068)	(1)
Total comprehensive income		\$10,126,635	14	\$5,445,396	9
Net income attributable to:					
Stockholders of the parent		\$8,172,379	11	\$5,304,713	9
Non-controlling interests		1,020,298	2	509,751	1
		\$9,192,677	13	\$5,814,464	10
Comprehensive income (loss) attributable to:					
Common Stockholders of the parent		\$9,028,366	13	\$4,970,146	8
Non-controlling interests		1,098,269	1	475,250	1
		\$10,126,635	14	\$5,445,396	9
Earnings per share (NTD)	4, 6(30)				
Earnings per share-basic		\$21.21		\$14.11	
Earnings per share-diluted		\$20.62		\$13.71	

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

English translation of Consolidated Financial Statements originally issued in Chinese
ASIA VITAL COMPONENTS CO., LTD
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2024 and 2023
(Expressed in thousands of New Taiwan Dollars)

Items	Equity Attributable to the Parent Company										Non-Controlling Interests	Total Equity
	Capital		Additional Paid-in Capital	Retained Earnings			Other Components of Equity		Total			
	Common Stock	Advance receipts for share capital		Common Stock	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) From Equity Instruments Investments Measured At Fair Value Through Other Comprehensive Income				
Balance as of January 1, 2023	\$3,533,101	—	\$1,006,639	\$1,351,070	\$1,445,059	\$9,280,252	(\$796,763)	(\$322,922)	\$15,496,436	\$1,926,648	\$17,423,084	
Appropriation and distribution of 2021 retained earnings												
Legal reserve				417,715		(417,715)			—		—	
Cash dividends						(1,596,962)			(1,596,962)		(1,596,962)	
Special reserve reversed					(325,374)	325,374			—		—	
Donation from shareholders			251						251		251	
Cash dividends distributed from capital surplus			(317,979)						(317,979)		(317,979)	
Net income for the year ended December 31, 2023						5,304,713			5,304,713	509,751	5,814,464	
Other comprehensive income (loss), net of tax for the year ended December 31, 2023						(4,865)	(329,770)	68	(334,567)	(34,501)	(369,068)	
Total comprehensive income (loss)						5,299,848	(329,770)	68	4,970,146	475,250	5,445,396	
Issue of shares	300,000		2,550,000						2,850,000		2,850,000	
Difference between consideration and carrying amount of subsidiaries acquired or disposed			10,849					5	10,854	3,104	13,958	
Changes in ownership interests in subsidiaries			253,379						253,379		253,379	
Share-based payment transaction			363,552						363,552		363,552	
Increase in non-controlling interests									—	1,412,399	1,412,399	
Disposal of equity investments at fair value through other comprehensive income						2,132		(2,132)	—		—	
Balance as of December 31, 2023	\$3,833,101	—	\$3,866,691	\$1,768,785	\$1,119,685	\$12,892,929	(\$1,126,528)	(\$324,986)	\$22,029,677	\$3,817,401	\$25,847,078	
Balance as of January 1, 2024	\$3,833,101	—	\$3,866,691	\$1,768,785	\$1,119,685	\$12,892,929	(\$1,126,528)	(\$324,986)	\$22,029,677	\$3,817,401	\$25,847,078	
Appropriation and distribution of 2023 retained earnings												
Legal reserve				530,198		(530,198)			—		—	
Special reserve					331,829	(331,829)			—		—	
Cash dividends						(1,916,551)			(1,916,551)		(1,916,551)	
Donation from shareholders			212						212		212	
Cash dividends distributed from capital surplus			(766,620)						(766,620)		(766,620)	
Net income for the year ended December 31, 2024						8,172,379			8,172,379	1,020,298	9,192,677	
Other comprehensive income (loss), net of tax for the year ended December 31, 2024						13,635	587,002	255,350	855,987	77,971	933,958	
Total comprehensive income (loss)						8,186,014	587,002	255,350	9,028,366	1,098,269	10,126,635	
Share-based payment transaction	42,434	6,995	446,121						495,550		495,550	
Increase in non-controlling interests									—	(313,429)	(313,429)	
Balance as of December 31, 2024	\$3,875,535	\$6,995	\$3,546,404	\$2,298,983	\$1,451,514	\$18,300,365	(\$539,526)	(\$69,636)	\$28,870,634	\$4,602,241	\$33,472,875	

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

English translation of Consolidated Financial Statements originally issued in Chinese
ASIA VITAL COMPONENTS CO., LTD
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2024 and 2023
(Expressed in thousands of New Taiwan Dollars)

Items	2024	2023
Cash flows from operating activities:		
Net income before tax	\$12,351,611	\$8,025,082
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expense adjustments :		
Depreciation	2,384,143	1,888,934
Amortization	77,435	64,191
Amortization of royalty	878	876
Amortization of patents	124	—
Expected credit losses	54,991	45,522
Interest expense	439,160	433,646
Interest income	(552,811)	(387,857)
Dividend income	(4,140)	(2,070)
Compensation costs of share-based payment transaction	277,521	389,571
Share of (profit) of associates	(100,264)	(81,182)
Loss on disposal of property, plant and equipment	256,565	96,385
Impairment loss on non-financial assets	135,130	78,099
Others	1,652,112	446,807
Changes in operating assets and liabilities:		
Notes receivable	(521,683)	(46,051)
Accounts receivable	(623,073)	(2,101,240)
Other receivables	(28,074)	11,079
Other receivables-related parties	2,274	940
Inventories	(17,916,538)	(312,267)
Prepayments	(190,411)	146,363
Other current assets	(829,304)	(111,452)
Other operation assets	58,606	(542,941)
Contract liabilities	2,365	(4,923)
Notes payable	1,530,465	762,821
Accounts payable	8,580,132	3,928,078
Other payables	1,787,560	1,300,441
Other current liabilities	3,113,716	(2,015,444)
Net defined benefit liabilities	(1,830)	(1,979)
Cash generated from operations	<u>11,936,660</u>	<u>12,011,429</u>
Interest received	555,291	364,402
Interest paid	(428,975)	(435,597)
Income tax paid	<u>(2,430,498)</u>	<u>(1,616,027)</u>
Net cash provided by operating activities	<u>9,632,478</u>	<u>10,324,207</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(72,000)	(30,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	—	3,390
Acquisition of investments accounted for using equity method	(225,526)	(50,000)
Acquisition of property, plant and equipment	(4,540,215)	(3,657,403)
Proceeds from disposal of property, plant and equipment	5,819	3,246
(Increase) Decrease in refundable deposits	(81,497)	12,864
Acquisition of intangible assets	(65,334)	(110,537)
Proceeds from disposal of intangible assets	—	19
Acquisition of right-of-use asset	(155,620)	—
Acquisition of investment properties	(141,102)	—
(Increase) Decrease in other noncurrent assets-others	(2,406,897)	31,955
(Increase) in other noncurrent assets-others	(2,029)	(126,760)
Dividends received	14,912	16,043
Net cash (used) in investing activities	<u>(7,669,489)</u>	<u>(3,907,183)</u>
Cash flows from financing activities:		
Increase in short-term loans	16,135,927	16,133,745
(Decrease) in short-term loans	(13,517,220)	(15,560,506)
(Decrease) increase in short-term notes payable	(30,000)	30,000
Proceeds from long-term loans	3,390,000	3,581,846
Repayments of long-term loans	(2,669,612)	(5,659,361)
Increase in guarantee deposits	3,156	22,818
Repayment of lease liabilities	(333,295)	(265,249)
Cash dividends	(2,683,171)	(1,914,941)
Proceeds from issuing shares	—	2,850,000
Exercise of employee share options	218,029	—
Disposal of ownership interests in subsidiaries (without losing control)	—	13,958
Change in non-controlling interests	<u>(313,429)</u>	<u>1,639,760</u>
Net cash provided in financing activities	<u>200,385</u>	<u>872,070</u>
Effect of exchange rate changes on cash and cash equivalents	<u>803,165</u>	<u>(381,089)</u>
Net increase in cash and cash equivalents	2,966,539	6,908,005
Cash and cash equivalents at beginning of year	26,956,969	20,048,964
Cash and cash equivalents at end of year	<u>\$29,923,508</u>	<u>\$26,956,969</u>

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

English Translation of Financial Statements Originally Issued in Chinese
 ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEARS ENDED 31 December 2024 AND 2023
 (Unless otherwise stated, all amounts expressed are in thousands of New Taiwan Dollars)

1. History and organization

ASIA VITAL COMPONENTS CO., LTD. (the Company) was incorporated on December 17, 1991. The Company’s registered address is No.248-27, Xincheng Rd., Qianzhen Dist., Kaohsiung City. The principal activities of the Company are to manufacture, process, assemble and to import and export electronic parts, electronic materials, communication electronic machinery products, automobile parts, lighting device, computer peripherals.

The Company’s ordinary shares were publicly listed on the Taiwan Stock Exchange (TWSE) on September 27, 2002.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the years ended 31 December 2024 and 2023 were authorized for issue by the Board of Directors on March 12, 2025.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments.

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2024.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

(a) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after 1 January 2025 and have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

B. IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

C. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

D. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

E. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

F. Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

G. Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (c), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended 31 December 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) exposure, or rights, to variable returns from its involvement with the investee, and
- (c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee
- (b) rights arising from other contractual arrangements
- (c) the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (b) derecognizes the carrying amount of any non-controlling interest;
- (c) recognizes the fair value of the consideration received;
- (d) recognizes the fair value of any investment retained;
- (e) recognizes any surplus or deficit in profit or loss; and
- (f) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			2024.12.31	2023.12.31
The Group	AVC INTERNATIONAL CO., LTD. – B.V.I. (AVCI – BVI)	Investment holding	100.00%	100.00%
	CHIHUNG INTERNATIONAL LTD. (CHIHUNG)	Investment holding	100.00%	100.00%
	RAYNEY INTERNATIONAL LTD. (RAYNEY)	Trade	100.00%	100.00%
	MERIT TRADING CORPORATION (MERIT)	Trade	100.00%	100.00%
	AVC AMERICA, INC. (AVCA)	Trade	100.00%	100.00%
	AVC INTERNATIONAL (SAMOA) CO., LTD. (AVCI(SAMOA))	Trade	100.00%	100.00%
	JADS CORPORATION (HK) LTD. (JADS)	Trade	100.00%	100.00%
	AVC INTERNATIONAL CO., LTD. – SAMOA (AVCI – SAMOA)	Trade	100.00%	100.00%
	HUNG YE INVESTMENT CO., LTD. (HUNG YE)	Investment holding	100.00%	100.00%

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			2024.12.31	2023.12.31
	D-MAX TECHNOLOGY CO., LTD. (D-MAX)	Sales and manufacture of electronic parts and related products	100.00%	100.00%
	FOSITEK CORP. (FST)	Sales and manufacture of electronic parts and related products	16.87%	16.87%
	AVC EUROPE TECHNOLOGY GMBH (AVCEU)	Trade	100.00%	100.00%
	AVC TECH.(VIETNAM) CO.,LTD. (AVC(VN))	Sales and manufacture of electronic parts and related products	100.00%	100.00%
AVCI – BVI	ASIA VITAL COMPONENTS (SHENZHEN) CO.,LTD. (AVCSZ)	Sales and manufacture of electronic products	100.00%	100.00%
	MACE TECH CORP. (MACE)	Trade	100.00%	100.00%
	ASIA VITAL COMPONENTS (CHENGDU) CO.,LTD. (AVCCD)	Sales and manufacture of computers, related parts and accessories	100.00%	100.00%
	AVC OPTICS CORP. (AVCOC)	Investment holding	100.00%	100.00%
MACE	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD. (AVCDG)	Manufacture, process and sales of electronic products	100.00%	100.00%
AVCDG	AVC PRECISION, CO., LTD. (AVCP)	Sales and manufacture of electronic products	100.00%	100.00%
AVCOC	AVC OPTICS (WUHAN) CORP. (AVCWH)	Sales and manufacture of computers, related parts and accessories	100.00%	100.00%
AVCWH	WUHAN ASIA VITAL COMPONENTS CO.,LTD. (AVCWN)	Trade	100.00%	100.00%
CHIHUNG	ASIA VITAL COMPONENTS (CHINA) CO.,LTD. (AVCCN)	Sales and manufacture of electronic products	100.00%	100.00%
AVCCN	BEIJING AVC TECHNOLOGY RESEARCH CENTER CO., LTD. (AVCBI)	Maintenance, research and development of electronic products	100.00%	100.00%

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			2024.12.31	2023.12.31
D-MAX	WUCHIDA INTERNATIONAL (SAMOA) CO.,LTD. (WUCHIDA)	Investment holding	100.00%	100.00%
WUCHIDA	D-Max INTERNATIONAL CO.,LIMITED (D-Max HK)	Investment holding	100.00%	100.00%
D-Max	(JIASHAN) D-MAX ELECTRONICS CO.,LTD.	Sales and manufacture of electronic and photographic equipment	100.00%	100.00%
FSD	MARKETHILL INVESTMENTS LIMITED (MARKETHILL)	Investment holding	100.00%	100.00%
	FOSITEK (VIETNAM) COMPANYLIMITED	Sales and manufacture of rails and shafts	100.00%	—
	FOSITEK AMERICA, INC.	Sales of shafts	100.00% (Note 2)	—
MARKETHILL	SHENZHEN FOSITEK TELECOM CO.,LTD.	Sales and manufacture of rails, shafts and metal stamping tooling	100.00%	100.00%
SHENZHEN FOSITEK TELECOM CO.,LTD.	DONGGUAN FOSITEK TELECOM CO.,LTD.	Sales and manufacture of shafts	100.00% (Note 1)	—

Note 1: SZFSD, a subsidiary of the Company, invested in the establishment of the Company in January of 2024.

Note 2: FSD, a subsidiary of the Company, invested in the establishment of the Company in May of 2024

Although the percentage of ownership interests in FST is less than 50%, the Group determined that it has control over FST. This is due to a combination of factors : the Group remains the single largest shareholder of FST since the increase of the investment in September 2014, the Group could obtain proxies to achieve relative majority in the absence of a contractual arrangement in place; and the ability of the Company to appoint or approve the key management personnel of FST who have the ability to direct the relevant activities.

(4) Foreign Currency Transactions

The Group's consolidated financial statements are presented in NT\$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

- A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- B. The Group holds the asset primarily for the purpose of trading
- C. The Group expects to realize the asset within twelve months after the reporting period
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Group expects to settle the liability in its normal operating cycle
- B. The Group holds the liability primarily for the purpose of trading
- C. The liability is due to be settled within twelve months after the reporting period
- D. The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 12 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) the Group's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- (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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognise the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - i. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired
- (b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- (c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- (a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- (b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- (a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
- (b) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost on a first in, first out basis

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(11) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures (before 1 January 2019: IAS 39 Financial Instruments: Recognition and Measurement). If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Group estimates:

- A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	20~57 years
Machinery and Equipment	1~12 years
Molding Equipment	1~10 years
Other Facilities	1~30 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal Group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	29~57 years
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Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(14) Leases

For contracts entered on, the Group assesses whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether the contract, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditures are reflected in profit or loss for the year in which the expenditures are incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least once at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate the following:

- A. the technical feasibility of completing the intangible asset so that it will be available for use or sale
- B. its intention to complete and its ability to use or sell the asset
- C. how the asset will generate future economic benefits
- D. the availability of resources to complete the asset
- E. the ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

A summary of the policies applied to the Group's intangible assets is as follows:

	Patents	Computer software
Useful lives	Finite(1~5 years)	Finite(1~10 years)
Amortization method used	Amortized on a straight- line basis	Amortized on a straight- line basis
Internally generated or acquired	Acquired	Acquired

(16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(18) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follow:

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer. The main product of the Group is 3C electronic products and revenue is recognized based on the consideration stated in the contract. Some of customer contracts will refund the discount in the subsequent period. The company estimates the amount that may be refunded based on historical experience as a deduction of income and recognizes the refund liability. The aforesaid estimate will be based on the balance sheet date during the contract period be updated.

