

Tai-Tech Advanced Electronics Co., Ltd.  
Parent Company Only Financial Statements and Independent Auditors' Report  
2024 and 2023  
(Stock Code: 3357)

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Tai-Tech Advanced Electronics Co., Ltd.  
2024 and 2023 Parent Company Only Financial Statements and Auditors' Report  
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## Independent Auditor's Report

(114) Caishenbaozi No. 24002668

To Tai-Tech Advanced Electronics Co., Ltd.,

### Audit Opinions

We have audited the Parent Company Only Balance Sheet of Tai-Tech Advanced Electronics Co., Ltd. (the Company) as of December 31, 2024 and 2023 as well as the Parent Company Only Statement of Comprehensive Income, Parent Company Only Statement of Changes in Equity, Parent Company Only Statement of Cash Flow, and the Notes to Parent Company Only Financial Statements (including the summary of significant accounting policies) for January 1 to December 31, 2024 and 2023.

In the opinion of this CPA, based on our audits and the reports of the other auditors (see Other Matters), all major aspects of the preceding Parent Company Only Financial Statements are formulated in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers; and are sufficient to present the parent company only financial position as of December 31, 2024 and 2023, and the parent company only financial performance and parent company only cash flows from January 1 to December 31, 2024 and 2023.

### Basis of Audit Opinion

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing. Our responsibilities under those standards are further described in the section titled "Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements" in 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 and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on the audit results of our accountants and the audit reports of other accountants, we are of the opinion that sufficient and appropriate audit evidence has been obtained to be served as the basis for expressing the audit opinion.

### Key Audit Matters

Key audit matters are those that, in our professional judgment, were of most significance

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in our audit of the Parent Company Only Financial Statements of the Company in 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon. As such, we do not provide a separate opinion on these matters.

The key audit matters of the Company's parent company only financial statements for the year ended December 31, 2024 are as follows:

## **Valuation of allowance for inventory valuation losses**

### Description

The Company mainly manufactures and processes various electronic components, magnet cores, multilayer wire-wound, and other wire-wound products. Since the value of inventories is affected by market price fluctuations and life cycles, there is a high risk of obsolescence. The evaluation procedure generally involves subjective judgments and may lead to substantial uncertainty in accounting estimates. As of December 31, 2024, the Company's investment balance using the equity method accounted for 40% of its total assets. The financial status and financial performance of its subsidiaries significantly impact the Company's parent company only financial statements, and evaluating the subsidiaries' loss allowance due to inventory impairment is critical. Therefore, the CPA listed the inventory allowance evaluation of the Company and its subsidiaries' loss allowance due to inventory impairment as one of the most critical matters in this year's audit.

Please refer to Notes 4 (11), 5 (2), and 6 (3) of the Notes to Parent Company Only Financial Statements for detailed descriptions of the accounting policies, important accounting estimates, inventory evaluation assumption, and accounting items for loss allowance due to inventory impairment. The Company's balances for inventory and loss allowance due to impairment as of December 31, 2024 were NT\$368,095 thousand and NT\$19,243 thousand, respectively.

### Responsive audit procedures

We perform the following procedures for the inventory that is ageing and individually obsolete:

1. Assess the reasonableness of inventory allowance valuation policies and procedures adopted by the Company according to our understanding of the Group.
2. Review the annual inventory plans of the Company and its subsidiaries, and observe their annual inventory and management status to assess their management performance and capacity to control obsolete inventories.
3. Verify the completeness and accuracy of the inventory aging report to ensure report data and policy consistency.
4. Evaluate and confirm the accuracy of the inventory depreciation loss calculations, including verifying the accuracy of product selling and purchase prices, and recalculating and evaluating the appropriateness of depreciation loss provisions.

## **Other Matters - audits conducted by other certified public accountants**

We have not audited the financial statements of the Company's parent company only financial statements of the Group, but other independent auditors have. Therefore, our opinion on the amount in the parent company only financial statements is based on the reports of other independent auditors. As of December 31, 2024 and 2023, the investments in the aforementioned companies under the equity method were NT\$1,717,727 thousand and NT\$1,463,347 thousand, representing 15% and 14% of the total assets, respectively; the profit or loss was NT\$311,871 thousand and NT\$70,078 thousand, representing 25% and 10% of the comprehensive income, respectively.

## **The Management and Governance Units' Responsibilities for the Parent Company Only Financial Statements**

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

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

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

## **The CPA's Responsibilities for the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance refers to a high degree of assurance, but the audit performed according to the TWSA cannot guarantee that material misrepresentations in parent company only financial statements will be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

The CPA has exercised professional judgment and skepticism when conducting audits

under the TWSA. We also:

1. Identify the risks of material misstatements that may lead to fraud or error for the parent company only financial statements, design and implement appropriate countermeasures for the risks found, and acquire sufficient and appropriate audit evidence as the basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. The CPA must gain the necessary understanding of internal controls related to the audit to design the appropriate audit procedures under the circumstances. However, its purpose is not to express an opinion on the internal control performance of the Company.
3. Evaluate the appropriateness of the accounting policies adopted by the management level, the rationality of its accounting estimates, and the relevant disclosures.
4. Based on the audit evidence obtained, this CPA has concluded that the appropriateness of the accounting basics for continual operations adopted by the management level as well as whether there is any material uncertainty regarding events or circumstances that may cast significant doubt on the Company's capacity to continue its operates. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 contents of, and the notes to, the parent company only financial statements, and whether the parent company only financial statements fairly present the underlying transactions and events.
6. Acquire sufficient and appropriate audit evidence for the financial information of individuals formed within the Company and issue an opinion regarding the parent company only financial statements. We are responsible for the direction, supervision, and performance of the individual audit; we remain solely responsible for audit opinion of parent company only financial statements.

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.

The matters communicated between the CPA and the governance unit comprised key audit items for the audit of the Company's 2024 Parent Company Only Financial Statements. We describe these matters in our 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.

PricewaterhouseCoopers Taiwan

Certified Public Accountant (CPA)	Wei-hao Wu  Ya-Hui Cheng
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Financial Supervisory Commission

Official Approval Letter No.: Jin Guan Zheng Shen Zi No.  
1080323093

Former Financial Supervisory Commission and Securities and  
Futures Bureau of the Executive Yuan

Official Approval Letter No.: Jin Guan Zheng Liu Zi No.  
0960072936

February 26, 2025



Tai-Tech Advanced Electronics Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2024 and 2023

Unit: NT\$ thousand

Assets			December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 368,403	3	\$ 901,740	9
1150	Notes receivable, net	6 (2)	10,540	-	15,894	-
1170	Accounts receivable, net	6 (2)	1,000,339	9	726,542	7
1180	Accounts receivable from related parties, net	6 (2) and 7	327,070	3	277,898	3
1200	Other receivables		32,659	-	9,363	-
1210	Other receivables due from related parties	7	3,264	-	-	-
130X	Inventory	6 (3)	348,852	3	318,591	3
1410	Pre-payments	6 (13)	28,242	-	17,125	-
1470	Other current assets		3,760	-	262	-
11XX	Total current assets		2,123,129	18	2,267,415	22
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6 (11)	770		880	
1517	Financial assets at fair value through other comprehensive income - non-current	6 (4) and 12 (3)	486,361	4	234,936	2
1550	Investment accounted for using the equity method	6 (5)	6,886,239	58	5,714,425	55
1600	Property, plant and equipment	6 (6), 7, and 8	2,219,475	19	2,148,262	21
1755	Right-of-use assets	6 (7)	7,687	-	11,064	-
1780	Intangible assets		47,677	1	44,641	-
1840	Deferred income tax assets	6 (24)	2,091	-	3,201	-
1900	Other non-current assets	6 (8)	35,316	-	4,671	-
15XX	Total non-current assets		9,685,616	82	8,162,080	78
1XXX	Total assets		\$ 11,808,745	100	\$ 10,429,495	100

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Tai-Tech Advanced Electronics Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2024 and 2023