The credit period of the Group's sale of goods is from 90 to 150 days. For all of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract.

However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(20) Share-based payment transactions

The cost of equity-settled transactions between the Group and its subsidiaries is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(21) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(22) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur.

Past service costs are recognized in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment, and
- B. the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(23) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- B. in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- B. In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities 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.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(24) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Inventories

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	31 Dec 2024	31 Dec 2023
Cash on hand and demand deposits	\$24,253,788	\$20,641,043
Time deposits	5,669,720	6,284,631
Securities purchased under resell agreements	—	31,295
Total	<u>\$29,923,508</u>	<u>\$26,956,969</u>

Cash and cash equivalents were not pledged.

(2) Financial assets measured at amortized cost, current

<u>Current:</u>	31 Dec 2024	31 Dec 2023
Bank deposits	\$2,075,672	\$2,134,278
 <u>Noncurrent:</u>		
Bond	32,719	30,642
Total	<u>\$2,108,391</u>	<u>\$2,164,920</u>

The Group classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge and Note 12 for details on credit risk and assessment of impairment loss.

(3) Notes receivable, net

A.

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Notes receivable	\$1,307,474	\$785,579
Less: loss allowance	<u>(1,837)</u>	<u>(1,459)</u>
Total	<u><u>\$1,305,637</u></u>	<u><u>\$784,120</u></u>

B. Notes receivables arised from operating activities and were not pledged.

C. The Group follows the requirement of IFRS 9 to assess the impairment. The Group measures the loss allowance of its note receivables at an amount equal to lifetime expected credit losses. The movement in the provision for impairment of note receivables as of 31 December, 2024 and 2023 is as follows:

D. Movement of the loss allowance table:

	<u>Loss allowance</u>
As of 1 Jan 2024	\$1,459
Charge for the current period	302
Foreign exchange adjustments	<u>76</u>
As of 31 Dec 2024	<u><u>\$1,837</u></u>
	<u>Loss allowance</u>
As of 1 Jan 2023	\$1,763
(Reversal) for the current period	(277)
Foreign exchange adjustments	<u>(27)</u>
As of 31 Dec 2023	<u><u>\$1,459</u></u>

(4) Accounts receivable, net

A.

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Account receivables	\$6,730,156	\$5,957,796
Less: loss allowance	<u>(268,825)</u>	<u>(209,392)</u>
Total	<u><u>\$6,461,331</u></u>	<u><u>\$5,748,404</u></u>

B. Accounts receivables were not pledged.

C. Trade receivables are generally on 90-150 day terms. The total carrying amount as of 31 December, 2024 and 31 December, 2023 were \$6,730,156 thousand and \$5,957,796 thousand, respectively. The Group follows the requirement of IFRS 9 to assess the impairment, measure the loss allowance of its trade receivables at an amount equal to lifetime expected credit losses, consider the grouping of note receivables by counterparties' credit rating, by geographical region and by industry sector, and its loss allowance is recognized based on expected loss ratio, details are as follow.

	Neither past due nor impaired	Past due but not impaired			Total
		31~90 days	91~180 days	>=181 days	
31 Dec 2024					
Gross carrying amount	\$6,692,112	\$5,002	\$108	\$32,934	\$6,730,156
Loss ratio	0%~5%	1%~10%	5%~20%	50%~100%	
Lifetime expected credit losses	235,835	50	6	32,934	268,825
Subtotal	<u>6,456,277</u>	<u>4,952</u>	<u>102</u>	<u>—</u>	<u>6,461,331</u>
31 Dec 2023					
Gross carrying amount	\$5,890,936	\$30,359	\$35	\$36,466	\$5,957,796
Loss ratio	0%~5%	1%~10%	5%~20%	50%~100%	
Lifetime expected credit losses	173,082	303	2	36,005	209,392
Subtotal	<u>\$5,717,854</u>	<u>\$30,056</u>	<u>\$33</u>	<u>\$461</u>	<u>\$5,748,404</u>

D. Movement of the loss allowance table:

	Collectively impaired
As of 1 Jan 2024	\$209,392
Charge for the current period	56,665
Foreign exchange adjustments	2,768
As of 31 Dec 2024	<u>\$268,825</u>
As of 1 Jan 2023	\$168,580
Charge for the current period	42,164
Foreign exchange adjustments	(1,352)
As of 31 Dec 2023	<u>\$209,392</u>

- E. The Group entered into a factoring agreement with the following banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognized the transferred accounts receivable.

As of 31 December 2024 and 2023, other receivables from banks incurred by accounts receivable factoring amounted to NT\$309,879 thousand and NT\$459,167 thousand, respectively.

As of 31 December 2024 and 31 December 2023, the relevant information of accounts receivable factored and derecognised by the Group is as follows:

(a) 31 December 2024:

The Factor (Transferee)	Rates (%)	Accounts receivable factoring not yet due (in thousands)	Amount received (in thousands)	Retention (recognized as other receivables) (in thousands)	Credit Limit (in thousands)
E.SUN	—	\$9,452	—	\$9,452	\$100,000
CTBC	—	—	—	—	12,000
Total		<u>\$9,452</u>	<u>—</u>	<u>\$9,452</u>	<u>\$112,000</u>

(b) 31 December, 2023:

The Factor (Transferee)	Rates (%)	Accounts receivable factoring not yet due (in thousands)	Amount received (in thousands)	Retention (recognized as other receivables) (in thousands)	Credit Limit (in thousands)
E.SUN	—	\$13,359	—	\$13,359	\$100,000
CTBC	—	1,595	—	1,595	20,000
Total		\$14,954	—	\$14,954	\$120,000

(5) Other receivables and other receivables-related parties

A.

	2024.12.31	2023.12.31
Tax refund receivable	\$79,345	\$64,695
Other receivables	469,435	607,779
Less: loss allowance	(14,981)	(16,622)
Subtotal	533,799	655,852
Other receivables – related parties	5,681	7,955
Total	\$539,480	\$663,807

B. The Group follows the requirement of IFRS 9 to assess the impairment. The Group measures the loss allowance of its other receivables at an amount equal to lifetime expected credit losses, considers the grouping of note receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is recognized based on expected loss ratio, details are as follow. Please refer to Note 12 for more details on credit risk management.

C. Movement of the loss allowance table:

	Collectively impaired
As of 1 Jan 2024	\$16,622
(Reversal) for the current period	(1,976)
Write off	—
Foreign exchange adjustments	335
As of 31 Dec 2024	\$14,981
As of 1 Jan 2023	\$13,135
Charge for the current period	3,635
Write off	—
Foreign exchange adjustments	(148)
As of 31 Dec 2023	\$16,622

(6) Inventories

A.

	31 Dec 2024	31 Dec 2023
Raw materials	\$5,321,602	\$3,342,569
Work in progress	3,058,229	1,217,410
Finished goods	25,017,514	12,674,947
Total	\$33,397,345	\$17,234,926

B. Expenses and losses incurred on inventories for the years ended 31 December 2024 and 2023 were as follows:

	2024	2023
Cost of inventories sold	\$53,210,857	\$46,331,908
Loss on inventory valuation	1,109,304	166,186
Loss on disposal of Inventory	570,694	308,142
Cost of goods sale	\$54,890,855	\$46,806,236

C. No inventories were pledged.

(7) Prepayments

	31 Dec 2024	31 Dec 2023
Payment in advance	\$671,009	\$483,818
Other prepaid expenses	80,500	77,280
Total	<u>\$751,509</u>	<u>\$561,098</u>

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

	31 Dec 2024	31 Dec 2023
Debt instrument investments measured at fair value through other comprehensive income – Non-current:		
Unlisted companies stocks	<u>\$493,663</u>	<u>\$164,310</u>

Financial assets at fair value through other comprehensive income were not pledged.

(9) Investments accounted for under the equity method

A. The following table lists the investments in associates of the Group:

Investees	31 Dec 2024		31 Dec 2023	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
ZIMAG TECHNOLOGY CO., INC. (Note 1)	\$51,803	9.53%	\$50,498	9.53%
FURUKAWA AVC ELECTRONICS (SUZHOU) CO., LTD.	203,406	30.00%	160,502	30.00%
ZHUZHOU CRRC-AVC THERMAL TECHNOLOGY CO., LTD.	126,745	25.00%	108,982	25.00%
KEY APPLICATION TECHNOLOGY CO., LTD. (Note 2)	—	16.31%	—	16.31%
PARAGON SEMICONDUCTOR LIGHTING TECHNOLOGY CO., LTD.	39,171	40.00%	43,906	40.00%
DINGDAO ZHILIAN (BEIJING) (Note 3)	215,683	12.50%	—	—
Total	<u>636,808</u>		<u>\$363,888</u>	

Note 1: The Group evaluated and concluded that it has significant influence over Innovision, thus, this investment of the Group used the equity method for evaluation.

Note 2: The Group evaluated and concluded that it has significant influence over Innovision, thus, this investment of the Group used the equity method for evaluation.

Note 3: The Group evaluated and concluded that it has significant influence over Innovision, thus, this investment of the Group used the equity method for evaluation.

Certain investments accounted for under the equity method were audited by other independent accountants. Shares of profit or loss of these associates amounted to NT\$100,716 thousand and NT\$83,156 thousand for the years ended 31 December 2024 and 2023, respectively. Share of other comprehensive income (loss) of these associates amounted to NT\$(3,590) thousand and NT\$(1,292) thousand for the years ended 31 December 2024 and 2023, respectively. The balances of investments accounted for under the equity method were NT\$545,834 thousand and NT\$269,484 thousand as of 31 December 2024 and 2023, respectively.

None of the aforementioned associates were pledged.

B. Financial information of associates:

There is no individually significant associate for the Group. When an associate is a foreign operation, and the functional currency of the foreign entity is different from the Group, an exchange difference arising from translation of the foreign entity will be recognized in other comprehensive income (loss).

The aggregate financial information of the Group's investments in its joint ventures is as follows:

	For the years ended	
	31 Dec 2024	31 Dec 2023
Net income	\$100,264	\$81,182
Other comprehensive (loss) income	(3,869)	(2,492)
Total comprehensive income	\$96,395	\$78,690

(10) Property, plant and equipment

	31 Dec 2024	31 Dec 2023
Owner occupied property, plant and equipment	\$13,805,248	\$11,350,100

A. Owner occupied property, plant and equipment (applicable under IFRS 16 requirements)

	Land	Buildings	Machinery and equipment	Molding equipment	Other facilities	Construction in progress and equipment awaiting examination	Total
Cost:							
As of 1 Jan 2024	\$167,151	\$3,808,129	\$8,471,565	\$925,344	\$4,313,056	\$1,509,626	\$19,194,871
Additions	—	75,607	1,962,715	238,003	1,257,653	1,006,237	4,540,215
Disposals	—	(446,006)	(604,451)	(45,733)	(268,870)	—	(1,365,260)
Transfers and reclassifications	—	(34,589)	—	—	—	—	(34,589)
Exchange differences	—	167,575	264,460	44,311	109,665	27,480	613,491
As of 31 Dec 2024	\$167,151	\$3,570,716	\$10,094,089	\$1,161,925	\$5,411,504	\$2,543,343	\$22,948,728
Depreciation and impairment:							
As of 1 Jan 2024	—	\$1,173,509	\$3,550,303	\$712,591	\$2,408,368	—	\$7,844,771
Depreciation	—	116,300	907,771	189,656	789,171	—	2,002,898
Impairment loss	—	—	135,130	—	—	—	135,130
Disposals	—	(393,108)	(360,040)	(45,084)	(215,765)	—	(1,013,997)
Transfers and reclassifications	—	(10,778)	—	—	—	—	(10,778)
Exchange differences	—	54,081	61,233	19,138	51,004	—	185,456
As of 31 Dec 2024	—	\$940,004	\$4,294,397	\$876,301	\$3,032,778	—	\$9,143,480

	Land	Buildings	Machinery and equipment	Molding equipment	Other facilities	Construction in progress and equipment awaiting examination	Total
Cost:							
As of 1 Jan 2023	\$167,151	\$3,365,191	\$7,348,096	\$846,333	\$3,396,428	\$1,440,945	\$16,564,144
Additions	—	512,702	1,714,772	228,101	1,077,127	124,701	3,657,403
Disposals	—	—	(325,280)	(128,452)	(139,780)	—	(593,512)
Transfers and reclassifications	—	(10,111)	—	—	—	—	(10,111)
Exchange differences	—	(59,653)	(266,023)	(20,638)	(20,719)	(56,020)	(423,053)
As of 31 Dec 2023	\$167,151	\$3,808,129	\$8,471,565	\$925,344	\$4,313,056	\$1,509,626	\$19,194,871
Depreciation and impairment:							
As of 1 Jan 2023	—	\$1,070,817	\$3,084,204	\$737,437	\$1,977,590	—	\$6,870,048
Depreciation	—	115,901	771,845	131,812	592,942	—	1,612,500
Impairment loss	—	—	78,099	—	—	—	78,099
Disposals	—	—	(190,685)	(127,791)	(120,126)	—	(438,602)
Transfers and reclassifications	—	538	—	—	—	—	538
Exchange differences	—	(13,747)	(193,160)	(28,867)	(42,038)	—	(277,812)
As of 31 Dec 2023	—	\$1,173,509	\$3,550,303	\$712,591	\$2,408,368	—	\$7,844,771
Net carrying amount as of:							
As of 31 Dec 2024	\$167,151	\$2,630,712	\$5,799,692	\$285,624	\$2,378,726	\$2,543,343	\$13,805,248
As of 31 Dec 2023	\$167,151	\$2,634,620	\$4,921,262	\$212,753	\$1,904,688	\$1,509,626	\$11,350,100

B. The Group has evaluated the value of some machinery and equipment has been impaired, and impairment losses are recognized amounted to NT\$135,130 thousand and NT\$78,099 thousand for the years ended 31 December 2024 and 2023, respectively. The recoverable amount is the difference between fair value and disposal cost, this fair value measurement is categorized under Level 3.

C. Please refer to Note 8 for more details on property, plant and equipment under pledge.

(11) Investment property

Investment property includes the Group's own occupied investment property and the investment property held by the Group with the right-of-use assets. The Group enters into commercial property leasing contracts for its own investment property with a leasing period ranging from 1 to 10 years. The lease contract includes provisions for adjusting the rent based on the annual market environment.