Unit: NT\$ thousand

Liabilities and equity		Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6 (9)	\$ 330,000	3	\$ 100,000	1
2150	Notes payable		16,011	-	17,459	-
2170	Accounts payable		100,654	1	74,497	1
2180	Accounts payable - related parties	7	859,192	7	588,172	6
2200	Other payables	6 (10) and 7	388,614	4	286,151	3
2230	Current income tax liabilities	6 (24)	19,365	-	49,655	-
2250	Liability reserve - current		4,492	-	4,278	-
2280	Lease liabilities - current	7	2,311	-	4,051	-
2320	Current portion of long-term borrowings	6 (12)	242,950	2	37,733	-
21XX	Total current liabilities		1,963,589	17	1,161,996	11
Non-current liabilities						
2530	Corporate bonds payable	6 (11)	1,066,426	9	1,048,695	10
2540	Long-term borrowings	6 (12)	1,261,762	11	1,504,712	15
2570	Deferred income tax liabilities	6 (24)	28,572	-	28,572	-
2580	Lease liabilities - non-current	7	5,376	-	7,182	-
2640	Net defined benefit liabilities — non-current	6 (13)	1,415	-	1,053	-
2670	Other non-current liabilities - others		600	-	1,640	-
25XX	Total non-current liabilities		2,364,151	20	2,591,854	25
2XXX	Total liabilities		4,327,740	37	3,753,850	36
Equity						
Share capital						
3110	Common shares	6 (14)	1,020,349	9	1,020,340	10
	Capital surplus	6 (15)				
3200	Capital surplus		1,854,376	15	1,854,279	18
	Retained earnings	6 (16)				
3310	Legal reserve		720,465	6	657,300	6
3320	Special reserve		76,642	1	76,642	1
3350	Unappropriated earnings		3,312,481	28	2,928,035	28
	Other equity	6 (17)				
3400	Other equity		496,692	4	139,049	1
3XXX	Total equity		7,481,005	63	6,675,645	64
	Significant Commitments or Contingencies	9				
3X2X	Total liabilities and equity		\$ 11,808,745	100	\$ 10,429,495	100

The accompanying notes are an integral part of the parent company only financial statements; please refer to them as well.

Tai-Tech Advanced Electronics Co., Ltd.  
Parent Company Only Statement of Comprehensive Income  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand  
(Except Earnings Per Share)

	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	6 (18) and 7	\$ 3,776,269	100	\$ 3,093,378	100
5000	Operating costs	6 (3) (22) (23) and 7	( 3,091,295 )	( 82 )	( 2,514,358 )	( 81 )
5900	Gross profit		684,974	18	579,020	19
5910	Unrealized gains from sale		( 16,302 )	( 1 )	( 25,575 )	( 1 )
5920	Realized gain from sale		25,575	1	72,830	2
5950	Gross profit, net		694,247	18	626,275	20
	Operating expenses	6 (22) (23) and 7				
6100	Selling and marketing expenses		( 230,571 )	( 6 )	( 200,418 )	( 6 )
6200	General and administrative expenses		( 142,807 )	( 4 )	( 130,483 )	( 4 )
6300	Research and development expenses		( 112,647 )	( 3 )	( 85,157 )	( 3 )
6000	Total operating expenses		( 486,025 )	( 13 )	( 416,058 )	( 13 )
6900	Operating gains		208,222	5	210,217	7
	Non-operating income and expenses					
7100	Interest income		13,364	-	11,793	-
7010	Other income	6 (19)	15,289	-	18,038	1
7020	Other gains and losses	6 (20)	55,785	2	2,083	-
7050	Financial costs	6 (9) (12)(21)	( 41,502 )	( 1 )	( 28,394 )	( 1 )
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6 (5)	544,814	15	423,718	14
7000	Total non-operating incomes and expenses		587,750	16	427,238	14
7900	Income before income tax		795,972	21	637,455	21
7950	Income tax expenses	6 (24)	( 47,817 )	( 1 )	( 44,072 )	( 2 )
8200	Net profit (loss) for current period		\$ 748,155	20	\$ 593,383	19
	Other comprehensive income/(loss) for the year, net of income tax					
	Components of other comprehensive income that will not be reclassified to profit or loss	6 (17)				
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6 (4)	\$ 173,062	5	\$ 107,758	4
8330	Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that will not be reclassified to profit or loss		90,216	2	88,811	3
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		263,278	7	196,569	7
	Items that may be reclassified subsequently to profit or loss	6 (17)				
8361	Exchange differences on translating the financial statements of foreign operations		291,467	7	( 8,691 )	-
8380	Share of profit (loss) of associates and joint ventures accounted for using equity method - Items that may be reclassified to profit or loss		( 38,493 )	( 1 )	( 74,308 )	( 3 )
8360	Total of items that may be reclassified subsequently to profit or loss		252,974	6	( 82,999 )	( 3 )
8300	Other comprehensive income/(loss) for the year, net of income tax		\$ 516,252	13	\$ 113,570	4
8500	Total comprehensive income (loss) for the current period		\$ 1,264,407	33	\$ 706,953	23
	Basic earnings per share	6 (25)				
9750	Basic earnings per share		\$ 7.33		\$ 5.82	
9850	Diluted earnings per share - Total		\$ 6.83		\$ 5.73	

The accompanying notes are an integral part of the parent company only financial statements; please refer to them as well.

Tai-Tech Advanced Electronics Co., Ltd.  
Consolidated Statement of Changes in Equity  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

		Retained earnings				Other equity			
	Note	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain/(loss) on financial assets at fair value through other comprehensive income	Total
<u>2023</u>									
Balance as of January 1, 2023		\$ 1,020,340	\$ 1,798,320	\$ 552,955	\$ 76,642	\$ 3,012,932	( \$ 134,642 )	\$ 198,390	\$ 6,524,937
Net profit (loss) for current period		-	-	-	-	593,383	-	-	593,383
Other comprehensive income for the year	6 (17)	-	-	-	-	-	( 82,999 )	196,569	113,570
Total comprehensive income (loss) for the current period		-	-	-	-	593,383	( 82,999 )	196,569	706,953
Appropriation and distribution of earnings:									
Legal reserve		-	-	104,345	-	( 104,345 )	-	-	-
Cash dividends		-	-	-	-	( 612,204 )	-	-	( 612,204 )
Issuance of convertible bonds	6 (11)	-	55,190	-	-	-	-	-	55,190
Changes in associates and joint ventures accounted for using the equity method		-	769	-	-	-	-	-	769
Disposal of equity instruments measured at fair value through other comprehensive income		-	-	-	-	38,269	-	( 38,269 )	-
Balance as of December 31, 2023		<u>\$ 1,020,340</u>	<u>\$ 1,854,279</u>	<u>\$ 657,300</u>	<u>\$ 76,642</u>	<u>\$ 2,928,035</u>	<u>( \$ 217,641 )</u>	<u>\$ 356,690</u>	<u>\$ 6,675,645</u>
<u>2024</u>									
Balance as of January 1, 2024		\$ 1,020,340	\$ 1,854,279	\$ 657,300	\$ 76,642	\$ 2,928,035	( \$ 217,641 )	\$ 356,690	\$ 6,675,645
Net profit (loss) for current period		-	-	-	-	748,155	-	-	748,155
Other comprehensive income for the year	6 (17)	-	-	-	-	-	252,974	263,278	516,252
Total comprehensive income (loss) for the current period		-	-	-	-	748,155	252,974	263,278	1,264,407
Appropriation and distribution of earnings:	6 (16)								
Legal reserve		-	-	63,165	-	( 63,165 )	-	-	-
Cash dividends		-	-	-	-	( 459,153 )	-	-	( 459,153 )
Changes in associates and joint ventures accounted for using the equity method		-	9	-	-	-	-	-	9
Convertible corporate bond conversion	6 (11)	9	88	-	-	-	-	-	97
Subsidiary's disposal of equity instruments measured at fair value through other comprehensive income	6 (17)	-	-	-	-	158,609	-	( 158,609 )	-
Balance as of December 31, 2024		<u>\$ 1,020,349</u>	<u>\$ 1,854,376</u>	<u>\$ 720,465</u>	<u>\$ 76,642</u>	<u>\$ 3,312,481</u>	<u>\$ 35,333</u>	<u>\$ 461,359</u>	<u>\$ 7,481,005</u>

The accompanying notes are an integral part of the parent company only financial statements; please refer to them as well.