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost :			
As of 1 Jan 2024	\$8,769	\$191,772	\$200,541
Additions	123,141	17,961	141,102
Transfers and reclassifications	—	34,589	34,589
Exchange differences	—	3,523	3,523
As of 31 Dec 2024	<u>\$131,910</u>	<u>\$247,845</u>	<u>\$379,755</u>
As of 1 Jan 2023	\$8,769	\$182,921	\$191,690
Additions	—	—	—
Transfers and reclassifications	—	10,111	10,111
Exchange differences	—	(1,260)	(1,260)
As of 31 Dec 2023	<u>\$8,769</u>	<u>\$191,772</u>	<u>\$200,541</u>
Depreciation and impairment:			
As of 1 Jan 2024	—	\$94,903	\$94,903
Depreciation	—	4,535	4,535
Transfers and reclassifications	—	10,778	10,778
Exchange differences	—	776	776
As of 31 Dec 2024	<u>—</u>	<u>\$110,992</u>	<u>\$110,992</u>
As of 1 Jan 2023	—	\$91,823	\$91,823
Depreciation	—	3,888	3,888
Transfers and reclassifications	—	(538)	(538)
Exchange differences	—	(270)	(270)
As of 31 Dec 2023	<u>—</u>	<u>\$94,903</u>	<u>\$94,903</u>
Net carrying amount as at:			
As of 31 Dec 2024	<u>\$131,910</u>	<u>\$136,853</u>	<u>\$268,763</u>
As of 31 Dec 2023	<u>\$8,769</u>	<u>\$96,869</u>	<u>\$105,638</u>

	2024	2023
Rental income from investment property	\$26,945	\$21,652
Less: Direct operating expenses from investment property generating rental income	(6,720)	(6,031)
Total	<u>\$20,225</u>	<u>\$15,621</u>

Please refer to Note 8 for more details on investment property under pledge.

The investment property held by the Group is industrial land and buildings, and the fair value is equivalent to the carrying value.

(12) Intangible assets

	Computer software	Patents	License fee	Goodwill	Total
Cost:					
As of 1 Jan 2024	\$494,922	\$5,185	\$25,679	\$7,107	\$532,893
Addition	65,210	124	—	—	65,334
Disposals	(700)	—	—	—	(700)
Transfers and reclassifications	—	—	—	—	—
Exchange differences	8,476	4	—	—	8,480
As of 31 Dec 2024	<u>\$567,908</u>	<u>\$5,313</u>	<u>\$25,679</u>	<u>\$7,107</u>	<u>\$606,007</u>
As of 1 Jan 2023	\$394,347	\$5,185	\$25,679	\$7,107	\$432,318
Addition	110,537	—	—	—	110,537
Disposals	(3,958)	—	—	—	(3,958)
Transfers and reclassifications	—	—	—	—	—
Exchange differences	(6,004)	—	—	—	(6,004)
As of 31 Dec 2023	<u>\$494,922</u>	<u>\$5,185</u>	<u>\$25,679</u>	<u>\$7,107</u>	<u>\$532,893</u>
Amortization and impairment:					
As of 1 Jan 2024	\$322,001	\$5,185	\$22,026	\$7,107	\$356,319
Amortization	75,682	124	878	—	76,684
Disposals	(423)	—	—	—	(423)
Transfers and reclassifications	—	—	—	—	—
Exchange differences	4,756	4	—	—	4,760
As of 31 Dec 2024	<u>\$402,016</u>	<u>\$5,313</u>	<u>\$22,904</u>	<u>\$7,107</u>	<u>\$437,340</u>

	Computer software	Patents	License fee	Goodwill	Total
As of 1 Jan 2023	\$264,774	\$5,185	\$21,150	\$7,107	\$298,216
Amortization	62,541	—	876	—	63,417
Disposals	(2,053)	—	—	—	(2,053)
Transfers and reclassifications	—	—	—	—	—
Exchange differences	(3,261)	—	—	—	(3,261)
As of 31 Dec 2023	<u>\$322,001</u>	<u>\$5,185</u>	<u>\$22,026</u>	<u>\$7,107</u>	<u>\$356,319</u>
Net carrying amount as at:					
31 Dec 2024	<u>\$165,892</u>	<u>—</u>	<u>\$2,775</u>	<u>—</u>	<u>\$168,667</u>
31 Dec 2023	<u>\$172,921</u>	<u>—</u>	<u>\$3,653</u>	<u>—</u>	<u>\$176,574</u>

Amortization expense of intangible assets under the statement of comprehensive income:

	2024	2023
Operating costs	<u>\$9,943</u>	<u>\$7,943</u>
Operating expenses	<u>\$66,741</u>	<u>\$55,474</u>

(13) Other non-current assets

	31 Dec 2024	31 Dec 2023
Advance payments in equipments	\$3,645,682	\$1,238,823
Refundable deposits	276,031	194,534
Other advance	128,789	126,760
Other non-current assets - other	4,237	5,952
Total	<u>\$4,054,739</u>	<u>\$1,566,069</u>

Please refer to Note 8 for more details on other non-current assets under pledge.

(14) Short-term borrowings

A.

	31 Dec 2024	31 Dec 2023
Unsecured bank loans	<u>\$9,585,252</u>	<u>\$6,795,540</u>

B. Interest rate ranges are within 1.7000%~5.7700% and 1.6500%~6.6000% as of 31 December 2024 and 2023, respectively.

C. The Group's unused short-term lines of credits amounted to NT\$16,785,825 thousand and NT\$15,441,812 thousand as of 31 December 2024 and 2023, respectively.

(15) Short-term notes and bills payable

<u>property</u>	<u>Guarantee or acceptance agency</u>	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Commercial papers payable	Mega Bills Finance CO., LTD.	—	\$30,000
Range of interest rates		—	1.6400%

(16) Other payables

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Salaries and bonus	\$3,421,320	\$2,482,336
Employee's compensation and remuneration of directors	539,700	357,549
Others	3,963,905	3,287,295
Total	<u>\$7,924,925</u>	<u>\$6,127,180</u>

(17) Other current liabilities

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Refund liabilities	\$1,251,636	\$1,315,733
Others	4,268,509	1,090,696
Net	<u>\$5,520,145</u>	<u>\$2,406,429</u>

(18) Corporate Bonds payable

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>	<u>Collateral</u>
5 year secured bonds - issued at par value. Issued in August 2020. Interest at 0.62%, bullet repayment, payable annually	\$2,400,000	\$2,400,000	Bank guarantee
Less: current portion	<u>(2,400,000)</u>	<u>—</u>	
Net	<u>—</u>	<u>\$2,400,000</u>	

The issuance of the above corporate bonds payable is to repay existing loans and expand working capital, the Company entered into a syndicated credit facility agreement with 9 banks by E.SUN Commercial Bank, Taiwan Cooperative Bank, Hua Nan Commercial Bank, Bank of Taiwan, Land Bank of Taiwan, Mega International Commercial Bank, The Shanghai Commercial & Savings Bank, First Commercial Bank and CTBC Bank for a NT\$2,424,000 thousand credit line.

(19) Long-term borrowings

	31 Dec 2024	31 Dec 2023	Redemption
Unsecured Long-Term Loan from Taiwan Cooperative Bank	\$93,750	\$168,750	Effective 25 Mar 2022 to 24 Mar 2026. Four-year loan: principal is repaid in 16 quarterly payments with monthly interest payments.
Unsecured Long-Term Loan from Taiwan Cooperative Bank	281,250	406,250	Effective 9 Feb 2023 to 8 Feb 2027. Four-year loan: principal is repaid in 16 quarterly payments with monthly interest payments.
Unsecured Long-Term Loan from Taiwan Cooperative Bank	450,000	—	Effective 28 May 2024 to 27 May 2029. Five-year loan: principal is repaid in 20 quarterly payments with monthly interest payments.
Unsecured Long-Term Loan from Export-Import Bank of the Republic of China	187,500	250,000	Effective 21 Dec 2021 to 21 Dec 2027. Six-year loan: interest-only payment for 30 months. Principal is repaid with monthly interest payments.
Unsecured Long-Term Loan from Export-Import Bank of the Republic of China	673,750	770,000	Effective 11 Apr 2022 to 11 Apr 2028. Six-year loan: interest-only payment for 30 months. Principal is repaid with monthly interest payments.
Unsecured Long-Term Loan from Export-Import Bank of the Republic of China	600,000	—	Effective 16 Oct 2024 to 16 Oct 2030. Six-year loan: interest-only payment for 30 months. Principal is repaid with monthly interest payments.
Unsecured Long-Term Loan from E. Sun Bank	437,500	500,000	Effective 25 Aug 2023 to 25 Aug 2026. Three-year loan: principal is amortized on a quarterly basis, and interest is paid on a monthly basis.
Unsecured Long-Term Loan from Land Bank of Taiwan	—	199,999	Effective 12 Dec 2022 to 12 Dec 2025. Three-year loan: principal is repaid in monthly payments with interest.

	31 Dec 2024	31 Dec 2023	Redemption
Unsecured Long-Term Loan from Taiwan Business Bank	\$187,500	\$312,500	Effective 17 Jun 2022 to 17 Jun 2026. Four-year loan: principal is repaid in monthly payments with monthly interest payments.
Unsecured Long-Term Loan from DBS Bank	160,000	160,000	Revolving line are two years, every loans can't be over six months. The two-year limit is based on the initial draw-down date. The actual credit line has no maturity date.
Unsecured Long-Term Loan from DBS Bank	200,000	—	Revolving line are two years, every loans can't be over six months. The two-year limit is based on the initial draw-down date. The actual credit line has no maturity date.
Unsecured Long-Term Loan from Hua Nan Bank	200,000	200,000	Effective 16 Oct 2023 to 16 Oct 2026. Three-year loan: principal is repaid in monthly payments with monthly interest payments.
Unsecured Long-Term Loan from HSBC Commercial Bank	—	200,000	2-year recycled with each loan. The actual credit line is based on the dial date, and the actual credit line is annual. Review in June, interest is paid on a monthly basis, and the interest is calculated on a daily basis. Interest is accrued, and the principal can be repaid at maturity.
Unsecured Long-Term Loan from Far Eastern International Bank	550,000	—	Effective 10 Dec 2024 to 10 Dec 2029. Five-year loan: interest-only payment for 24 months. Principal is repaid with monthly interest payments.
Unsecured Long-Term Loan from Shanghai Commercial & Savings Bank	231,791	298,325	Effective 24 Oct 2022 to 23 Oct 2027. Five-year loan: principal is amortized on a quarterly basis.
Unsecured Long-Term Loan from Taipei Fubon Bank	240,375	298,326	Effective 20 Jul 2023 to 19 Jul 2026. Three-year loan: principal is amortized on a quarterly basis.
Subtotal	4,493,416	3,764,150	
Less: Due within one year	(1,144,621)	(787,127)	
Total	\$3,348,795	\$2,977,023	
Interest rates	1.6048%~5.6600%	1.6200%~6.5600%	

(20) Long-term deferred revenue

Government grants were as follows:

	2024	2023
Beginning balance	\$665,737	\$705,691
Released to the statement of comprehensive income	(27,853)	(27,484)
Exchange differences	23,252	(12,470)
Ending balance	<u>\$661,136</u>	<u>\$665,737</u>

Government grants have been received for the purchase of certain items of property, plant and equipment.

(21) Post-employment benefits

A. Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended 31 December 2024 and 2023 were NT\$36,969 thousand and NT\$32,681 thousand, respectively.

B. Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded for each year after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries will estimate the aforementioned Labor Pension reserve accounts balance. If the balance is insufficient for the estimated payments to employees meeting the conditions of receiving labor pension within the following year, the Company will set aside the shortfall in full by end of March in the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the regulations for revenues, expenditures, safeguard and utilization of the labor retirement fund. The pension fund is invested in-house or under a mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with IAS 19. The Company expects to contribute NT\$2,647 thousand to its defined benefit plan for the following 12 months as of 31 December 2024.

The durations of defined benefit obligation for the years ended 31 December 2024 and 2023 will expire in 9 years and 10 years, respectively.

Pension costs recognized in profit or loss are as follows:

	2024	2023
Current period service costs	\$2,531	\$982
Net interest on the net defined benefit liabilities	(1,712)	(297)
Total	<u>\$819</u>	<u>\$685</u>

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	31 Dec 2024	31 Dec 2023
Defined benefit obligation	\$109,580	\$121,561
Plan assets at fair value	(146,169)	(139,276)
Net defined benefit (assets) liabilities	<u>(\$36,589)</u>	<u>(\$17,715)</u>

Reconciliations of liabilities (assets) of the defined benefit plan are as follows:

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities
As of 1 January 2023	\$114,615	(\$136,431)	(\$21,816)
Current service cost	982	—	982
Interest expense (income)	1,559	(1,856)	(297)
Subtotal	<u>117,156</u>	<u>(138,287)</u>	<u>(21,131)</u>
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	—	—	—
Actuarial gains and losses arising from changes in financial assumptions	1,694	—	1,694
Experience adjustments	4,838	—	4,838
Remeasurements of the defined benefit assets	—	(452)	(452)
Subtotal	<u>6,532</u>	<u>(452)</u>	<u>6,080</u>
Payments from the plan	(2,126)	2,126	—
Contribution by employer	—	(2,664)	(2,664)
As of 31 December 2023	\$121,562	(\$139,277)	(\$17,715)
Current service cost	1,036	—	1,036
Interest expense (income)	1,495	(1,712)	(217)
Subtotal	<u>124,093</u>	<u>(140,989)</u>	<u>(16,896)</u>
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	654	—	654
Actuarial gains and losses arising from changes in financial assumptions	(4,643)	—	(4,643)
Experience adjustments	(855)	—	(855)
Remeasurements of the defined benefit assets	—	(12,200)	(12,200)
Subtotal	<u>(4,844)</u>	<u>(12,200)</u>	<u>(17,044)</u>
Payments from the plan	(9,669)	9,669	—
Contribution by employer	—	(2,649)	(2,649)
As of 31 December 2024	<u>\$109,580</u>	<u>(\$146,169)</u>	<u>(\$36,589)</u>

The principal underlying actuarial assumptions are as follows:

	31 Dec 2024	31 Dec 2023
Discount Rate	1.64%	1.23%
Rate of future salary Increase	2.00%	2.00%

Sensitivity analysis of each major actuarial assumption:

	2024		2023	
	Defined benefit obligations increase	Defined benefit obligations decrease	Defined benefit obligations increase	Defined benefit obligations decrease
Discount Rate increase 0.5%	—	\$3,490	—	\$5,730
Discount Rate decrease 0.5%	\$5,902	—	\$6,838	—
Future salary increase 0.5%	\$5,850	—	\$6,750	—
Future salary decrease 0.5%	—	\$3,494	—	\$5,720

(22) Equities

A. Common stock

As of 31 December 2024 and 2023, the Group's authorized capital was both NT\$6,000,000 thousand, and issued NT\$3,875,535 thousand and NT\$3,833,101 thousand with 387,554 thousand shares and 383,310 thousand shares, each at a par value of NT\$10. Each share has one voting right and a right to receive dividends.