Tai-Tech Advanced Electronics Co., Ltd.  
Parent Company Only Statement of Cash Flow  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash flow from operating activities</u>			
Income before income tax		\$ 795,972	\$ 637,455
Adjustments			
Adjustments for income and expenses			
Depreciation expenses (including right-of-use assets)	6 (22)	203,693	199,282
Amortization	6 (22)	7,529	5,828
Net gain on financial assets and liabilities at fair value through profit or loss	6 (20)	( 6,916 )	( 1,672 )
Gains on disposal of property, plant and equipment	6 (20)	( 5,809 )	( 3,143 )
Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6 (5)	( 544,814 )	( 423,718 )
(Realized) unrealized gain from sale		( 9,273 )	( 47,255 )
Interest income		( 13,364 )	( 11,793 )
Dividends income	6 (19)	( 5,176 )	( 7,129 )
Interest expenses		41,502	28,394
Miscellaneous expenses		6,141	-
Loss on disposal of investment	6 (20)	2,985	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets compulsorily measured at fair value through profit or loss - current		7,026	1,232
Notes receivable		5,354	5,072
Accounts Receivable		( 273,797 )	80,217
Accounts receivable due from related parties		( 49,172 )	263,957
Other receivables		( 10,657 )	3,636
Other receivables due from related parties		( 3,264 )	-
Inventory		( 30,261 )	19,334
Pre-payments		( 11,117 )	177
Other current assets		( 3,498 )	( 262 )
Changes in operating liabilities, net			
Notes payable		( 762 )	5,622
Accounts payable		26,157	( 26,896 )
Accounts payable - related parties		271,020	( 143,176 )
Other payables		12,094	( 96,908 )
Liability reserve - current		214	4,278
Net defined benefit liabilities		362	275
Cash generated from operating activities		412,169	492,807
Interest paid		( 23,674 )	( 25,452 )
Income taxes paid		( 80,158 )	( 70,614 )
Net cash inflow from operating activities		308,337	396,741

(Continued)

Tai-Tech Advanced Electronics Co., Ltd.  
Parent Company Only Statement of Cash Flow  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash flows from investing activities</u>			
Interests received		\$ 13,364	\$ 11,793
Dividends received		5,176	7,129
Acquisition of financial assets at fair value through other comprehensive income		( 78,845 )	( 49,918 )
Capital surplus distributed in cash		482	-
Disposal of financial assets at fair value through other comprehensive income		-	64,431
Increase in financial assets measured at amortized cost		-	( 50,000 )
Decrease in financial assets at amortized cost		-	50,000
Other receivables due from related parties		-	151,216
Investment accounted for using the equity method		( 362,594 )	( 1,554,045 )
Cash dividend of long-term equity investment under equity method		90,634	57,500
Acquisition of property, plant, and equipment	6 (26)	( 411,889 )	( 181,480 )
Proceeds from disposal of property, plant and equipment		91,319	107,784
Acquisition of intangible assets		( 10,565 )	( 10,127 )
Increase in refundable deposits		( 3,500 )	-
Increase in other non-current assets		-	( 97 )
Net cash flows used in investing activities		( 666,418 )	( 1,395,814 )
<u>Cash flows from financing activities</u>			
Proceeds from short-term borrowings		1,000,000	2,650,000
Repayments for short-term borrowings		( 770,000 )	( 2,550,000 )
Other payables - related parties		96,716	-
Issuance of convertible bonds		-	1,100,502
Increase in long-term borrowings		-	453,999
Repayment for long-term borrowings		( 37,733 )	( 37,733 )
Repayment of the principal portion of lease liabilities	6 (27)	( 4,046 )	( 6,524 )
Cash dividends appropriated	6 (16)	( 459,153 )	( 612,204 )
Decrease in deposits received		( 1,040 )	-
Net cash generated from (used in) financing activities		( 175,256 )	998,040
Decrease in cash and cash equivalents for the period		( 533,337 )	( 1,033 )
Cash and cash equivalents - beginning balance		901,740	902,773
Cash and cash equivalents - ending balance		<u>\$ 368,403</u>	<u>\$ 901,740</u>

The accompanying notes are an integral part of the parent company only financial statements; please refer to them as well.

Tai-Tech Advanced Electronics Co., Ltd.  
Notes to the Parent Company Only Financial Statements  
2024 and 2023

Unit: NT\$ thousand  
(unless otherwise specified)

I. Company History

Tai-Tech Advanced Electronics (the “Company” hereinafter) was incorporated on November 2, 1992. The Company mainly engages in manufacturing and processing of electronic parts, magnet cores, multilayer wire-wound and other wire-wound products, and act as an agent for domestic and foreign companies in terms of quotation, bidding, distribution, and import and export of the said products. The Company’s shares were listed on Taipei Exchange for trading on April 27, 2021.

II. Approval Date and Procedure of Financial Statements

The parent company only financial statements were passed the board of directors resolution and published on February 24, 2025.

III. Application of New and Amended Standards and Interpretations

(I) The impact of the adoption of the new and revised International Financial Reporting Standards (IFRS) recognized and promulgated by the Financial Supervisory Commission (FSC)

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) approved and promulgated into effect by the FSC for application in 2024:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 16 “Lease liabilities of after-sale and leaseback”	January 1, 2024
Amendments to IAS 1 “Classification of liabilities as current or non-current”	January 1, 2024
Amendments to IAS 1 “Non-current liabilities with covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements”	January 1, 2024

The Company has assessed the aforementioned standards and interpretations, and concluded that they do not have significant effects on the Company’s financial position and financial performance.

(II) Effects of Not Adopting the Newly Issued or Amended IFRSs Endorsed by the FSC

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) recognized by the FSC for application in 2025:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Company has assessed the aforementioned standards and interpretations, and concluded that they do not have significant effects on the Company’s financial position and financial performance.

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations, and amendments to the IFRSs issued by IASB but not yet endorsed by the FSC are as follows:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Yet to be decided by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 Initial application of IFRS 17 and IFRS 9 — Comparative information	January 1, 2023
IFRS No. 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the Company has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Company’s financial position and financial performance.

1. Amendments to IFRS No. 9 and IFRS No. 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments are as follows:

Update the fair value of the equity instruments designated through other comprehensive income (FVOCI) through an irrevocable election should be disclosed for each type of equity instrument, and there is no need to disclose the fair value information for each underlying subject. In addition, the amount of fair value gain or loss recognized in other comprehensive income shall be disclosed. The amount of fair value gain or loss on the investment derecognized during the reporting period shall be presented separately. and accumulated gains and losses from investments that are derecognized during the reporting period and transferred to equity during the reporting period.

2. IFRS No. 18 "Presentation and Disclosures in Financial Statements"

IFRS No. 18 "Financial Statement Presentation and Disclosure" replaces IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement, and strengthens the application in the summary of the main financial statements and notes and segmentation.

IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.



(I) The Parent Company Only Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Preparation Basis

1. This financial statement is prepared based on the historical costs except for the following important items:
  - (1) Financial assets and liabilities (including derivatives) measured at fair value through gain or loss.
  - (2) Financial assets at fair value through other comprehensive income.
  - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. Preparing financial reports in conformity with the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretations (hereafter “IFRSs”) endorsed by the FSC require using some important accounting estimates. When applying the Company's accounting policies, the management level's judgments were needed. Please refer to Note 5 for items involving high levels of judgment or complexity or significant assumptions and estimates of parent company only financial statements.

(III) Foreign Currency Translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (i.e. the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

1. Foreign currency transactions and balance
  - (1) Foreign currency derived from transactions was translated into the functional currency using the spot exchange rate prevailing on the trade date or the measurement date, with the resulting exchange difference recognized as gain or loss.
  - (2) The balance of monetary assets or liabilities denominated in foreign currency is adjusted by the exchange rate prevailing at the balance sheet date, with the resulting differences recognized as gain or loss.
  - (3) Non-monetary assets or liabilities denominated in foreign currency are adjusted by the spot exchange rate on the balance sheet date, with the resulting difference recognized in profit or loss if they are measured at fair value through profit or loss, or in other comprehensive income if they are measured at fair value through other comprehensive income. If they are not measured at fair value, they are measured by applying the historical exchange rate on the transaction date.
2. Translation of foreign operations financial statements

The results and financial position of associates and entities within the Company whose functional currency is not the presentation currency are translated into the presentation currency using the following procedures:

  - (1) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
  - (2) Income and expenses for each statement of comprehensive income (including comparatives) are translated at the average exchange rates for the period; and
  - (3) All resulting exchange differences are recognized in other comprehensive income.

(IV) Classification of Current and Noncurrent Assets and Liabilities

1. Assets that meet one of the following criteria are classified as current assets:
  - (1) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
  - (2) They are held primarily for trading.
  - (3) Assets that are expected to be realized within 12 months after the balance sheet date.
  - (4) Cash and cash equivalents, excluding those that are restricted, or to be exchanged or used to settle liabilities at least twelve months after the balance sheet date.Otherwise they are classified as noncurrent assets.
2. Liabilities that meet one of the following criteria are classified as current liabilities:
  - (1) Liabilities that are expected to be settled within the normal operating cycle.
  - (2) They are held primarily for trading.
  - (3) Liabilities that are expected to be settled within 12 months after the balance sheet date.
  - (4) Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet dateOtherwise they are classified as noncurrent liabilities.