On November 11, 2022, the Company convened the Board of Directors and resolved to issue 30,000 thousand new shares in cash capital increase. The par value is 10 per share and is issued at NT\$95 per share. This cash capital increase and issuance of new shares, It has been Financial Supervisory Commission approved the declaration on January 16, 2023, And will take April 17, 2023 as the base date for capital increase, and complete the change registration at April 27, 2023.

The Company has delivered 4,243 thousand ordinary shares with a par value of NT\$10 per share due to the exercise of stock options by employees, and as of December 31, 2024, Relevant regulators' approvals have been obtained and related registration processes have been completed.

Issued 142,000 new shares for the nine months ended December 31, 2024, at par value of NT\$10 for exercising employee stock options. The aforementioned newly issued shares (NT\$6,995 thousand in the amount) were not yet registered and therefore were classified as capital collected in advance as of December 31, 2024.

B. Additional paid-in capital

	31 Dec 2024	31 Dec 2023
Share premium	\$1,982,987	\$2,581,008
Difference between consideration and carrying amount of subsidiaries acquired or disposed	83,185	83,185
Changes in ownership interests in subsidiaries	253,379	253,379
Donated assets received	3,849	3,637
Premium from merger	443,730	443,730
Employee stock option	755,982	478,460
Share options of convertible bonds	23,292	23,292
Total	\$3,546,404	\$3,866,691

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the group. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

According to the Group's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- (a) Payment of all taxes and dues;
- (b) Offset prior years' operation losses;
- (c) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve, except for when accumulated legal reserve has reached total authorized capital.
- (d) Set aside or reverse special reserve in accordance with law and regulations; and
- (e) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.
- (f) According to Paragraph 5, Article 240 of the Company Act, the resolution authorizing a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors shall, in the form of the distribution of dividends and dividends or all or part of the legal reserves and capital reserves provided for in Paragraph 1, Article 241 of the Companies Act, shall be paid in cash and shall be reported to the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future development plan, investment environment, fund requirements, domestic and international competition as well as the interest of the shareholders. A percentage of no less than 5% of the distributable profits of the accounting period shall be distributed as shareholders' dividends annually. When the accumulated distributable profits are less than 10% of our paid-up capital, we will no longer be required to make allowances for allocation. Shareholders' dividends could be paid in the form of shares or cash. Accordingly, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside an amount to legal reserves unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserves that exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

Following the adoption of TIFRS, the FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1100150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserves. Following a company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserves, from the profit/loss of the current period and the undistributed earnings from the previous period. The amount should equal to "other net deductions from shareholders' equity for the current fiscal year, provided that the company has already set aside special reserves according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

As of 31 December 2024 and 2023, special reserve set aside for the first-time adoption of TIFRS amounts to \$95,481 thousand. Furthermore, the Group has not reversed special reserve during the year ended 2024 and 2023 as results of the no use, disposal or reclassification of related assets. As of 31 December 2024 and 2023, special reserve set aside for the first-time adoption of TIFRS amounts to \$95,481 thousand.

Details of the 2024 and 2023 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on 12 March 2025 and 13 March 2024, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$818,601	\$530,198		
Special reserve	(842,353)	331,830		
Common stock -cash dividend	2,713,866	1,916,551	\$7	\$4.97

The Board of Directors' meeting and shareholders' meeting on 12 March 2025 and 14 June 2024 resolved to distribute \$1,163,085 thousand and \$766,620 thousand from capital surplus to shareholders in the form of cash. Shareholders are entitled to receive \$3 and \$1.99 per share.

Please refer to Note 6.26 for further details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	2024	2023
Beginning balance	\$3,817,401	\$1,926,648
Profit attributable to non-controlling interests	1,020,298	509,751
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Other Comprehensive Income Before Tax Gains/Losses From Investments In Equity Instruments	(499)	—
Exchange differences resulting from translating the financial statements of a foreign operation	78,470	(34,501)
Increasing in non-controlling interests	(313,429)	1,412,399
Difference between consideration and carrying amount of subsidiaries acquired or disposed	—	3,104
Ending balance	\$4,602,241	\$3,817,401

(23) Share-based payment

Certain employees of the Group are entitled to share-based payments as part of their remunerations. Services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payments transactions.

A. Stock option plan for employees of the parent company

On July 7, 2022 and June 29, 2023, the Parent Company issue employee share options with a total number of 14,631 units and 2,058 units. Each unit entitles an optioned to subscribe for 1,000 shares of the Company's common shares. The exercise price of the option was set at the closing price of the Company's common share on the grant date. The optionee may exercise the options in accordance with certain schedules as prescribed by the plan starting 2 years from the grant date. Settlement upon the exercise of the options will be made through the issuance of new shares by the Parent Company.

The fair value of the share options is estimated at the grant date using a binomial option pricing-model, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each option granted is 10 years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these employee share options.

The relevant details of the aforementioned share-based payments plan were as follows:

Date of grant	Total number of share options granted (in thousands)	The number of share that can be option each unit (share)	Exercise price of share Options (\$)(Note)
July 7, 2022	\$14,631	1,000	\$49.4
June 29, 2023	\$2,058	1,000	\$146.1

Note: The exercise prices are adjusted in accordance with the plan in the event that changes to the Company's total common shares occur or when the Company pays cash dividends.

The following table lists the inputs to the model used for the plan granted for the years ended 31 December, 2024 and 2023 :

	June 29, 2023	July 7, 2022
Dividend yield(%)	—	—
Expected volatility(%)	40.36%	36.89%
Risk-free interest rate(%)	1.16%	1.2462%
Expected option life(year)	10 years	10 years
Option pricing model	Binomial option pricing model	Binomial option pricing model

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The further details of the Group of 2024 on the aforementioned share-based payments plan were as follows:

2024				
Stock option	Number of share options outstanding	Average exercise price of share options (\$)	Fulfillment price range (\$)	Average remaining contract period of share options
Outstanding at beginning of period	16,689	\$49.4~146.1	—	—
Granted	—	—	—	—
Exercised	(4,385)	49.4~50	49.4~50	—
Expired	(62)	—	—	—
Outstanding at end of period	<u>12,242</u>	—	—	—
Exercisable at end of period	<u>12,242</u>	—	—	7.51 years ~8.49 years

The further details of the Group of 2023 on the aforementioned share-based payments plan were as follows:

2023				
Stock option	Number of share options outstanding	Average exercise price of share options (\$)	Fulfillment price range (\$)	Average remaining contract period of share options
Outstanding at beginning of period	14,631	\$49.4	—	8.51 years
Granted	2,058	146.1	—	9.49 years
Exercised	—	—		
Expired	—	—		
Outstanding at end of period	<u>16,689</u>	—		
Exercisable at end of period	<u>16,689</u>	—		

B. Expenses incurred on share-based payment transactions plan were shown as follows:

	2024	2023
Expenses incurred on share-based payment transactions (equity-settled share-based payments transactions)	<u>\$277,521</u>	<u>\$308,432</u>

C. No modification or cancellation of share-based payment plan has occurred for the years ended 31 December 2024 and 2023.

(24) Operating revenues

A. Disaggregation of revenue

	2024	2023
Sale of goods	<u>\$71,761,296</u>	<u>\$59,194,356</u>
Timing of revenue recognition:		
At a point in time	<u>\$71,761,296</u>	<u>\$59,194,356</u>

B. Contract balances

Contract liabilities - current

	31 Dec 2024	31 Dec 2023
Sale of goods	<u>\$2,881</u>	<u>\$516</u>

During the period, contract liabilities significantly decreased as performance obligations are partially unsatisfied and \$516 thousand included in the contract liability balance at the beginning of the period was recognized as revenue during the period.

(25) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment and office equipment. The lease terms range from 1 to 50 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

I. Right-of-use assets

	31 Dec 2024	31 Dec 2023
Land	\$851,363	\$694,526
Buildings	2,136,333	987,123
Other equipment	32,302	33,301
Total	<u>\$3,019,998</u>	<u>\$1,714,950</u>

During the year ended of 31 December 2024, the Group's additions to right-of-use assets amounted to \$382,204 thousand.

II. Lease liabilities

	31 Dec 2024	31 Dec 2023
Current	\$335,637	\$254,125
Non-current	1,960,515	869,355
Total	<u>\$2,296,152</u>	<u>\$1,123,480</u>

Please refer to Note 6.27(4) for the interest on lease liabilities recognized during the year ended 31 Dec 2024 and refer to Note 12.5 Liquidity Risk Management for the maturity analysis for lease liabilities as of 31 Dec 2024.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	2024	2023
Land	\$21,934	\$18,558
Buildings	321,504	242,445
Other equipment	33,272	11,543
Total	<u>\$376,710</u>	<u>\$272,546</u>

(c) Income and costs relating to leasing activities

	2024	2023
The expenses relating to short-term leases	<u>\$74,787</u>	<u>\$53,314</u>

(d) Cash outflow relating to leasing activities

During the year ended 31 December 2024, the Group's total cash outflows for leases amounting to \$408,082 thousand.

B. Group as a lessor (applicable to the disclosure requirement in IFRS 16)

Please refer to Note 6.11 for relevant disclosure of the Group's own occupied investment property. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	2024	2023
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$34,557	\$27,274

Please refer to Note 6.11 for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of 31 December 2024 are as follow:

	31 Dec 2024	31 Dec 2023
Not later than one year	\$32,951	\$21,642
Later than one year and not later than five years	54,209	51,022
Later than five years	—	—
Total	\$87,160	\$72,664

(26) Summary statement of employee benefits, depreciation and amortization expenses by function:

Nature \ Function	2024			2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$7,056,785	\$3,014,650	\$10,071,435	\$4,977,474	\$2,587,115	\$7,564,589
Labor and health insurance	\$520,642	\$201,699	\$722,341	\$378,156	\$163,786	\$541,942
Pension	\$3,851	\$33,937	\$37,788	\$3,650	\$29,716	\$33,366
Other employee benefits expense	\$192,816	\$91,757	\$284,573	\$104,470	\$75,370	\$179,840
Depreciation	\$1,987,692	\$396,451	\$2,384,143	\$1,568,725	\$320,209	\$1,888,934
Amortization	\$10,546	\$67,891	\$78,437	\$7,966	\$57,101	\$65,067

According to the Company's Articles of Incorporation, no less than 3% of profit of the current year is distributable as employees' compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributed as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the board of directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit of the current year, the Company estimated the amounts of the employees' compensation and remuneration to directors for the year ended 31 December 2024 to be NT\$320,000 thousand and NT\$157,000 thousand, respectively. The Company estimated the amounts of employees' compensation and remuneration to directors and supervisors for the year ended 31 December, 2023 to be NT\$ 215,000 thousand and NT\$104,296 thousand, respectively. The aforementioned amounts were recognized as employee benefits expense. If the Board of Directors resolves to distribute employees' compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price of the day before the Board of Directors meeting. The difference between the estimation and the resolution of the stockholder's meeting will be recognized in profit or loss in the subsequent year.

A resolution was passed at a Board of Directors meeting held on 12 March, 2025 to distribute NT\$320,000 and NT\$157,000 in cash as employees' compensation and remuneration to directors and supervisors of 2024, respectively.

No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and audit committee for the year ended 31 December, 2022.

(27) Non-operating income and expenses

A. Interest income

	2024	2023
Interest income from bank deposits	\$532,410	\$381,294
Interest income from financial assets at amortized cost	20,352	6,510
Others	49	53
Total	<u>\$552,811</u>	<u>\$387,857</u>

B. Other income

	2024	2023
Rental income	\$34,558	\$27,274
Others	1,375,571	727,872
Total	<u>\$1,410,129</u>	<u>\$755,146</u>

C. Other gains and losses

	2024	2023
(Losses) on disposal of property, plant and equipment	(\$256,565)	(\$96,385)
Foreign exchange gains (losses), net	336,177	23,573
Impairment loss	(135,130)	(78,099)
Others	(39,574)	(35,645)
Total	<u>(\$95,092)</u>	<u>(\$186,556)</u>

D. Finance costs

	2024	2023
Interest on borrowings from bank	\$375,340	\$366,022
Interest on corporate bonds payable	14,880	14,880
Interest on lease liabilities	48,940	40,626
Others	—	12,118
Total	<u>\$439,160</u>	<u>\$433,646</u>

(28) Components of other comprehensive income

For the year ended 31 December 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$17,044	—	\$17,044	(\$3,409)	\$13,635
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	254,851	—	254,851	—	254,851
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	824,563	—	824,563	(155,222)	669,341
Share of other comprehensive income of associates accounted for using the equity method	(3,869)	—	(3,869)	—	(3,869)
Total of other comprehensive income	<u>\$1,092,589</u>	<u>—</u>	<u>\$1,092,589</u>	<u>(\$158,631)</u>	<u>\$933,958</u>

For the year ended 31 December 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	(\$6,080)	—	(\$6,080)	\$1,215	(\$4,865)
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	68	—	68	—	68
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(429,724)	—	(429,724)	67,945	(361,779)
Share of other comprehensive income of associates accounted for using the equity method	(2,492)	—	(2,492)	—	(2,492)
Total of other comprehensive income	<u>(\$438,228)</u>	<u>—</u>	<u>(\$438,228)</u>	<u>\$69,160</u>	<u>(\$369,068)</u>

(29) Income tax

A. Income tax expense recognized in profit or loss

	2024	2023
Current income tax expense:		
Current income tax charge	\$3,108,779	\$1,970,713
Current tax expense related to Pillar Two legislation	123,378	—
Deferred tax expense (income) :		
Deferred tax expense relating to origination and reversal of temporary differences	(73,223)	239,905
Total income tax expense	<u>\$3,158,934</u>	<u>\$2,210,618</u>

B. Income tax relating to components of other comprehensive income

	2024	2023
Deferred tax expense (income):		
Remeasurements of defined benefit plans	\$3,409	(\$1,215)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	155,222	(67,945)
Income tax relating to components of other comprehensive income	<u>\$158,631</u>	<u>(\$69,160)</u>

C. A reconciliation between income tax expense and income before tax at applicable tax rate was as follows:

	2024	2023
Accounting profit before tax from continuing operations	<u>\$12,351,611</u>	<u>\$8,025,082</u>
Using related country's statutory income tax rate	\$2,476,014	\$2,308,197
Tax effect of expenses not deductible for tax purposes	(91)	(18)
Surtax on undistributed retained earnings	136,916	104,222
Adjustments in respect of current income tax of prior periods	546,095	(201,783)
Total income tax expense recognized in profit or loss	<u>\$3,158,934</u>	<u>\$2,210,618</u>