(V) Cash equivalents

Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that fit the said definition and are intended to meet short-term operating cash commitments are classified as cash equivalents.

(VI) Financial assets at fair value through profit or loss

1. Financial assets not measured at cost after amortization or measured at fair value through other comprehensive income.
2. The Company's financial assets measured at fair value through other comprehensive income according to the trading conventions are accounted for on the trade date.
3. At initial recognition, the Company measures financial assets at fair value plus relevant transaction costs, and subsequently, the Group measures the financial assets at fair value and its gain or loss is recognized in profit or loss.
4. The Company recognizes dividend income in profit or loss when (a) the Company's right to the dividends is established; (b) the economic benefits associated with dividends are probable to flow to the Company; and (c) such dividends can be reliably measured.

(VII) Financial Assets at Fair Value through Other Comprehensive Income

1. It means the Group made an irrevocable election upon initial recognition to recognize the fair value changes in equity instruments not held for trading at other comprehensive income.
2. The Company's financial assets measured at fair value through other comprehensive income according to the trading conventions are accounted for on the trade date.
3. The Company has added the transaction cost measurement at fair value during the original recognition, which is subsequently measured via the fair value method. When changes in the fair value of equity instruments recognized as other comprehensive gains or losses are being derecognized, the cumulative profits or losses previously recognized as other comprehensive gains or losses are not subsequently reclassified to gain or loss and are transferred to retained earnings. The Company recognizes dividend income in profit or loss when (a) the Company's right to the dividends is established; (b) the economic benefits

associated with dividends are probable to flow to the Company; and (c) such dividends can be reliably measured.

(VIII) Accounts Receivables and Notes Receivables

1. Accounts receivable and notes receivable denote that the Group has unconditional right to the consideration, in the form of receivables or notes, for the goods and services transferred.
2. The discount effect for unpaid-interest short-term accounts and bills receivable is small, so the Company is measured via the original invoice amount.

(IX) Impairment of Financial Assets

At the end of each reporting period, the Company considers financial assets at amortized cost, investments in debt instruments that are measured at FVTOCI, and receivables (including significant financial components), and takes into consideration all reasonable and supporting information (including the forward-looking information). For financial assets of which the credit risk does not significantly increase since initial recognition, the Company recognizes an allowance equal to 12-month expected credit losses; for financial assets of which the credit risk significantly increases since initial recognition, the Company recognizes an allowance equal to the lifetime expected credit loss; for accounts receivables that do not contain significant financial components or contract assets, the Company recognizes an allowance equal to the lifetime expected credit loss.

(X) Derecognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to receive cash flows from the financial asset expire.

(XI) Inventory

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs, and related production overheads (allocated based on normal operating capacity), excluding borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(XII) Investment accounted for using the equity method

1. Subsidiaries refer to entities (including structural entities) under the control of this Company. When this Company is exposed to the participation of variable remunerations for said entities or has rights over such variable remunerations and has the power to impact said remunerations of such entities, the Company controls said entities.
2. Unrealized gains and losses arising from transactions between the Company and its subsidiaries have been eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The Company's share of gain or loss after the acquisition of the subsidiary shall be recognized as current gain or loss, and other shares of comprehensive gain or loss after acquisition shall be recognized as other comprehensive gain or loss. When the Company's share of losses of its subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses in proportion to its shareholding percentage.
4. An associate refers to an entity over which the Company has no control but significant influence, typically those in which the Company has at least 20% of the total number of voting shares directly or indirectly. The Company accounts for investment in associates using the equity method and recognizes them at cost upon acquisition.

5. The Company's share of profit or loss in an associate after acquisition shall be recognized as current gain or loss, and its share of other comprehensive income after acquisition shall be recognized in other comprehensive income. When the Company's loss in any associate exceeds the equity (including any unsecured receivables) in such an associate, the Company does not recognize further losses except when any legal obligation or constructive obligation is incurred or the Company has made payment on behalf of the associate.
6. When an associate experiences equity changes not attributable to changes in any component of profit or loss or other comprehensive income and not impacting the Company's shareholding in such an associate, the Company accounts for such equity changes as "capital surplus" in proportion to its shareholding percentage.
7. Unrealized gain or loss arising from transactions between the Company and associates has been eliminated in proportion to the Company's shareholding percentage in the associates; unrealized loss is also eliminated unless evidence proves the impairment of the assets transferred in the transaction. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
8. If the Company loses significant influence over an associate, the Company shall account for all amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by an associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over the associate. If significant influence over the associate remains, the Group only proportionally reclassifies the amounts previously recognized in other comprehensive income.
9. According to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," the current gain or loss in parent company only financial statements and other comprehensive gains and losses shall be the same as the current gain or loss and other comprehensive gains and losses attributable to the proportion of the share held by the parent company as listed in the financial report prepared on a consolidated basis. The equity ownership listed in parent company only financial statements shall be the same as the equity ownership attributable to the parent company as listed in the individual report prepared on a consolidated basis.

### (XIII) Property, Plant, and Equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequently, costs are only likely to flow into this Company for future economic benefits associated with the project. Only when the project costs can be reliably measured can they be included in the book amount of the asset or recognized as a separate asset. The carrying amount of the replaced part is derecognized. All other repair and maintenance is recognized in profit or loss when accrued.
3. Property, plant and equipment are subsequently measured at cost. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Property, plant and equipment are depreciated individually if they contain any significant components.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of reporting year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is

accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	8 - 50 years
Machinery	5 - 12 years
Utilities equipment	10 - 15 years
Transportation equipment	5 years
Office equipment	5 years
Other equipment	2 - 12 years

(XIV) Lease Transactions of a Lessee - Right-of-use Assets/Lease Liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the day available for use by the Company. Low-value assets and short-term leases are recognized as expenses on a straight-line basis over the lease period.
2. Lease liabilities are recognized at the present value of unpaid lease payments discounted at the Company's incremental borrowing rate on the lease commencement date. The lease payments include:

Fixed payments less any rental incentives that may be received.

that are measured in subsequent periods using the effective interest rate method and amortized over the lease term. When a change in lease payments occurs not due to contract modification, lease liability will be remeasured, with such remeasurements adjusted to right-of-use assets.

3. Right-of-use assets are recognized at costs at the inception of the lease. Cost includes:
  - (1) The initial lease liability measured;
  - (2) Lease payments made before or at the inception of the lease;
  - (3) Any original direct costs incurred.

Right-of-use assets are subsequently measured at costs. Depreciation of right-of-use assets is recognized at the earlier of the end of the useful life and the end of the lease term. When a lease liability is remeasured, the Group adjusts the right-of-use asset for any remeasurements.

(XV) Intangible Assets

1. Computer software

Computer software is measured at the acquisition cost and amortized using the straight line method over its estimated useful life, which is 3-5 years.

2. Goodwill

Goodwill results from mergers or acquisition.

3. Patent rights

Patents are amortized at a period of 13 years using the straight line method.

(XVI) Impairment of Non-financial Assets

1. The Company shall target the assets with signs of impairment on the balance sheet date to assess the recoverable amount and recognize the impairment loss when the recoverable amount is lower than its book value. The recoverable amount is an asset's fair value less costs to sell or its value in use, whichever is higher. When there is an indication that the impairment loss recognized in prior years for an asset other than goodwill decreases or no longer exists, the impairment loss is reversed to the extent of the loss previously recognized

in profit or loss. However, the increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2. The Group regularly measures the recoverable amount of goodwill, intangible assets with uncertain useful life and intangible assets not available for use. Impairment is recognized when the recoverable amount is lower than the carrying amount. Impairment of goodwill is not reversed in subsequent periods.

(XVII) Borrowings

Borrowings mean short- and long-term loans borrowed from banks. Borrowings are initially recognized at the fair value less any transaction costs, and subsequently at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the borrowing period using the effective interest rate method.

(XVIII) Accounts Receivables and Notes Receivables

1. Accounts receivable and notes receivable are the debt incurred by credit purchase of raw materials, goods, or services and the notes receivables incurred by operating and non-operating activities.
2. Because the effect of discount for unpaid-interest short-term accounts and bills payable is small, the Company is measured via the original invoice amount.