D. Deferred tax assets (liabilities) relate to the following:

	2024				
	Beginning balance as of 1 Jan 2024	Deferred tax income (expense) recognized in profit or loss	Deferred tax income recognized in other comprehensive income	Deferred tax (expense) charged directly to equity	Ending balance as of 31 Dec 2024
Temporary differences					
Allowance for bad debts	\$26,284	\$8,125	—	—	\$34,409
Allowance for losses on inventory	28,248	62,767	—	—	91,015
Unrealized profit on intercompany sales	253,988	97,145	—	—	351,133
Unrealized exchange gains (losses)	(7,678)	8,808	—	—	1,130
Investments accounted for under the equity method	(1,820,706)	(491,069)	(\$155,222)	—	(2,466,997)
Net defined benefit liabilities, noncurrent	(3,543)	3,409	(3,409)	—	(3,543)
Others	767,481	384,425	—	—	1,151,906
Unused tax losses	1,889	(387)	—	—	1,502
Deferred tax (expense)/ income		<u>\$73,223</u>	<u>(\$158,631)</u>	<u>—</u>	
Net deferred tax assets (liabilities)	<u>(\$754,037)</u>				<u>(\$839,445)</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$1,285,158</u>				<u>\$1,296,010</u>
Deferred tax liabilities	<u>(\$2,039,195)</u>				<u>(\$2,135,455)</u>

	2023				
	Deferred tax				
	Deferred tax	income	recognized in	Deferred tax	
	income	recognized in	other	(expense)	Ending balance
	(expense)	comprehensive	income	charged directly	as of 31 Dec
	recognized in	profit or loss	to equity	as of 31 Dec	2023
	Jan 2023	profit or loss	income	to equity	2023
Temporary differences					
Allowance for bad debts	\$19,198	\$7,086	—	—	\$26,284
Allowance for losses on inventory	39,735	(11,487)	—	—	28,248
Unrealized profit on intercompany sales	298,805	(44,817)	—	—	253,988
Unrealized exchange (losses)	(4,404)	(3,274)	—	—	(7,678)
Investments accounted for under the equity method	(1,585,632)	(303,019)	\$67,945	—	(1,820,706)
Net defined benefit liabilities, noncurrent	(4,033)	(725)	1,215	—	(3,543)
Others	647,969	119,512	—	—	767,481
Unused tax losses	5,070	(3,181)	—	—	1,889
Deferred tax (expense)/ income		(239,905)	\$69,160	—	
Net deferred tax assets (liabilities)	(583,292)				(754,037)
Reflected in balance sheet as follows:					
Deferred tax assets	\$1,253,720				\$1,285,158
Deferred tax liabilities	(\$1,837,012)				(\$2,039,195)

E. The following table contains information of the unused tax losses of the Group:

Year	Tax losses for the period	Unused tax losses as at		Expiration year
		31 Dec 2024	31 Dec 2023	
2014	49,292	—	\$1,933	2024
2017	3,692	\$3,660	3,663	2027
2018	168	149	149	2028
2020	3,702	3,702	3,702	2030
		\$7,511	\$9,447	

F. The assessment of income tax returns

The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(30) Earnings per share

	2024		
	Amount	Number of shares (shares in thousands)	Earnings per share
Basic earnings per share			
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$8,172,379	385,308	<u>\$21.21</u>
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	514	
Employee share options	—	10,481	
Diluted earnings per share			
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>\$8,172,379</u>	<u>396,303</u>	<u>\$20.62</u>
	2023		
	Amount	Number of shares (shares in thousands)	Earnings per share
Basic earnings per share			
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$5,304,713	376,052	<u>\$14.11</u>
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	723	
Employee share options	—	10,270	
Diluted earnings per share			
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>\$5,304,713</u>	<u>387,045</u>	<u>\$13.71</u>

7. Key management personnel compensation

	2024	2023
Short-term employee benefits	\$220,909	\$177,407
Post-employment benefits	1,175	1,272
Total	<u>\$222,084</u>	<u>\$178,679</u>

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

Assets pledged for security	Carrying amount	
	31 Dec 2024	31 Dec 2023
Financial assets measured at amortized cost	\$2,075,672	\$2,134,278
Land	88,235	88,235
Buildings	106,714	124,154
Right-of-use assets	—	25,024
Investment property	29,021	22,792
Refundable deposits	8,500	3,500
Total	<u>\$2,308,142</u>	<u>\$2,397,983</u>

9. Commitments and contingencies

(1) Legal claim contingency

None.

(2) The group has signed for a new factory construction project in Vietnam and ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD. due to operational needs. As of December 31, 2024, an amount of approximately NT\$667 million has yet to be recognized.

(3) Other

The Company guaranteed a deposit for customs in the amount of NT\$2,500 thousand and NT\$6,000 thousand from Bank of Taiwan and Taiwan Cooperative Bank, respectively.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Other

(1) Categories of financial instruments

Financial assets

	31 Dec 2024	31 Dec 2023
Financial assets at fair value through profit or loss:		
Financial assets at fair value through other comprehensive income	\$493,663	\$164,310
Financial assets measured at amortized cost		
Cash and cash equivalents (excluding cash on hand)	29,912,550	26,948,413
Financial assets measured at amortized cost	2,108,391	2,164,920
Amounts receivables	8,306,448	7,196,331
Subtotal	<u>\$40,327,389</u>	<u>\$36,309,664</u>
Total	<u>\$40,821,052</u>	<u>\$36,473,974</u>

Financial liabilities

	31 Dec 2024	31 Dec 2023
Financial liabilities at amortized cost:		
Short-term loans	9,585,252	\$6,765,540
Short-term notes payable	—	30,000
Amounts payables	36,808,568	24,900,226
Corporate bonds payable (including current portion)	2,400,000	2,400,000
Long-term loans (including current portion)	4,493,416	3,764,150
Lease liabilities (including current portion)	2,296,152	1,123,480
Total	<u>\$55,583,388</u>	<u>\$38,983,396</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

A. Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore forming a natural hedge. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and RMB. The information of the sensitivity analysis is as follows:

- (a) When NTD strengthens/weakens against USD by 1%, the profit for 2024 and 2023 is increased/decreased by \$111,320 thousand and decreased/increased by \$52,266 thousand, respectively.
- (b) When NTD strengthens/weakens against RMB by 1%, the profit for 2024 and 2023 is increased/decreased by \$58,277 thousand and increased/decreased by \$10,016 thousand, respectively.

B. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period. A change of 10 basis points of interest rate in a reporting period could cause the profit for 2024 and 2023 to decreased/increased by NT\$15,818 thousand and NT\$16,348 thousand, respectively.

C. Equity price risk

The fair value of the Group's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's unlisted equity securities are classified as financial assets at fair value through other comprehensive income.

The equity price sensitivity analysis is based on fair value changes as at the end of the reporting period. For the years ended 31 December 2024 and 2023, a change of 5% in the price classified as equity instruments investments measured at fair value through other comprehensive income could cause the other comprehensive income to increased/decreased by NT\$24,683 thousand and decreased/increased by NT\$8,216 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 31 December 2024 and 2023, amounts receivables from top ten customers represent 77.30% and 76.36% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of 31 December 2024					
Loans	\$10,992,356	\$2,542,509	\$754,138	\$151,455	\$14,440,458
Corporate bonds payable	\$2,414,880	—	—	—	\$2,414,880
Amounts payables	\$36,760,755	—	—	—	\$36,760,755
Lease liabilities	\$424,454	\$617,265	\$543,966	\$1,073,367	\$2,659,052
As of 31 December 2023					
Loans	\$7,755,767	\$2,616,571	\$470,926	—	\$10,843,264
Short-term notes payable	\$30,038	—	—	—	\$30,038
Corporate bonds payable	\$14,880	\$2,414,880	—	—	\$2,429,760
Amounts payables	\$24,862,598	—	—	—	\$24,862,598
Lease liabilities	\$276,370	\$470,539	\$245,258	\$285,405	\$1,277,572

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for 2024:

	Short-term borrowings	Short-term notes payable	Corporate bonds payable	Long-term borrowings	Lease liabilities
As at 1 Jan 2024	\$6,765,540	\$30,000	\$2,400,000	\$3,764,150	\$1,123,480
Cash flows	2,618,707	(30,000)	—	720,388	(333,295)
Non-cash changes	201,005	—	—	8,878	1,505,967
As at 31 Dec 2024	\$9,585,252	—	\$2,400,000	\$4,493,416	\$2,296,152

	Guarantee Deposits	Total liabilities from financing activities
As at 1 Jan 2024	\$35,503	\$14,118,673
Cash flows	3,156	2,978,956
Non-cash changes	—	1,715,850
As at 31 Dec 2024	\$38,659	\$18,813,479

Reconciliation of liabilities for 2023:

	Short-term borrowings	Short-term notes payable	Corporate bonds payable	Long-term borrowings	Lease liabilities
As at 1 Jan 2023	\$6,294,019	—	\$2,400,000	\$5,865,307	\$1,263,324
Cash flows	573,239	\$30,000	—	(2,077,515)	(265,249)
Non-cash changes	(101,718)	—	—	(23,642)	125,405
As at 31 Dec 2023	<u>\$6,765,540</u>	<u>\$30,000</u>	<u>\$2,400,000</u>	<u>\$3,764,150</u>	<u>\$1,123,480</u>

	Guarantee deposits	Total liabilities from financing activities
As at 1 Jan 2023	\$12,685	\$15,835,335
Cash flows	22,818	(1,716,707)
Non-cash changes	—	45
As at 31 Dec 2023	<u>\$35,503</u>	<u>\$14,118,673</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortized cost approximate their fair value due to their short maturities.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12.8 for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As at 31 December 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$368,257	—	\$125,406	\$493,663

As at 31 December 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	—	—	\$164,310	\$164,310

C. Reconciliation for fair value measurements in Level 3 is as follows:

	<u>Financial assets at fair value through other comprehensive income</u>
As at 1 Jan 2024	\$164,310
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	(9,524)
Transfer-out from Level 3	(31,881)
Others	2,501
As at 31 Dec 2024	<u>\$125,406</u>

	Financial assets at fair value through other comprehensive income
As at 1 Jan 2023	\$137,638
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	68
Acquisition	30,000
Disposals	(3,390)
Others	(6)
As at 31 Dec 2023	\$164,310

D. Information on significant unobservable inputs of fair value measurement in Level 3 fair value hierarchy

Significant unobservable inputs of fair value measurement in Level 3 fair value hierarchy are as follows:

As at 31 December 2024:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Correlation between inputs and fair value	Sensitivity Analysis of correlation between inputs and fair value
Financial assets: Financial assets at fair value through other comprehensive income stocks	Market approach and net asset approach	Discount for lack of marketability	35%	The greater degree of lack of marketability, the lower the estimated fair value is determined.	1% strengthens (weakens) in the discount for lack of marketability would result in (decreased) increased in the Group's profit or loss by \$563thousand.

As at 31 December 2023:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Correlation between inputs and fair value	Sensitivity Analysis of correlation between inputs and fair value
Financial assets: Financial assets at fair value through other comprehensive income stocks	Market approach and net asset approach	Discount for lack of marketability	35%	The greater degree of lack of marketability, the lower the estimated fair value is determined.	1% strengthens (weakens) in the discount for lack of marketability would result in (decreased) increased in the Group's profit or loss by \$872 thousand.

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	31 December 2024		
	Foreign currencies (in thousands)	Foreign exchange rate	NT\$ (in thousands)
<u>Financial assets</u>			
Monetary items:			
USD	\$629,985	32.7850	\$20,654,047
RMB	\$3,829,593	4.4780	\$17,148,919
<u>Financial liabilities</u>			
Monetary items:			
USD	\$290,440	32.7850	\$9,522,089
RMB	\$5,130,990	4.4780	\$22,976,575

	31 December 2023		
	Foreign currencies (in thousands)	Foreign exchange rate	NT\$ (in thousands)
<u>Financial assets</u>			
Monetary items:			
USD	\$521,471	30.7050	\$16,011,780
RMB	\$3,834,476	4.3270	\$16,589,093
<u>Financial liabilities</u>			
Monetary items:			
USD	\$351,250	30.7050	\$10,785,138
RMB	\$3,602,968	4.3270	\$15,587,522

The Group's functional currency are various, and hence is not able to disclose the information of exchange gains and losses by each significant assets and liabilities denominated in foreign currencies. The foreign exchange gains were \$336,177 thousand and \$23,573 thousand for the years ended 31 December 2024 and 2023, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, returning capital to shareholders or issuing new shares.

13. Other disclosure

(1) Information at significant transactions and on investees

- A. Financing provided to others for the year ended 31 December 2024: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended 31 December 2024: Please refer to Attachment 2.
- C. Securities held as of 31 December 2024: Please refer to Attachment 3.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lowers of NT\$300 million or 20% of the capital stock for the year ended 31 December 2024: None.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock for the year ended 31 December 2024: Please refer to Attachment 4.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock for the year ended 31 December 2024: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20% of the capital stock for the year ended 31 December 2024: Please refer to Attachment 5.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock as of 31 December 2024: Please refer to Attachment 6.
- I. Direct or indirect significant influence or control over the investees for the year ended 31 December 2024 (excluding investments in China): Please refer to Attachment 7.
- J. Financial instruments and derivative transactions: None
- K. Others: Significant inter-company transactions during the reporting periods: Please refer to Attachment 9.

(2) Information on investments in mainland China

- A. Information on investments in mainland China : Please refer to Attachment 8.
- B. Significant transactions with the investee companies in China directly or indirectly through the third area and the relevant prices, payment terms and unrealized gains and losses:
 - (a)Purchase, ending balance of related payables and their weightings: Please refer to Attachment 5.
 - (b)Sales, the ending balance of related receivables and their weightings: Please refer to Attachment 5.
 - (c)Ending balance of endorsements/guarantees or collateral provided and the purposes: Please refer to Attachment 2.
 - (d)Transactions that have significant impact on the profit or loss of current period or the financial position: None.

(3) Information of major shareholders: Please refer to Attachment 10.

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

(1) General management segment:

The general management segment is responsible for the Group's operation planning and owns manufacturing, R&D and sales functions.

(2) Overseas segment:

The overseas segment owns manufacturing and sales functions.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements.

However, finance costs, financial benefits and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

For the year ended 31 December 2024

	Overseas	General management	Adjustment and elimination	Total
Revenue				
External customer	\$21,257,941	\$50,503,355	—	\$71,761,296
Inter-segment (Note)	60,189,382	4,171,551	(\$64,360,933)	—
Total revenue	\$81,447,323	\$54,674,906	(\$64,360,933)	\$71,761,296
Segment profit	\$6,012,356	\$6,238,991	\$100,264	\$12,351,611

(Note): Inter-segment revenues were eliminated on consolidation.

For the year ended 31 December 2023

	Overseas	General management	Adjustment and elimination	Total
Revenue				
External customer	\$16,601,992	\$42,592,364	—	\$59,194,356
Inter-segment (Note)	42,069,203	3,077,406	(\$45,146,609)	—
Total revenue	\$58,671,195	\$45,669,770	(\$45,146,609)	\$59,194,356
Segment profit	\$3,818,337	\$4,125,563	\$81,182	\$8,025,082

(Note): Inter-segment revenues were eliminated on consolidation

As of 31 December 2024 and 2023, the assets of reportable segment information were as follows:

	Overseas	General management	Adjustment and elimination	Total
31 December 2024 Assets	\$78,122,000	\$46,102,974	(\$24,319,413)	\$99,905,561
31 December 2023 Assets	\$54,899,845	\$33,130,674	(\$16,363,302)	\$71,667,217

Geographic information

A. External customer revenue :

Area	2024	2023
Asia	\$62,092,577	\$51,443,564
America	7,541,873	6,118,429
Europe	2,105,814	1,628,063
Others	21,032	4,300
Total	\$71,761,296	\$59,194,356

Revenue is categorized based on the country in which the customer is located.