(XIX) Convertible corporate bonds payable

The convertible bonds issued by the Company are embedded with conversion rights (i.e. holders have the right to convert the bonds into the Company's common shares with a fixed amount for a fixed number of shares) and repurchase options. At the time of initial issuance, the issuance price is divided into financial assets, financial liabilities or equity according to the issuance conditions, and the treatment is as follows:

1. Embedded resale rights and repurchase rights: at the time of initial recognition, the net fair value is stated as “financial assets or liabilities measured at fair value through profit and loss.” Subsequently, the difference at the balance sheet date is recognized as “gain or loss on financial assets (liabilities) measured at fair value through profit or loss”.
2. Master contract of corporate bonds: The difference between the fair value measurement at the time of initial recognition and the redemption value is recognized as the premium or discount of corporate bonds payable. Subsequently, the effective interest method is recognized in profit or loss as an adjustment item for “finance costs” on an amortized basis over the period of liquidity.
3. Embedded conversion options (complying with the definition of equity): at the time of initial recognition, the residual value of the issued amount after deducting the above-mentioned “financial assets or liabilities at fair value through profit or loss” and “corporate bonds payable” is accounted for as “capital surplus - options” and will not be remeasured subsequently.
4. The transaction costs directly attributable to the issuance are allocated to the components of each liability and equity in accordance with the original carrying amount of each of the above-mentioned components.
5. Upon conversion by the holders, the liabilities components (including “corporate bonds payable” and “financial assets or liabilities measured at fair value through profit or loss”) are accounted for in accordance with the subsequent measurement methods of their classification, and then the carrying amount of the aforementioned liability components plus

the carrying amount of “capital surplus - stock options” is used as the issuance cost of the common shares exchanged.

(XX) Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Group’s obligations are contractual obligations, canceled, or they expire.

(XXI) Provisions for liabilities

Provisions (sales return and allowance) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(XXII) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Pension

(1) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund from the plan or a reduction in future contributions to the plan.

(2) Defined benefit plans

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior period. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate is determined by using the interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the defined benefit plans. If there is no deep market in such bonds in a country, the discount rate shall be the market yields on government bonds.

B. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Past service costs are recognized immediately in profit or loss.

3. Employee compensation and directors’ and supervisors’ remuneration

Employees’ compensation and directors’ and supervisors’ remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference

between the amount accrued and the amount actually distributed is accounted for as a change in accounting estimate. When employee compensation is appropriated in shares, the basis for calculating the number of shares shall be the closing price at the date before the date the Board of Directors resolves on the appropriation.

(XXIII) Income Tax

1. The tax expense comprises current tax and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The Company calculates the current income tax based on the tax rates enacted or substantively enacted at the balance sheet date in the nations whereby the operations and taxable income are generated. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. Where appropriate, management also estimate income tax liabilities based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
3. Deferred income tax is recognized based on the temporary difference between the taxation basis of assets and liabilities and their carrying amounts on the parent company only balance sheet using the balance sheet method. The Company does not recognize a temporary difference if (1) the Company can control the point of time at which it is reversed; and (2) such a temporary difference is not expected to be reversed in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(XXIV) Share Capital

1. Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are recognized in equity as a deduction from the proceeds.
2. When the Company repurchased shares previously issued, the consideration paid includes any directly attributable additional costs and the net amount after tax is recognized as a deduction of the shareholders' equity. During the subsequent reissuance of repurchased shares, any directly attributable additional costs and income tax are deducted from the consideration received, and the difference from the carrying amount is then recognized as



an adjustment of shareholders' equity.

(XXV) Dividend Appropriation

Dividends appropriated to shareholders of the Company are recognized on the date the Board of Directors' meeting resolves on such appropriation. Appropriation in cash is recognized as liability.

(XXVI) Revenue Recognition

Sale of goods

1. The Company manufactures and sells various electronic components, magnet cores, multilayer wire-wound and other wire-wound products. The sales revenue is recognized when the products' control is transferred to the clients or when the products are delivered to the clients. The clients have discretion over product sales and prices, and the Company has no outstanding performance obligations that may affect the clients' acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the clients, and either the clients have accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
2. Accounts receivable are recognized when the goods are delivered to the customer. Since the Company has unconditional rights to the contract price from that point in time, it is only necessary to collect the consideration from the customer when the time comes.

(XXVII) Government Grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant, and equipment are recognized as noncurrent liabilities and are amortized to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(XXVIII) Business Combinations

1. The Company uses the acquisition method for business combinations. The acquisition consideration is calculated based on the fair value of transferred assets, incurred or assumed liabilities, and issued equity instruments. The transfer consideration includes the fair value of any assets and liabilities arising from contingent consideration agreements. Acquisition-related costs are recognized as expenses when incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. On a transaction-by-transaction basis, for components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, the Company chooses to measure them either at fair value at the acquisition date or at the proportionate share of the acquiree's identifiable net assets attributable to the non-controlling interests; all other components of non-controlling interests are measured at fair value at the acquisition date.
2. If the aggregate of the transfer consideration, the non-controlling interests in the acquiree, and the fair value of previously held equity interests in the acquiree exceeds the fair value of the identifiable assets acquired and liabilities assumed, the excess is recognized as goodwill at the acquisition date. If the fair value of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the transfer consideration, the non-controlling interests in the acquiree, and the fair value of previously held equity interests in the acquiree, the difference is recognized as profit or loss in the current period at the acquisition date.

## V. Significant Accounting Judgments, Estimates, and Major Sources of Uncertainty for Assumptions

When preparing these parent company only financial statements, management has exercised their professional judgment to determine the accounting policies to be applied, and made accounting estimates and assumptions based on reasonable expectation as to how future events will hold for the circumstances that exist on the balance sheet date. The significant accounting estimates and assumptions being made may deviate from the actual outcomes and will be consistently measured and adjusted in accordance with historical experience and for other factors. Such estimates and assumptions may lead to the risk of significant adjustment being made to the carrying amount of the assets and liabilities on the balance sheet. Significant accounting judgments and the uncertainty in accounting estimates and assumptions are stated below:

### (I) Significant Judgements in Applying Accounting Policies

Please see the description in Note 6 (5) 3(5).

### (II) Significant Accounting Estimates and Assumptions

Since inventory is measured at the lower of costs and the net realizable value, the Company needs to exercise judgment and estimates to determine the net realizable value of inventory at the balance sheet date. Since the value of inventory is subject to market price fluctuation and its life cycle, the Group evaluates the market selling price and value lost due to obsolescence of inventory at the balance sheet date, and writes down inventory costs to net realization value. This inventory evaluation is mainly based on the current market conditions and past historical experience, so there may be major changes.

As of December 31, 2024, the carrying amount of the Company's inventories is NT\$348,852.

## VI. Description of Significant Accounts

### (I) Cash

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	\$ 366	\$ 355
Checking deposits and demand deposits	368,037	841,385
Commercial paper with repurchase agreement	-	60,000
Total	<u>\$ 368,403</u>	<u>\$ 901,740</u>

1. The Company's financial institutions have good credit quality and have been dealing with several financial institutions to diversify credit risk. The possibility of default is extremely low.

2. The Company pledged no cash or its equivalent as collateral.

### (II) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	<u>\$ 10,540</u>	<u>\$ 15,894</u>
Accounts receivable	<u>\$ 1,001,134</u>	<u>\$ 727,337</u>
Less: Allowance for losses	<u>( 795 )</u>	<u>( 795 )</u>
	<u>\$ 1,000,339</u>	<u>\$ 726,542</u>
Accounts receivable due from related parties	<u>\$ 327,158</u>	<u>\$ 277,986</u>
Less: Allowance for losses	<u>( 88 )</u>	<u>( 88 )</u>
	<u>\$ 327,070</u>	<u>\$ 277,898</u>

1. The aging analysis of accounts receivable and notes receivable is as follows:

	December 31, 2024		December 31, 2023	
	Accounts Receivable	Notes receivable	Accounts Receivable	Notes receivable
Not yet due	\$ 1,313,091	\$ 10,540	\$ 973,234	\$ 15,894
Within 30 days	13,336	-	32,081	-
31~90 days	1,865	-	-	-
91~180 days	-	-	8	-
	<u>\$ 1,328,292</u>	<u>\$ 10,540</u>	<u>\$ 1,005,323</u>	<u>\$ 15,894</u>

The above aging analysis is based on the number of days past due.

2. The accounts and bills receivables as of both December 31, 2024 and 2023 were all due to client contracts, and the balance of receivables from client contracts as of January 1, 2023 was NT\$1,371,944.
3. Without considering the collateral held or other credit enhancements; the maximum exposure amounts for credit risks that can best represent the Company's bills receivable as of December 31, 2024 and 2023 were NT\$10,540 and NT\$15,894, respectively; and the maximum credit risk amounts that can best represent the Company's accounts receivable as of December 31, 2024 and 2023 were NT\$1,327,409 and NT\$1,004,440, respectively.
4. Credit risks associated with accounts receivable and notes receivable are stated in Note 12(2).