B. Non-current assets :

Area	31 Dec 2024	31 Dec 2023
Asia	\$21,708,035	\$15,072,417
America	9,467	9,103
Europe	7	7
Others	236,714	195,692
Total	\$21,954,223	\$15,277,219

Major customers

Individual customers accounting for at least 10% of net sales for the years ended December 31, 2024 and 2023 were as follows:

Customer	2024	2023
Customer A	28.61%	32.10%
Customer B	16.17%	14.42%
Customer C	10.50%	8.67%

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

FINANCING PROVIDED TO OTHERS

TABLE 1

No (Note 1)	Financing Company	Counter-party	Financial Statement Account (Note 2)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Note 8)	Amount Actually Drawn	Interest Rate	Nature of Financing (Note 4)	Transaction Amounts (Note 5)	Reason for Financing (Note 6)	Allowance for Doubtful Accounts	Collateral		Financing Limits for Each Borrower	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
1	MACE TECH CORP.	WUCHIDA INTERNATIONAL CO., LTD.	Other receivables	Yes	\$114,748 (USD3,500 thousand)	\$114,748 (USD3,500 thousand)	\$114,748 (USD3,500 thousand)	0.00%	2	—	Operating capital	—	—	—	\$1,835,601	\$1,835,601	(Note 7)
2	CHIHUNG INTERNATIONAL LTD.	JADS CORPORATION (HK) LIMITED	Other receivables	Yes	\$163,925 (USD5,000 thousand)	\$163,925 (USD5,000 thousand)	\$163,925 (USD5,000 thousand)	0.00%	2	—	Operating capital	—	—	—	\$2,869,958	\$2,869,958	(Note 7)

Note 1 : Companies are coded as follows :

(1) ASIA VITAL COMPONENTS Co., LTD. is coded "0".

(2) The investees are coded from "1" in the order presented in the table above.

Note 2 : Receivables from affiliates and related parties, shareholder transactions, prepayments and temporary payments etc. are required to be disclosed in this field if they are financings provided to others.

Note 3 : The maximum balance of financing provided to others for the year ended December 31, 2021.

Note 4 : Nature of Financing are coded as follows :

(1) Business transaction is coded "1".

(2) Short-term financing is coded "2".

Note 5 : If nature of financing is business transaction, the amount of transaction should be disclosed.

Note 6 : With respect to short-term financing, the reasons of financing and the purpose of use by the counter-party shall be specified, such as loan repayment, equipment acquisition or operating capital.

Note 7 : ASIA VITAL COMPONENTS CO., LTD : The financing provided to any single entity shall not exceed 40% of the net worth. Total financing shall not exceed 40% of the net worth.

Note 8 : D-MAX TECHNOLOGY CO., LTD. AND FOSITEK CORP. : The financing provided to any single entity shall not exceed 40% of the net worth. Total financing shall not exceed 40% of the net worth.

Note 9 : If public companies, pursuant to Paragraph 1, Article 14 of Regulations Governing Lending of Funds and Making of Endorsements / Guarantees by Public Companies, resolve each individual lending at the board meetings, the amounts resolved (before any drawing) shall be the publicly-announced balance to disclose the risk they assume; provided however,

if any repayment is made subsequently, the outstanding balance after such repayment shall be disclosed to reflect the risk adjusted. If public companies, pursuant to Paragraph 2, Article 14 of the same Regulations, authorize the chairperson by board resolution, within a certain monetary limit and a period not to exceed one year,

to give loans in instalments or to make a revolving credit line available, the amount resolved shall be the publicly-announced balance. Although repayment may be made subsequently, as drawings are likely to happen, the amount of financing resolved by the board shall be recorded as the publicly-announced balance.

Note 10 : All the above transactions were eliminated on consolidation.

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS

TABLE 2

No (Note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Limits on Endorsement/Guarantee Amount Provided to Each Guaranteed Party (Note 3&4)	Maximum Balance for the Period (Note 12)	Ending Balance (Note 13)	Amount Actually Drawn (Note 14)	Amount of Endorsement/ Guarantee secured by Properties	Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Maximum Endorsement/ Guarantee Amount Allowed (Note 3&4)	Endorsement provided by parent company to subsidiaries (Note 15)	Endorsement provided by subsidiaries to parent company (Note 15)	Carrying Amount as of December 31, 2024 (Note 15)	Note
		Name	Nature of Relationship (Note 2)											
0	ASIA VITAL COMPONENTS CO.,LTD	AVC PRECISION, CO., LTD.	2	\$28,870,634	\$447,803 (CNY100,000 thousand)	\$447,803 (CNY100,000 thousand)	\$195,248 (CNY43,601 thousand)	—	1.55%	\$43,305,951	Y	N	Y	(Note 3)
0	ASIA VITAL COMPONENTS CO.,LTD	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	2	\$28,870,634	\$1,595,278 (USD35,000 thousand) (CNY100,000 thousand)	\$1,595,278 (USD35,000 thousand) (CNY100,000 thousand)	\$626,924 (CNY110,000 thousand) (CNY30,000 thousand)	—	5.52%	\$43,305,951	Y	N	Y	(Note 3)
0	ASIA VITAL COMPONENTS CO.,LTD	AVC TECHNOLOGY (VIETNAM) COMPANY LIMITED	2	\$28,870,634	\$12,753,365 (USD389,000 thousand)	\$12,753,365 (USD389,000 thousand)	\$6,648,142 (USD144,411 thousand) (VND1,506,804,869 thousand)	—	44.17%	\$43,305,951	Y	N	N	(Note 3)

Note 1 : Companies are coded as follows:

(1) ASIA VITAL COMPONENTS Co., LTD. is coded "0".

(2) The investees are coded from "1" in the order presented in the table above.

Note 2 : The relationships between endorsement/guarantee providers and guaranteed parties are categorized into the following types :

(1) A company that has a business relationship with AVC.

(2) A subsidiary in which AVC holds directly over 50% of common equity interest.

(3) An investee in which AVC and its subsidiaries jointly hold over 50% of common equity interest.

(4) A parent company that holds directly over 90% or indirectly over 90% through a subsidiary of the company's common equity interest.

(5) A company that has provided guarantees to AVC, and vice versa, due to contractual requirements.

(6) A company in which AVC jointly invests with other shareholders, and for which AVC has provided endorsement/guarantee in proportion to its shareholding percentage.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3 : ASIA VITAL COMPONENTS CO.,LTD. : The aggregate amount of endorsements/guarantees for any single entity shall not exceed 20% of the Company's net worth, and the aggregate amount of endorsements/guarantees for any single overseas associated company shall not exceed 100% of the Company's equity net worth.

The overall amount of guarantees/endorsements shall not exceed 150% of the Company's equity net worth.

Note 4 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., ASIA VITAL COMPONENTS (CHINA) CO., LTD., ASIA VITAL COMPONENTS (CHENGDU) CO., LTD., AVC OPTICS (WUHAN) CORP., ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD., AVC PRECISION, CO., LTD. :

The amount of guarantees/endorsements provided to any single entity shall not exceed USD200 million dollars.

FOSITEK CORP. : The aggregate amount of endorsements/guarantees for any single overseas associated company shall not exceed 100% of the Company's equity net worth. The overall amount of guarantees/endorsements shall not exceed 150% of the Company's equity net worth.

Note5 : AVC OPTICS (WUHAN) CORP., ASIA VITAL COMPONENTS (CHENGDU) CO., LTD., ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., is CNY120 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note6 : ASIA VITAL COMPONENTS (CHENGDU) CO., LTD., ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (CHINA) CO., LTD., is CNY180 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note7 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD. ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to AVC PRECISION, CO., LTD. is CNY80 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note8 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., AVC PRECISION, CO., LTD. ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD. is CNY70 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note9 : AVC PRECISION, CO., LTD. ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD. is CNY40 million dollars. The above table separately presents the resulting in double calculation of the closing balance. It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note10 : ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD. ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to AVC PRECISION, CO., LTD. is CNY27million dollars. The above table separately presents the resulting in double calculation of the closing balance. It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note11 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to AVC OPTICS (WUHAN) CORP. is CNY50 million dollars. The above table separately presents the resulting in double calculation of the closing balance. It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note12 : Maximum balance of endorsements/guarantees provided to others for current period.

Note13 : The maximum balance for the period and ending balance represent the amounts approved by the Board Directors.

Note14 : The company which endorsements/guarantees by AVC should disclosed the amount actually drawn within ending balance.

Note15 : Public company provided endorsements/guarantees to subsidiary or subsidiary provided endorsements/guarantees to public company or provided endorsements/guarantees which located in CHINA area coded "Y".

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)
ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS

TABLE 2-1

No (Note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Limits on Endorsement/Guarantee Amount Provided to Each Guaranteed Party (Note 3&4)	Maximum Balance for the Period (Note 12)	Ending Balance (Note 13)	Amount Actually Drawn (Note 14)	Amount of Endorsement/ Guarantee secured by Properties	Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Maximum Endorsement/ Guarantee Amount Allowed (Note 3&4)	Endorsement provided by parent company to subsidiaries (Note 15)	Endorsement provided by subsidiaries to parent company (Note 15)	Carrying Amount as of December 31, 2024 (Note 15)	Note
		Name	Nature of Relationship (Note 2)											
1	AVC OPTICS (WUHAN) CORP.	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	4	\$6,557,000 (USD200,000 thousand)	\$1,074,727 (CNY240,000 thousand)	\$537,364 (CNY120,000 thousand)	\$507,331 (CNY113,293 thousand)	—	16.73%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 - 5)
2	ASIA VITAL COMPONENTS (CHENGDU) CO., LTD.	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	4	\$6,557,000 (USD200,000 thousand)	\$1,074,727 (CNY240,000 thousand)	\$537,364 (CNY120,000 thousand)	\$507,331 (CNY113,293 thousand)	—	26.21%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 - 5)
2	ASIA VITAL COMPONENTS (CHENGDU) CO., LTD.	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	4	\$6,557,000 (USD200,000 thousand)	\$1,612,091 (CNY360,000 thousand)	\$806,045 (CNY180,000 thousand)	\$559,099 (CNY124,854 thousand)	—	39.31%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 - 6)
3	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	AVC OPTICS (WUHAN) CORP.	4	\$6,557,000 (USD200,000 thousand)	\$895,606 (CNY200,000 thousand)	\$895,606 (CNY200,000 thousand)	\$234,877 (CNY52,451 thousand)	—	14.87%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 - 11)
3	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	AVC PRECISION, CO., LTD.	4	\$6,557,000 (USD200,000 thousand)	\$358,242 (CNY80,000 thousand)	\$358,242 (CNY80,000 thousand)	—	—	5.95%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 - 7)
3	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD.	4	\$6,557,000 (USD200,000 thousand)	\$313,462 (CNY70,000 thousand)	\$313,462 (CNY70,000 thousand)	\$308,215 (CNY68,828 thousand)	—	5.20%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 - 8)
3	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	4	\$6,557,000 (USD200,000 thousand)	\$2,507,697 (CNY560,000 thousand)	\$1,925,553 (CNY430,000 thousand)	\$1,109,282 (CNY247,717 thousand)	—	31.96%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 - 6)
4	AVC PRECISION, CO., LTD.	ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD.	3	\$6,557,000 (USD200,000 thousand)	\$1,172,124 (CNY261,750 thousand)	\$1,037,783 (CNY231,750 thousand)	\$459,194 (CNY102,544 thousand)	—	78.00%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 - 8 - 9)

Note 1 : Companies are coded as follows:

- (1) ASIA VITAL COMPONENTS Co., LTD. is coded "0".
- (2) The investees are coded from "1" in the order presented in the table above.

Note 2 : The relationships between endorsement/guarantee providers and guaranteed parties are categorized into the following types :

- (1) A company that has a business relationship with AVC.
- (2) A subsidiary in which AVC holds directly over 50% of common equity interest.
- (3) An investee in which AVC and its subsidiaries jointly hold over 50% of common equity interest.
- (4) A parent company that holds directly over 90% or indirectly over 90% through a subsidiary of the company's common equity interest.
- (5) A company that has provided guarantees to AVC, and vice versa, due to contractual requirements.
- (6) A company in which AVC jointly invests with other shareholders, and for which AVC has provided endorsement/guarantee in proportion to its shareholding percentage.
- (7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3 : ASIA VITAL COMPONENTS CO.,LTD. : The aggregate amount of endorsements/guarantees for any single entity shall not exceed 20% of the Company's net worth, and the aggregate amount of endorsements/guarantees for any single overseas associated company shall not exceed 100% of the Company's equity net worth.

The overall amount of guarantees/endorsements shall not exceed 150% of the Company's equity net worth.

Note 4 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., ASIA VITAL COMPONENTS (CHINA) CO., LTD., ASIA VITAL COMPONENTS (CHENGDU) CO., LTD., AVC OPTICS (WUHAN) CORP., ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD., AVC PRECISION, CO., LTD. :

The amount of guarantees/endorsements provided to any single entity shall not exceed USD200 million dollars.

FOSITEK CORP. : The aggregate amount of endorsements/guarantees for any single overseas associated company shall not exceed 100% of the Company's equity net worth. The overall amount of guarantees/endorsements shall not exceed 150% of the Company's equity net worth.

Note5 : AVC OPTICS (WUHAN) CORP., ASIA VITAL COMPONENTS (CHENGDU) CO., LTD., ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., is CNY120 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note6 : ASIA VITAL COMPONENTS (CHENGDU) CO., LTD., ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (CHINA) CO., LTD., is CNY180 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note7 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD. ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to AVC PRECISION, CO., LTD. is CNY80 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note8 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., AVC PRECISION, CO., LTD. ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD. is CNY70 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note9 : AVC PRECISION, CO., LTD. ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD. is CNY40 million dollars. The above table separately presents the resulting in double calculation of the closing balance. It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note10 : ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD. ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to AVC PRECISION, CO., LTD. is CNY27million dollars. The above table separately presents the resulting in double calculation of the closing balance. It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note11 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to AVC OPTICS (WUHAN) CORP. is CNY50 million dollars. The above table separately presents the resulting in double calculation of the closing balance. It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note12 : Maximum balance of endorsements/guarantees provided to others for current period.

Note13 : The maximum balance for the period and ending balance represent the amounts approved by the Board Directors.

Note14 : The company which endorsements/guarantees by AVC should disclosed the amount actually drawn within ending balance.

Note15 : Public company provided endorsements/guarantees to subsidiary or subsidiary provided endorsements/guarantees to public company or provided endorsements/guarantees which located in CHINA area coded "Y".

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS

TABLE 2-2

No (Note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Limits on Endorsement/Guarantee Amount Provided to Each Guaranteed Party (Note 3&4)	Maximum Balance for the Period (Note 12)	Ending Balance (Note 13)	Amount Actually Drawn (Note 14)	Amount of Endorsement/ Guarantee secured by Properties	Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Maximum Endorsement/ Guarantee Amount Allowed (Note 3&4)	Endorsement provided by parent company to subsidiaries (Note 15)	Endorsement provided by subsidiaries to parent company (Note 15)	Carrying Amount as of December 31, 2024 (Note 15)	Note
		Name	Nature of Relationship (Note 2)											
5	ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD.	AVC PRECISION, CO., LTD.	2	\$6,557,000 (USD200,000 thousand)	\$1,079,205 (CNY241,000 thousand)	\$1,079,205 (CNY241,000 thousand)	\$341,399 (CNY76,239 thousand)	—	25.28%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 · 7 · 10)
6	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	AVC OPTICS (WUHAN) CORP.	4	\$6,557,000 (USD200,000 thousand)	\$223,901 (CNY50,000 thousand)	\$223,901 (CNY50,000 thousand)	—	—	3.26%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 · 11)
6	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	ASIA VITAL COMPONENTS (CHENGDU) CO., LTD.	4	\$6,557,000 (USD200,000 thousand)	\$895,606 (CNY200,000 thousand)	\$447,803 (CNY100,000 thousand)	\$241,990 (CNY54,039 thousand)	—	6.51%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4)
6	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	4	\$6,557,000 (USD200,000 thousand)	\$1,746,432 (CNY390,000 thousand)	\$1,432,970 (CNY320,000 thousand)	\$1,193,561 (CNY266,537 thousand)	—	20.84%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 · 5)
6	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	AVC PRECISION, CO., LTD.	4	\$6,557,000 (USD200,000 thousand)	\$479,149 (CNY107,000 thousand)	\$479,149 (CNY107,000 thousand)	—	—	6.97%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 · 7 · 10)
6	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD.	4	\$6,557,000 (USD200,000 thousand)	\$492,583 (CNY110,000 thousand)	\$492,583 (CNY110,000 thousand)	\$308,215 (CNY68,828 thousand)	—	7.17%	\$6,557,000 (USD200,000 thousand)	N	N	Y	(Note 4 · 8 · 9)
7	FOSITEK CORP.	SHENZHEN FOSITEK TELECOM CO., LTD.	2	\$5,546,436 (USD200,000 thousand)	\$568,548 (USD3,000 thousand) (CNY105,000 thousand)	\$210,306 (USD3,000 thousand) (CNY25,000 thousand)	—	—	3.79%	\$8,319,654	N	N	Y	(Note 4)
7	FOSITEK CORP.	FOSITEK (VIET NAM) COMPANY LIMITED	2	\$5,546,436 (USD200,000 thousand)	\$590,130 (USD18,000 thousand)	\$590,130 (USD18,000 thousand)	\$21,600 (USD659 thousand)	—	10.64%	\$8,319,654	N	N	N	(Note 4)

Note 1 : Companies are coded as follows:

- (1) ASIA VITAL COMPONENTS Co., LTD. is coded "0".
- (2) The investees are coded from "1" in the order presented in the table above.

Note 2 : The relationships between endorsement/guarantee providers and guaranteed parties are categorized into the following types :

- (1) A company that has a business relationship with AVC.
- (2) A subsidiary in which AVC holds directly over 50% of common equity interest.
- (3) An investee in which AVC and its subsidiaries jointly hold over 50% of common equity interest.
- (4) A parent company that holds directly over 90% or indirectly over 90% through a subsidiary of the company's common equity interest.
- (5) A company that has provided guarantees to AVC, and vice versa, due to contractual requirements.
- (6) A company in which AVC jointly invests with other shareholders, and for which AVC has provided endorsement/guarantee in proportion to its shareholding percentage.
- (7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3 : ASIA VITAL COMPONENTS CO., LTD. : The aggregate amount of endorsements/guarantees for any single entity shall not exceed 20% of the Company's net worth, and the aggregate amount of endorsements/guarantees for any single overseas associated company shall not exceed 100% of the Company's equity net worth.

The overall amount of guarantees/endorsements shall not exceed 150% of the Company's equity net worth.

Note 4 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., ASIA VITAL COMPONENTS (CHINA) CO., LTD., ASIA VITAL COMPONENTS (CHENGDU) CO., LTD., AVC OPTICS (WUHAN) CORP., ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD., AVC PRECISION, CO., LTD. :

The amount of guarantees/endorsements provided to any single entity shall not exceed USD200 million dollars.

FOSITEK CORP. : The aggregate amount of endorsements/guarantees for any single overseas associated company shall not exceed 100% of the Company's equity net worth. The overall amount of guarantees/endorsements shall not exceed 150% of the Company's equity net worth.

Note5 : AVC OPTICS (WUHAN) CORP., ASIA VITAL COMPONENTS (CHENGDU) CO., LTD., ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., is CNY120 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note6 : ASIA VITAL COMPONENTS (CHENGDU) CO., LTD., ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (CHINA) CO., LTD., is CNY180 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note7 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD., ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to AVC PRECISION, CO., LTD. is CNY80 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note8 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., AVC PRECISION, CO., LTD. ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD. is CNY70 million dollars. The above table separately presents the resulting in double calculation of the closing balance.

It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note9 : AVC PRECISION, CO., LTD. ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD. is CNY40 million dollars. The above table separately presents the resulting in double calculation of the closing balance. It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note10 : ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD. ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to AVC PRECISION, CO., LTD. is CNY27million dollars. The above table separately presents the resulting in double calculation of the closing balance. It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note11 : ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD., ASIA VITAL COMPONENTS (CHINA) CO., LTD., jointly guaranteed to AVC OPTICS (WUHAN) CORP. is CNY50 million dollars. The above table separately presents the resulting in double calculation of the closing balance. It is a joint endorsement guarantee for obtaining a single line of credit in substance.

Note12 : Maximum balance of endorsements/guarantees provided to others for current period.

Note13 : The maximum balance for the period and ending balance represent the amounts approved by the Board Directors.

Note14 : The company which endorsements/guarantees by AVC should disclosed the amount actually drawn within ending balance.

Note15 : Public company provided endorsements/guarantees to subsidiary or subsidiary provided endorsements/guarantees to public company or provided endorsements/guarantees which located in CHINA area coded "Y".

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)

TABLE 3

Name of Held Company	Type and name of Marketable Securities	Relationship with the Company	Financial Statement Account	December 31, 2024			
				Shares (In Thousands)	Carrying Amount	Percentage of Ownership	Market Value
ASIA VITAL COMPONENTS CO.,LTD	Listed (OTC) stocks						
	UBIQCONN TECHNOLOGY, INC.	—	Financial assets measured at fair value through other comprehensive income, noncurrent	4,140	\$296,857	4.81%	\$296,857
	Not listed (OTC) stocks						
	RTR-TECH TECHNOLOGY CO., LTD.	—	Financial assets measured at fair value through other comprehensive income, noncurrent	14,000	—	19.42%	—
	APTOS TECHNOLOGY INC.	—	Financial assets measured at fair value through other comprehensive income, noncurrent	450	—	0.74%	—
	WK TECHNOLOGY FUND IX II LTD.	—	Financial assets measured at fair value through other comprehensive income, noncurrent	3,000	\$30,000	2.67%	\$30,000
MERIT TRADING CORPORATION	Not listed (OTC) stocks						
	FURUKAWA ELECTRIC (SHENZHEN) CO., LTD.	Other related parties	Financial assets measured at fair value through other comprehensive income, noncurrent	(Note)	\$85,245	9.06%	\$85,245
MACE TECH CORP.	Not listed (OTC) stocks						
	SHENG-SHING WORLDWIDE CORP.	—	Financial assets measured at fair value through other comprehensive income, noncurrent	703	\$10,161	14.06%	\$10,161
ASIA VITAL COMPONENTS (CHINA) CO., LTD.	Not listed (OTC) stocks						
	SHENZHEN TIMELINK TECHNOLOGY CO., LTD.	—	Financial assets measured at fair value through other comprehensive income, noncurrent	2,273	—	10.80%	—
FOSITEK CORP.	Listed (TWSE) stocks						
	O-BANK	—	Financial assets measured at fair value through other comprehensive income, noncurrent	6,000	\$71,400	0.18%	\$71,400

Note : None amount of shares is issued publicly by Limited Company.

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

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

TABLE 4

Company Name	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
						Owner	Relationships	Transfer Date	Amount			
AVC TECH. (VIETNAM) CO., LTD.	Factory construction	25 August, 2023~ 17 January, 2024	USD17,000 thousand	Based on the terms in the Contract	CHUANGXING CONSTRUCTION OVERSEAS DEVELOPMENT CO., LTD	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None
TAL COMPONENTS (DONGGUAN) C	Factory construction	13 March, 2024~ 26 September, 2024	RMB110,690 thousand	Based on the terms in the Contract	SHENZHEN CHUANGXING CONSTRUCTION DEVELOPMENT CO., LTD	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None
AVC OPTICS (WUHAN) CORP.	Factory construction	8 July, 2024~ 11 July, 2024	RMB88,000 thousand	Based on the terms in the Contract	SHENZHEN CHUANGXING CONSTRUCTION DEVELOPMENT CO., LTD	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None
AVC TECH. (VIETNAM) CO., LTD.	Factory construction	22 April, 2024~ 12 November, 2024	VND457,084,500 thousand	Based on the terms in the Contract	CHUANGXING CONSTRUCTION OVERSEAS DEVELOPMENT CO., LTD	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

RELATED PARTY TRANSACTIONS WITH PURCHASE OR SALES AMOUNT OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

TABLE 5

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Accumulated Outflow of Investment from Taiwan as of December 31, 2024		Note
			Purchases/ Sales	Amount	Percentage to Total	Collection/ Payment Terms	Unit Price	Collection/ Payment Terms	Ending Balance	Percentage to Total	
ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (CHENGDU) CO., LTD.	Subsidiary	(Purchases)	(\$1,667,078)	(3%)	Net 90 days from the end of the month of when invoice is issued by T/T	N/A	N/A	(\$533,961)	(3%)	
ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	Subsidiary	(Purchases)	(\$13,855,526)	(27%)	Net 90 days from the end of the month of when invoice is issued by T/T	N/A	N/A	(\$7,496,627)	(40%)	
ASIA VITAL COMPONENTS CO., LTD	AVC OPTICS (WUHAN) CORP.	Subsidiary	(Purchases)	(\$2,033,568)	(4%)	Net 60 days from the end of the month of when invoice is issued by T/T	N/A	N/A	(\$645,619)	(3%)	
ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	Subsidiary	(Purchases)	(\$716,683)	(1%)	Net 90 days from the end of the month of when invoice is issued by T/T	N/A	N/A	(\$236,979)	(1%)	
ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	Subsidiary	(Purchases)	(\$21,494,626)	(41%)	Net 60 days from the end of the month of when invoice is issued by T/T	N/A	N/A	(\$5,526,949)	(29%)	
ASIA VITAL COMPONENTS CO., LTD	(JIASHAN) D-MAX ELECTRONICS CO.,LTD.	Subsidiary	(Purchases)	(\$1,486,049)	(3%)	Net 60 days from the end of the month of when invoice is issued by T/T	N/A	N/A	(\$534,761)	(3%)	
ASIA VITAL COMPONENTS CO., LTD	AVC TECH. (VIETNAM) CO., LTD.	Subsidiary	(Purchases)	(\$9,303,559)	(18%)	Net 30 days from the end of the month of when invoice is issued by T/T	N/A	N/A	(\$3,004,903)	(16%)	
ASIA VITAL COMPONENTS CO., LTD	AVC AMERICA, INC.	Subsidiary	Sales	\$2,228,329	4%	Net 60 days from the end of the month of when invoice is issued by T/T	N/A	N/A	\$654,655	22%	

(Continued)

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

RELATED PARTY TRANSACTIONS WITH PURCHASE OR SALES AMOUNT OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

TABLE 5-1

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Accumulated Outflow of Investment from Taiwan as of December 31, 2024		Note
			Purchases/ Sales	Amount	Percentage to Total	Collection/ Payment Terms	Unit Price	Collection/ Payment Terms	Ending Balance	Percentage to Total	
ASIA VITAL COMPONENTS (CHENGDU) CO., LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	Sales	\$1,667,078	84%	Net 90 days from the end of the month of when invoice is issued by T/T	N/A	N/A	\$533,961	83%	
ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	Sales	\$13,855,526	96%	Net 90 days from the end of the month of when invoice is issued by T/T	N/A	N/A	\$7,496,627	97%	
AVC OPTICS (WUHAN) CORP.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	Sales	\$2,033,568	46%	Net 60 days from the end of the month of when invoice is issued by T/T	N/A	N/A	\$645,619	56%	
ASIA VITAL COMPONENTS (CHINA) CO., LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	Sales	\$716,683	6%	Net 90 days from the end of the month of when invoice is issued by T/T	N/A	N/A	\$236,979	7%	
ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	Sales	\$21,494,626	96%	Net 60 days from the end of the month of when invoice is issued by T/T	N/A	N/A	\$5,526,949	92%	
(JIASHAN) D-MAX ELECTRONICS CO.,LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	Sales	\$1,486,049	80%	Net 60 days from the end of the month of when invoice is issued by T/T	N/A	N/A	\$534,761	90%	
AVC TECH. (VIETNAM) CO., LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	Sales	\$9,303,559	96%	Net 30 days from the end of the month of when invoice is issued by T/T	N/A	N/A	\$3,004,903	95%	
AVC AMERICA, INC.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	(Purchases)	(\$2,228,329)	(99%)	Net 60 days from the end of the month of when invoice is issued by T/T	N/A	N/A	(\$654,655)	(100%)	

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

TABLE 6

Company Name	Related Party	Nature of Relationships	Ending Balance (Note 3)	Turnover Ratio (times)	Overdue		Amounts Received in Subsequent Periods	Allowance for Doubtful Accounts
					Amount	Action Taken		
ASIA VITAL COMPONENTS (CHENGDU) CO., LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	\$533,961	3.16	—	(Note 2)	\$250,415	(Note 1)
ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	\$7,496,627	2.19	—	(Note 2)	\$2,588,702	(Note 1)
AVC OPTICS (WUHAN) CORP.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	\$645,619	4.12	—	(Note 2)	\$421,312	(Note 1)
ASIA VITAL COMPONENTS (CHINA) CO., LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	\$236,979	3.57	—	(Note 2)	\$106,744	(Note 1)
ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	\$5,526,949	4.53	—	(Note 2)	\$3,211,818	(Note 1)
(JIASHAN) D-MAX ELECTRONICS CO.,LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	\$534,761	3.21	—	(Note 2)	\$228,236	(Note 1)
AVC TECH. (VIETNAM) CO., LTD.	ASIA VITAL COMPONENTS CO., LTD	The company's ultimate parent	\$3,004,903	5.73	—	(Note 2)	\$2,966,006	(Note 1)
ASIA VITAL COMPONENTS CO., LTD	AVC AMERICA, INC.	Subsidiary	\$654,655	6.09	—	(Note 2)	—	(Note 1)

Note 1 : The preparation of consolidated statements does not require recording the allowance for doubtful accounts.

Note 2 : The Company balances its accounts regularly and writes off receivables against payables.

Note 3 : All the above transactions were eliminated on consolidation.