### (III) Inventory

	December 31, 2024		
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 50,532	( \$ 2,847 )	\$ 47,685
Supplies	4,253	( 188 )	4,065
Work in process	76,475	( 7,831 )	68,644
Finished products	34,463	( 4,090 )	30,373
Goods	202,372	( 4,287 )	198,085
Total	<u>\$ 368,095</u>	<u>( \$ 19,243 )</u>	<u>\$ 348,852</u>

  

	December 31, 2023		
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 20,770	( \$ 2,572 )	\$ 18,198
Supplies	3,672	( 280 )	3,392
Work in process	121,273	( 8,211 )	113,062
Finished products	31,478	( 3,878 )	27,600
Goods	163,203	( 6,864 )	156,339
Total	<u>\$ 340,396</u>	<u>( \$ 21,805 )</u>	<u>\$ 318,591</u>

1. The Company's current inventory cost is recognized as a loss:

	2024	2023
Cost of inventory sold	\$ 3,012,907	\$ 2,428,244
Inventory (recovery benefit) depreciation loss	( 2,562 )	7,698
Others	80,950	78,416
	<u>\$ 3,091,295</u>	<u>\$ 2,514,358</u>

In 2024, the Company's net realizable value of the inventory increased due to the continuous inventory depletion.

2. There is no inventory pledged as collateral by the Company.

(IV) Financial assets at fair value through other comprehensive income

	December 31, 2024	December 31, 2023
Non-current:		
Equity instruments		
Shares listed on the stock exchange or the OTC market	\$ 55,157	\$ 36,094
Shares not traded on the stock exchange, the OTC market, or the emerging stock market	179,386	120,086
	234,543	156,180
Adjustments for change in value	251,818	78,756
Total	\$ 486,361	\$ 234,936

1. The Company has classified strategic investment stocks as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of December 31, 2024 and 2023, were NT\$486,361 and NT\$234,936, respectively.
2. For the purposes of adjusting its position in strategic investments, in 2023, the Company sold its listing share investments, whose fair value was NT\$64,431, for NT\$38,269.
3. The detailed breakdown of financial assets measured at fair value through other comprehensive income is as follows:

	2024	2023
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Changes in fair value recognized in other comprehensive income	\$ 173,062	\$ 107,758
Transfer of accumulated profit or loss to retained earnings due to derecognition	\$ -	( \$ 38,269 )
Dividend income recognized in profit or loss held at end of year	\$ 5,176	\$ 7,129

4. Without considering the collateral or other credit enhancements held, the financial assets measured at fair value through other comprehensive income that best represents the Company as of December 31, 2024 and 2023. The maximum exposure amounts were NT\$486,361 and NT\$234,936, respectively.
5. The Company did not provide financial assets measured at fair value through other comprehensive income as a pledge guarantee.

(V) Investment Accounted for Using the Equity Method

Investor	December 31, 2024	December 31, 2023
Subsidiary:		
BEST BLISS INVESTMENT LIMITED	\$ 4,605,982	\$ 4,062,920
NORTH STAR INTERNATIONAL LIMITED	97,591	89,880
TECHWORLD ELECTRONICS SINGAPORE PTE.LTD.	188,230	91,022
JDX Technology Co., Ltd.	7,258	-
Associate:		
APAQ Technology Co., Ltd.	1,717,727	1,463,347
JDX Technology Co., Ltd.	-	7,256
Superworld Holdings (S) Pte. Ltd.	269,451	-
	\$ 6,886,239	\$ 5,714,425

1. For information about the subsidiaries of the Company, please refer to Note 4 (3) of the

Company's 2024 and 2023 consolidated financial statements.

2. The shares of profit and loss of subsidiaries and associates recognized using the equity method in 2024 and 2023 were NT\$544,814 and NT\$423,718, respectively.
3. Associates:

- (1) The basic information of the Company's major associates is as follows:

Provider	Main business premises	Shareholding ratio		Nature of relationship	Measuring method
		December 31, 2024	December 31, 2023		
APAQ Technology Co., Ltd.	Taiwan	28.1%	28.1%	Business strategy	Equity method

The Company publicly acquired common shares of APAQ Technology Co., Ltd. for 25,000 thousand shares at NTD 58 per share from March 17, 2023 to April 6, 2023. In addition, the acquisition amount was paid and equity transfer was completed on April 13, 2023. Accordingly, the Company has acquired 28.1% of equity of APAQ Technology Co., Ltd.

- (2) The summarized financial information of the major associates of the Company is as follows:

Balance sheet

	APAQ Technology Co., Ltd. and Subsidiaries	
	December 31, 2024	December 31, 2023
Current assets	\$ 4,079,702	\$ 3,168,097
Non-current assets	2,793,049	1,754,258
Current liabilities	( 2,627,835 )	( 1,687,223 )
Non-current liabilities	( 206,156 )	( 320,757 )
Non-controlling interests	( 118,286 )	-
Fair value adjustment of other intangible and tangible net assets	436,014	-
Adjusted total net assets	\$ 4,356,488	\$ 2,914,375
Share of net total assets of associates	\$ 1,224,173	\$ 818,939
Goodwill	523,825	644,408
Others	( 30,271 )	-
Carrying amount of associate	\$ 1,717,727	\$ 1,463,347
statement of comprehensive income		

	APAQ Technology Co., Ltd. and Subsidiaries	
	2024	2023
Revenue	\$ 3,495,668	\$ 2,934,913
Profit from continuing operations	\$ 511,815	\$ 328,378
Other comprehensive income (net amount after tax)	673,964	64,814
Total comprehensive income (loss) for the current period	\$ 1,185,779	\$ 393,192
Dividends received from associates	\$ 57,500	\$ 57,500

- (3) A major associate of the Company, APAQ Technology Co., Ltd., has quotations in the open market. The fair value on December 31, 2024 and 2023 was NT\$3,712,500 and NT\$1,737,500, respectively.

- (4) In 2024 and 2023, the investment income from APAQ Technology Co., Ltd. recognized under equity method was NT\$124,725 and NT\$80,158, respectively, which was based on the financial reports issued by other CPAs for the same period.
- (5) The Company holds 28.1% of the total number of voting shares of APAQ Technology Co., Ltd., respectively, making the Company the single largest shareholder. Since the quantities and dispersion of voting shares held by others were not widely dispersed and the governance body of the Company varies from that of the above companies, the Company is unable to direct the relevant activities of the above companies, hence no control over it. The Company believes that it has only a significant influence on the abovementioned company, so it is listed as an associate of the Company.
- (6) The carrying amount and share of operating results of the associates not individually material to the Company are summarized as follows: As of December 31, 2024 and 2023, the carrying amount of the associates not individually material to the Company were NT\$269,451 and NT\$7,256, respectively.

	2024	2023
Profit from continuing operations	\$ 6,335	( \$ 744 )
Profit or loss from discontinued operations	-	-
Other comprehensive income (net amount after tax)	-	-
Total comprehensive income (loss) for the current period	<u>\$ 6,335</u>	<u>( \$ 744 )</u>

- (7) In October 2024, the Company paid NT\$261,360 to acquire 2,700 thousand shares in SuperWorld Holdings (S) Pte. Ltd., bringing it and its subsidiary's shareholdings to 23.5%, and the Company adopted the equity method to value it. The Company is required to complete an acquisition price allocation report by October 4, 2025. The report was under preparation as of December 31, 2024.
- (8) In November 2024, the Company acquired additional shares in Unique One Technology Co., Ltd., thereby gaining control over the company and making it a subsidiary of the Company.

(VI) Property, Plant, and Equipment

	2024								
	Land	Buildings and structures	Machinery	Utilities equipment	Transportatio n equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
January 1									
Cost	\$ 777,560	\$ 198,974	\$ 2,098,954	\$ 24,315	\$ 8,282	\$ 30,901	\$ 186,674	\$ 22,121	\$ 3,347,781
Accumulated depreciation and impairment	-	( 103,909 )	( 950,002 )	( 17,479 )	( 6,538 )	( 19,634 )	( 101,957 )	-	( 1,199,519 )
	<u>\$ 777,560</u>	<u>\$ 95,065</u>	<u>\$ 1,148,952</u>	<u>\$ 6,836</u>	<u>\$ 1,744</u>	<u>\$ 11,267</u>	<u>\$ 84,717</u>	<u>\$ 22,121</u>	<u>\$ 2,148,262</u>
January 1	\$ 777,560	\$ 95,065	\$ 1,148,952	\$ 6,836	\$ 1,744	\$ 11,267	\$ 84,717	\$ 22,121	\$ 2,148,262
Addition	-	-	8,990	-	-	1,887	59,728	307,106	377,711
Disposal									
Cost	-	( 17,749 )	( 156,414 )	-	-	( 1,728 )	( 8,533 )	-	( 184,424 )
Cumulative Depreciation	-	2,130	68,321	-	-	1,728	5,563	-	77,742
Reclassification	169,292	75,670	74,435	-	-	853	5,392	( 325,642 )	-
Depreciation expenses	-	( 7,541 )	( 150,269 )	( 1,030 )	( 741 )	( 3,764 )	( 36,471 )	-	( 199,816 )
December 31	<u>\$ 946,852</u>	<u>\$ 147,575</u>	<u>\$ 994,015</u>	<u>\$ 5,806</u>	<u>\$ 1,003</u>	<u>\$ 10,243</u>	<u>\$ 110,396</u>	<u>\$ 3,585</u>	<u>\$ 2,219,475</u>
December 31									
Cost	\$ 946,852	\$ 256,895	\$ 2,025,965	\$ 24,315	\$ 8,282	\$ 31,913	\$ 243,261	\$ 3,585	\$ 3,541,068
Accumulated depreciation and impairment	-	( 109,320 )	( 1,031,950 )	( 18,509 )	( 7,279 )	( 21,670 )	( 132,865 )	-	( 1,321,593 )
	<u>\$ 946,852</u>	<u>\$ 147,575</u>	<u>\$ 994,015</u>	<u>\$ 5,806</u>	<u>\$ 1,003</u>	<u>\$ 10,243</u>	<u>\$ 110,396</u>	<u>\$ 3,585</u>	<u>\$ 2,219,475</u>

2023

	Land	Buildings and structures	Machinery	Utilities equipment	Transportatio n equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
January 1									
Cost	\$ 777,560	\$ 175,019	\$ 2,185,997	\$ 24,315	\$ 8,282	\$ 26,707	\$ 143,616	\$ 11,516	\$ 3,353,012
Accumulated depreciation and impairment	-	( 97,569 )	( 870,963 )	( 16,444 )	( 5,758 )	( 17,066 )	( 77,765 )	-	( 1,085,565 )
	<u>\$ 777,560</u>	<u>\$ 77,450</u>	<u>\$ 1,315,034</u>	<u>\$ 7,871</u>	<u>\$ 2,524</u>	<u>\$ 9,641</u>	<u>\$ 65,851</u>	<u>\$ 11,516</u>	<u>\$ 2,267,447</u>
January 1	\$ 777,560	\$ 77,450	\$ 1,315,034	\$ 7,871	\$ 2,524	\$ 9,641	\$ 65,851	\$ 11,516	\$ 2,267,447
Addition	-	-	38,984	-	-	3,437	38,698	102,793	183,912
Disposal									
Cost	-	-	( 186,767 )	-	-	( 531 )	( 1,776 )	-	( 189,074 )
Cumulative									
Depreciation	-	-	77,672	-	-	531	556	-	78,759
Reclassification (Note)	-	23,955	60,740	-	-	1,288	6,136	( 92,188 )	( 69 )
Depreciation expenses	-	( 6,340 )	( 156,711 )	( 1,035 )	( 780 )	( 3,099 )	( 24,748 )	-	( 192,713 )
December 31	<u>\$ 777,560</u>	<u>\$ 95,065</u>	<u>\$ 1,148,952</u>	<u>\$ 6,836</u>	<u>\$ 1,744</u>	<u>\$ 11,267</u>	<u>\$ 84,717</u>	<u>\$ 22,121</u>	<u>\$ 2,148,262</u>
Cost as of December 31	\$ 777,560	\$ 198,974	\$ 2,098,954	\$ 24,315	\$ 8,282	\$ 30,901	\$ 186,674	\$ 22,121	\$ 3,347,781
Accumulated depreciation and impairment	-	( 103,909 )	( 950,002 )	( 17,479 )	( 6,538 )	( 19,634 )	( 101,957 )	-	( 1,199,519 )
	<u>\$ 777,560</u>	<u>\$ 95,065</u>	<u>\$ 1,148,952</u>	<u>\$ 6,836</u>	<u>\$ 1,744</u>	<u>\$ 11,267</u>	<u>\$ 84,717</u>	<u>\$ 22,121</u>	<u>\$ 2,148,262</u>

Note: Reclassified to intangible assets.

1. The capitalized amounts of interest from January 1 to December 31, 2024 and 2023 were both NT\$0.
2. The major components of the Company's buildings and structures, including buildings and engineering systems, are depreciated over 25 - 50 years and 8 - 20 years, respectively.
3. For information on pledged property, plant and equipment, refer to Note 8.



(VII) Lease Transactions - Lessee

1. The underlying assets leased by the Company include buildings, business vehicles, and multi-function peripherals. The lease contract period is usually 3 to 5 years. Lease contracts are agreed upon individually and contain different terms and conditions. Leased assets are not restricted in any way, except that they shall not be used as collaterals for borrowings.
2. The lease term of the buildings and warehouses leased by the Company is less than 12 months. The low-value underlying asset of the Company's lease is the electronic host for business use.
3. The information on the carrying amount of the right-of-use asset and the recognized depreciation expense is as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Buildings	\$ 6,924	\$ 9,193
Transportation equipment	-	1,257
Machinery and equipment	763	614
	<u>\$ 7,687</u>	<u>\$ 11,064</u>
	2024	2023
	Depreciation expenses	Depreciation expenses
Buildings	\$ 2,268	\$ 4,704
Transportation equipment	1,257	1,509
Machinery and equipment	352	356
	<u>\$ 3,877</u>	<u>\$ 6,569</u>

4. Profit or loss items in relation to lease contracts are as follows:

	2024	2023
<u>Items that affect profit or loss</u>		
Expenses attributable to short-term lease contracts	\$ 18,064	\$ 14,774
Expenses attributable to low-value assets	101	84

5. The increase of the Company's right-of-use assets in 2024 and 2023 were NT\$561 and NT\$10,133, respectively.
6. The total lease cash outflow of the Company in 2024 and 2023 was NT\$22,211 and NT\$21,382, respectively.

(VIII) Other non-current assets

	December 31, 2024	December 31, 2023
Refundable deposits	\$ 5,841	\$ 2,341
Pre-payments for construction and equipment	29,475	2,330
Uncollectible overdue receivables	1,252	1,252
Allowance for uncollectible-overdue receivables	( 1,252 )	( 1,252 )
	<u>\$ 35,316</u>	<u>\$ 4,671</u>

(IX) Short-term Borrowings

Nature of borrowings	December 31, 2024	Interest rate range	Collaterals
Bank loan			
Credit loan	\$ 230,000	1.80%~1.98%	-
Secured loan	100,000	1.89%	Land, buildings, and structures
	<u>\$ 330,000</u>		

Nature of borrowings	December 31, 2023	Interest rate range	Collaterals
Bank loan			
Credit loan	<u>\$ 100,000</u>	1.67%	-

The interest expense recognized in profit or loss of short-term borrowings in 2024 and 2023 were NT\$2,210 and NT\$6,756, respectively.

(X) Other Payables

	December 31, 2024	December 31, 2023
Salary and bonus payables	\$ 103,720	\$ 89,901
Employee compensation and directors' and supervisors' remuneration payable	64,538	51,686
Construction and equipment payable	36,952	43,299
Others	183,404	101,265
	<u>\$ 388,614</u>	<u>\$ 286,151</u>

(XI) Corporate bonds payable

	December 31, 2024	December 31, 2023
Corporate bonds payable	\$ 1,099,900	\$ 1,100,000
Less: Discount of corporate bond payable	( 33,474 )	( 51,305 )
	1,066,426	1,048,695
Less: Due within one year or one operating cycle		
Corporate bonds with repurchase rights or exercised resale rights	-	-
	<u>\$ 1,066,426</u>	<u>\$ 1,048,695</u>

1. Domestic convertible bonds issued by the Company

The conditions for the Company's issuance of the 1st domestic unsecured convertible corporate bonds are as follows

- (1) The Company was approved by the competent authority to issue the first domestic unsecured convertible corporate bonds. The total amount to be issued is NT\$1,100,000, the coupon rate of 0%, the issuance period of 3 years, and the circulation period from October 31, 2023 to October 31, 2026. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The convertible bonds were listed for trading on the Taipei Exchange on October 31, 2023.
- (2) The period from the day following the expiration of three months after the date of issuance to the maturity date of the convertible corporate bond holders, except (1) the period of suspension of the common stock transfer according to law; (2) The period from the 15 business days before the book closure date for cash dividends or the book closure date to the base date of distribution of rights; (3) The base date of capital reduction for capital reduction is scheduled to expire on the day before the trading day before the capital reduction; (4) For a change in the denomination of shares, the Company may inform Taiwan Depository & Clearing Corporation through to request the Company's stock agent to convert the bonds into shares of the Company's common

stock in accordance with the Regulations, the rights and obligations of the common shares after conversion are the same as the common shares issued originally.