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE COMPANIES (Not including investment in Mainland China)

TABLE 7

Investor Company	Investee Company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2024			Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
ASIA VITAL COMPONENTS CO., LTD	AVC INTERNATIONAL CO., LTD. – B.V.I.	British Virgin Islands	Investment holding	\$5,147,294	\$5,147,294	16	100.00%	\$14,189,883	\$2,083,432	\$2,612,400	
	CHIHUNG INTERNATIONAL LTD.	Samoa	Investment holding	\$1,040,647	\$1,040,647	32,770	100.00%	\$7,150,620	\$701,119	\$702,986	
	MERIT TRADING CORPORATION	Samoa	Trade	\$29,088	\$29,088	892	100.00%	\$82,117	(\$3,962)	(\$3,962)	
	RAYNEY INTERNATIONAL LTD.	Samoa	Trade	\$78,950	\$78,950	2,400	100.00%	\$296,081	\$87,619	\$87,619	
	AVC AMERICA, INC.	USA	Trade	\$91,903	\$91,903	41	100.00%	\$255,395	\$23,436	\$23,436	
	AVC INTERNATIONAL (SAMOA) CO., LTD.	Samoa	Trade	\$10,157	\$10,157	300	100.00%	\$12,613	\$214	\$610	
	JADS CORPORATION (HK) LTD.	Hongkong	Trade	\$327	\$327	10	100.00%	\$31,323	\$434	\$434	
	ZIMAG TECHNOLOGY CO., INC.	Taoyuan City, Taiwan	Manufacture, process and sales of molds and aluminum products	\$45,000	\$45,000	2,700	9.53%	\$51,803	\$46,311	\$4,406	
	AVC INTERNATIONAL CO., LTD. – SAMOA	Samoa	Trade	\$32,120	\$32,120	1,000	100.00%	\$37,737	\$784	\$784	
	FOSITEK CORP.	New Taipei City, Taiwan	Sales and manufacture of electronic parts, computers and related products	\$209,829	\$209,829	11,567	16.87%	\$944,590	\$1,227,364	\$207,461	
	HUNG YE INVESTMENT CO., LTD.	New Taipei City, Taiwan	Investment holding	\$60,000	\$60,000	6,000	100.00%	\$5,421	\$23	\$23	
	D-MAX TECHNOLOGY CO., LTD.	New Taipei City, Taiwan	Sales and manufacture of electronic parts and related products	\$201,035	\$201,035	28,500	100.00%	\$412,869	\$128,355	\$107,479	
	AVC EUROPE TECHNOLOGY GMBH	Germany	Trade	\$9,050	\$9,050	250	100.00%	\$8,917	\$19	\$19	
	AVC TECH. (VIETNAM) CO., LTD.	Vietnam	Sales and manufacture of electronic	\$3,028,417	\$1,419,917	(Note)	100.00%	\$2,504,036	\$698,128	(\$138,670)	
	PARAGON SEMICONDUCTOR LIGHTING TECHNOLOGY CO., LTD.	New Taipei City, Taiwan	Manufacture of industrial lighting equipment	\$50,000	\$50,000	5,000	40.00%	\$39,171	(\$12,145)	(\$4,858)	

Note : None amount of shares is issued publicly by Limited Company.

(Continued)

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE COMPANIES (Not including investment in Mainland China)

TABLE 7-1

Investor Company	Investee Company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2024			Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
AVC INTERNATIONAL CO., LTD. – B.V.I.	MACE TECH CORP.	British Virgin Islands	Trade	\$319,776	\$319,776	11,068	100.00%	\$4,589,005	\$832,815	\$832,815	
	AVC OPTICS CORP.	Cayman Islands	Investment holding	\$3,128,775	\$3,128,775	100,000	100.00%	\$3,211,254	\$143,749	\$143,749	
HUNG YE INVESTMENT CO., LTD.	KEY APPLICATION TECHNOLOGY CO., LTD.	Hsinchu City, Taiwan	Sales and manufacture of electronic products	\$15,300	\$15,300	1,115	16.31%	—	\$325	—	
D-MAX TECHNOLOGY CO., LTD.	WUCHIDA INTERNATIONAL CO., LTD.	Samoa	Investment holding	\$132,004	\$132,004	4,000	100.00%	\$460,217	\$158,516	\$158,516	
WUCHIDA INTERNATIONAL CO., LTD.	D-MAX INTERNATIONAL CO., LIMITED	Hongkong	Investment holding	\$132,004	\$132,004	4,000	100.00%	\$403,289	\$156,291	\$156,291	
FOSITEK CORP.	MARKETHILL INVESTMENTS LTD.	Samoa	Investment holding	\$949,097	\$949,097	33,200	100.00%	\$4,257,388	\$1,030,823	\$1,028,340	
FOSITEK CORP.	FOSITEK (VIET NAM) COMPANY LIMITED	Vietnam	Sales and manufacture of rails and shafts	\$59,430	\$59,430	(Note)	100.00%	\$156,019	\$115,909	\$94,588	
FOSITEK CORP.	FOSITEK AMERICA, INC.	USA	Sales of rails and shafts	\$14,078	—	(Note)	100.00%	\$16,114	(\$276)	(\$276)	

Note : None amount of shares is issued publicly by Limited Company.

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

INFORMATION ON INVESTMENT IN MAINLAND CHINA

TABLE 8

Investor Company	Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Percentage of Ownership (Direct or Indirect Investment)	Profits/ Losses of the Investee Company	Share of Profits/Losses	Carrying Amount as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
						Outflow	Inflow						
ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	Sales and manufacture of computers related products and computer cooling fans	\$642,719	(2) AVC INTERNATIONAL CO., LTD.—B.V.I.	\$642,719	—	—	\$642,719	100.00%	\$958,910	\$958,910	\$6,024,238	—
ASIA VITAL COMPONENTS CO., LTD	FURUKAWA AVC ELECTRONICS (SUZHOU) CO., LTD.	Sales and manufacture of reflow machines, solder paste printers and notebook thermal modules	\$267,247	(2) RAYNEY INTERNATIONAL LTD.	\$54,176	—	—	\$54,176	30.00%	\$290,226	\$87,068	\$203,406	—
ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	Sales and manufacture of computers, electronic products and related parts	\$514,105	(2) AVC INTERNATIONAL CO., LTD.—B.V.I.	\$319,776	—	—	\$319,776	100.00%	\$837,154	\$837,154	\$4,269,617	—
ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	Sales and manufacture of computers related products and computer cooling fans	\$879,291	(2) CHIHUNG INTERNATIONAL LTD.	\$879,291	—	—	\$879,291	100.00%	\$698,803	\$698,803	\$6,874,530	—
ASIA VITAL COMPONENTS CO., LTD	FURUKAWA ELECTRIC (SHENZHEN) CO., LTD.	Sales and manufacture of automobile parts	\$321,060	(2) MERIT TRADING CORPORATION	\$29,088	—	—	\$29,088	9.06%	(\$8,558)	—	\$85,245	—
ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (CHENGDU) CO., LTD.	Sales and manufacture of computers, related parts and accessories	\$1,055,897	(2) AVC INTERNATIONAL CO., LTD.—B.V.I.	\$1,055,897	—	—	\$1,055,897	100.00%	\$146,571	\$146,571	\$2,050,419	—
D-MAX TECHNOLOGY CO., LTD.	(JIASHAN)D-MAX ELECTRONICS CO.,LTD.	Sales and manufacture of electronic and photographic equipment	\$132,004	(2) WUCHIDA INTERNATIONAL CO., LTD.	\$132,004	—	—	\$132,004	100.00%	\$176,514	\$176,514	\$402,876	—
ASIA VITAL COMPONENTS CO., LTD	AVC OPTICS (WUHAN) CORP.	Sales and manufacture of computers related products and computer cooling fans	\$3,128,775	(2) AVC INTERNATIONAL CO., LTD.—B.V.I.	\$3,128,775	—	—	\$3,128,775	100.00%	\$143,749	\$143,749	\$3,211,241	—
FOSITEK CORP.	SHENZHEN FOSITEK TELECOM CO.,LTD.	Sales and manufacture of rails, shafts and metal stamping tooling	\$846,331	(2) MARKETHILL INVESTMENTS LTD.	\$846,331	—	—	\$846,331	100.00%	\$1,030,188	\$1,030,188	\$4,251,388	—

Accumulated Outflow of Investment from Taiwan to Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$7,088,057 (US\$230,093,010)	\$8,548,715 (US\$260,750,828)	(Note 3)

Note 1 : The methods for investment in Mainland China are categorized into the following three types. Please specify the type.

- (1) Direct investment in Mainland China.
- (2) Indirectly investment in Mainland China through companies registered in the third area (Please specify the name of the company in third region).
- (3) Others.

Note 2 : The table is expressed in thousands of New Taiwan Dollars.

Note 3 : The Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company.

Note 4 : All the above transactions were eliminated on consolidation.

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

TABLE 9

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	ASIA VITAL COMPONENTS CO., LTD	AVC AMERICA, INC.	1	Sales	\$2,228,329	General trading terms	3%
0	ASIA VITAL COMPONENTS CO., LTD	AVC AMERICA, INC.	1	Accounts receivable	\$654,655	General trading terms	1%
0	ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	1	Purchases	\$716,683	General trading terms	1%
0	ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	1	Accounts payable	\$236,979	General trading terms	0%
0	ASIA VITAL COMPONENTS CO., LTD	AVC OPTICS (WUHAN) CORP.	1	Purchases	\$2,033,568	General trading terms	3%
0	ASIA VITAL COMPONENTS CO., LTD	AVC OPTICS (WUHAN) CORP.	1	Accounts payable	\$645,619	General trading terms	1%
0	ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (CHENGDU) CO., LTD.	1	Purchases	\$1,667,078	General trading terms	2%
0	ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (CHENGDU) CO., LTD.	1	Accounts payable	\$533,961	General trading terms	1%
0	ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	1	Purchases	\$13,855,526	General trading terms	19%
0	ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	1	Accounts payable	\$7,496,627	General trading terms	8%
0	ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	1	Purchases	\$21,494,626	General trading terms	30%
0	ASIA VITAL COMPONENTS CO., LTD	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	1	Accounts payable	\$5,526,949	General trading terms	6%
0	ASIA VITAL COMPONENTS CO., LTD	AVC TECH. (VIETNAM) CO., LTD.	1	Purchases	\$9,303,559	General trading terms	13%
0	ASIA VITAL COMPONENTS CO., LTD	AVC TECH. (VIETNAM) CO., LTD.	1	Accounts payable	\$3,004,903	General trading terms	3%
0	ASIA VITAL COMPONENTS CO., LTD	(JIASHAN) D-MAX ELECTRONICS CO.,LTD.	1	Purchases	\$1,486,049	General trading terms	2%
0	ASIA VITAL COMPONENTS CO., LTD	(JIASHAN) D-MAX ELECTRONICS CO.,LTD.	1	Accounts payable	\$534,761	General trading terms	1%

ASIA VITAL COMPONENTS CO., LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

TABLE 9-1

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
1	AVC PRECISION, CO., LTD.	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	3	Sales	\$3,654,855	General trading terms	5%
1	AVC PRECISION, CO., LTD.	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	3	Accounts receivable	\$444,490	General trading terms	0%
1	AVC PRECISION, CO., LTD.	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	3	Sales	\$397,153	General trading terms	1%
1	AVC PRECISION, CO., LTD.	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	3	Accounts receivable	\$102,299	General trading terms	0%
1	AVC PRECISION, CO., LTD.	AVC TECH. (VIETNAM) CO., LTD.	3	Sales	\$184,481	General trading terms	0%
1	AVC PRECISION, CO., LTD.	AVC TECH. (VIETNAM) CO., LTD.	3	Accounts receivable	\$208,493	General trading terms	0%
2	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	AVC OPTICS (WUHAN) CORP.	3	Purchases	\$432,849	General trading terms	1%
2	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	AVC OPTICS (WUHAN) CORP.	3	Accounts payable	\$44,485	General trading terms	0%
3	AVC OPTICS (WUHAN) CORP.	JADS CORPORATION (HK) LTD.	3	Sales	\$931,478	General trading terms	1%
3	AVC OPTICS (WUHAN) CORP.	JADS CORPORATION (HK) LTD.	3	Accounts receivable	\$209,050	General trading terms	0%
4	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	JADS CORPORATION (HK) LTD.	3	Purchases	\$951,074	General trading terms	1%
4	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	JADS CORPORATION (HK) LTD.	3	Accounts payable	\$249,870	General trading terms	0%
4	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	JADS CORPORATION (HK) LTD.	3	Sales	\$441,775	General trading terms	1%
4	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	JADS CORPORATION (HK) LTD.	3	Accounts receivable	\$130,610	General trading terms	0%
4	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	AVC TECH. (VIETNAM) CO., LTD.	3	Sales	\$170,940	General trading terms	0%
4	ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	AVC TECH. (VIETNAM) CO., LTD.	3	Accounts receivable	\$81,657	General trading terms	0%
5	CHIHUNG INTERNATIONAL LTD.	JADS CORPORATION (HK) LTD.	3	Other accounts receivable	\$163,925	General trading terms	0%
6	JADS CORPORATION (HK) LTD.	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	3	Sales	\$465,288	General trading terms	1%
6	JADS CORPORATION (HK) LTD.	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	3	Accounts receivable	\$202,860	General trading terms	0%
6	JADS CORPORATION (HK) LTD.	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	3	Purchases	\$390,028	General trading terms	1%
6	JADS CORPORATION (HK) LTD.	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	3	Accounts payable	\$100,220	General trading terms	0%
7	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	AVC TECH. (VIETNAM) CO., LTD.	3	Purchases	\$777,817	General trading terms	1%
7	ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	AVC TECH. (VIETNAM) CO., LTD.	3	Accounts payable	\$347,014	General trading terms	0%

Note 1 : The parent company and its subsidiaries are coded as follows:

No.1. The parent company is coded "0".

No.2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2 : Transactions are categorized as follows:

No.1. Transactions from parent company to a subsidiary.

No.2. Transactions from subsidiary to the parent company.

No.3. Transactions between subsidiaries.

Note 3 : Regarding the percentage of transaction amount to consolidated net revenue or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items;

and based on interim accumulated amount to consolidated net revenue for income statement items.

ASIA VITAL COMPONENTS CO. , LTD AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

Information of major shareholders

TABLE 10

Name	Number of shares (thousand)	Percentage of ownership
FURUKAWA ELECTRIC CO., LTD.	48,145	12.41%
The new labor retirement fund of discretionary nomura investment account for the first time in 2022.	29,881	7.70%

Note 1 : The main shareholder information in this form is calculated by the collection company, on the last business day of each quarter, that the total information of the common shares and special shares held by shareholders of the company that have completed the non-entity login delivery (including the storage shares) of the company amounts to more than 5%. As for the share capital recorded in the Company's financial report and the number of unregistered shares actually completed by the Company, there may be differences or differences due to the basis for the calculation of the company.

Note 2 : The opening of the information, if the shareholders will share the shares to the trust, is disclosed to the trustees to open a trust account of the individual sub-accounts. As for the shareholders to handle the internal ownership declaration of more than 10% of the shares in accordance with the Securities Exchange Act, the shareholding of the shareholders includes their own shareholding plus their delivery of the trust and the use of decision-making rights for the trust property, etc., the relevant insider equity declaration information can be found in the Market Observation Post System.