- (3) The conversion price of these convertible corporate bonds is set according to the pricing model stipulated in the conversion regulations. The subsequent conversion price will be adjusted in accordance with the pricing model stipulated in the conversion plan in the event of an increase in the number of shares of common stock issued (or private placement) of securities with conversion or subscription rights to common shares at a capital reduction lower than the prevailing conversion or subscription price per share, and capital reduction not due to cancellation of treasury shares. The pricing model shall be adjusted in accordance with the conversion regulations.

On April 6, 2024, the Company adjusted the conversion price to NTD 113.5 in accordance with the Conversion Regulations.

- (4) When the closing price of the Company's common shares has exceeded the conversion price at the time of conversion for 30 consecutive business days by more than 30%, the Company may, within 30 business days, send a copy of the "Notice of Recovery of Bonds" after the expiration of 30 days to the bondholders by registered mail, and also request the Taipei Exchange to make a public announcement, and within 5 business days after the date of the recovery, all the bonds shall be recovered in cash based on the face value of the bonds.
- (5) In accordance with the conversion regulations, all the convertible corporate bonds recovered (including repurchased from the Taipei Exchange), repaid or converted by the Company shall be cancelled and may not be re-sold or re-issued, and the conversion rights attached shall also be extinguished.

2. When issuing the convertible bonds, the Company separated the equity conversion option and each component of liability in accordance with IAS No. 32 "Financial Instruments: Presentation," and accounted for NT\$55,190 as "Capital surplus - stock options." In addition, the embedded repurchase options were not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 "Financial Instruments," so they were separated and accounted for in the net amount of "Financial assets measured at fair value through profit or loss." After the separation, the effective interest rate of the main contract debt was 1.7%.

3. As of December 31, 2024, the bonds with a face value of NT\$100 had been converted into 881 ordinary shares.

(XII) Long-term Borrowings

Nature of borrowings	Loan period and means of repayment	Interest rate range	Collaterals	December 31, 2024
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.75%	Land, buildings, and structures	\$ 440,222
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.28%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.23%~1.28%	Machinery	368,000
Credit loan	The period from March 2023 to	1.28%	-	220,000

	March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.			
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.23%	-	
				250,000
				1,504,712
Less: Current portion of long-term borrowings				( 242,950 )
				\$ 1,261,762

Nature of borrowings	Loan period and means of repayment	Interest rate range	Collaterals	December 31, 2023
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.63%	Land, buildings, and structures	\$ 477,955
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.15%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.11%~1.15%	Machinery	368,000
Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.	1.15%	-	220,000
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.11%	-	250,000
				1,542,445
Less: Current portion of long-term borrowings				( 37,733 )
				\$ 1,504,712

In 2024 and 2023, the interest expenses recognized in profit or loss for long-term borrowings were NT\$20,934 and NT\$18,674, respectively.

### (XIII) Pensions

- (1) By adhering to the requirements set forth in the “Labor Standards Act,” the Company has established its own defined retirement benefits plan, which is applicable both to the service years of all regular employees rendered before the enforcement of the “Labor Pension Act” on July 1, 2005, and to the service years of all employees who elected to continue applying the Labor Standards Act after the implementation of the “Labor Pension Act.” Pensions for employees qualified for retirement are calculated based on their servicing years and their average salaries of the 6 months prior to their retirement. Two bases are given for each full year of service rendered within 15 years. But for the rest of the years over 15 years, one base is given for each full year of service rendered.

The total number of bases shall be no more than 45. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, under the name of the Independent Retirement Fund Committee. In addition, the Company estimates the balance of the said designated pension account before the end of year. If the balance is not sufficient to cover the amount to be paid to all employees - calculated in the manner specified above - who will qualify the retirement conditions next year, a lump-sum deposit should be made before March-end of the following year to cover the difference. In accordance with the Labor Standards Act and the Labor Pension Act, the Company has already settled the length of services for some employees choosing the old pension scheme in 2022.

- (2) The Company has established the "Manager's Retirement and Resignation Method" to determine the payment applicable to the company's appointed managers. The retirement benefit formula is as follows:
  - A. Pensions for the service year applying the Labor Standards Act are calculated using the equation stated in the previous section.
  - B. The Company contributes an amount of pension equal to 6% of an employee's monthly salary for those electing to apply the Labor Pension Act and those taking their post on or after July 1, 2005.
  - C. For appointed managers who have rendered 25 or more years of services as of December 31, 2018, two bases are given to each full year of services rendered within 15 years, one base is given to each full year of service over 15 years (rounded up to one year for any year of service less than one year), and their annual salary at their 25th year of service is taken as their average salary. The Company makes a pension contribution equal to 6% of their monthly salary starting from their 25th year of service.
- (3) The Company is obligated to pay retirement pensions to the directors and chairman of the board who were employees, which is calculated at 6% of the monthly salary according to the "Directors' Salary and Remuneration Measures."
- (4) The amounts recognized in the balance sheet are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	\$ 1,415	\$ 1,053
Fair value of plan assets	( 9,632 )	( 8,747 )
Net defined benefit assets	<u>( \$ 8,217 )</u>	<u>( \$ 7,694 )</u>

- (5) In 2024 and 2023, the pension cost recognized by the Company in accordance with the above regulations was NT\$361 and NT\$485, respectively.
2. (1) Starting July 1, 2005, the Company has established a retirement scheme based on the "Labor Pension Act," which shall apply to the laborers of this nationality. For employees of the Company who elected to apply the Labor Pension Act, the Company makes a contribution equal to 6% of the monthly salary to their individual retirement account with the Bureau of Labor Insurance. Employee pensions may be paid in monthly installments or in lump-sum payment based the accumulated amount in the employee's individual retirement account.
  - (2) In 2024 and 2023, the pension cost recognized by the Company in accordance with the above regulations was NT\$14,092 and NT\$13,025, respectively.

(XIV) Share Capital

1. As of December 31, 2024, the Company had an authorized capital equal to NT\$3,000,000 (with NT\$20,000 retained for issuance of employee stock option certificates), a paid-in capital equal to NT\$1,020,349, and a share face value equal to NT\$10. All proceeds for share subscription were collected in full.
2. As of December 31, 2024, the Company's convertible bonds with a face value of NT\$100 had been converted into 881 ordinary shares.

(XV) Capital Surplus

1. Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. According to the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.
2. The capital reserve is detailed as follows:

2024						
	Additional paid-in capital	Changes in ownership interests in subsidiaries	Changes in net equity of associates	Net assets from merger	Stock options	Total
January 1	\$ 1,783,921	\$ 12,353	\$ 769	\$ 2,046	\$ 55,190	\$ 1,854,279
Convertible corporate bond conversion	93	-	-	-	( 5 )	88
Changes in associates and joint ventures accounted for using the equity method	-	-	9	-	-	9
December 31	<u>\$ 1,784,014</u>	<u>\$ 12,353</u>	<u>\$ 778</u>	<u>\$ 2,046</u>	<u>\$ 55,185</u>	<u>\$ 1,854,376</u>

  

2023						
	Additional paid-in capital	Changes in ownership interests in subsidiaries	Changes in net equity of associates	Net assets from merger	Stock options	Total
January 1	\$ 1,783,921	\$ 12,353	\$ -	\$ 2,046	\$ -	\$ 1,798,320
Issuance of convertible bonds	-	-	-	-	55,190	55,190
Changes in associates and joint ventures accounted for using the equity method	-	-	769	-	-	769
December 31	<u>\$ 1,783,921</u>	<u>\$ 12,353</u>	<u>\$ 769</u>	<u>\$ 2,046</u>	<u>\$ 55,190</u>	<u>\$ 1,854,279</u>

(XVI) Retained Earnings

1. According to the Company's Articles of Incorporation, if the Company has any earnings in the final account, they should be used to pay off all the taxes and duties, as well as to compensate prior deficits. The remaining amount, if any, should be appropriated in the following order of presentation: (1) 10% as legal reserve until it reaches the Company's paid-in capital; (2) set aside or reverse a certain amount as or of special reserve according to operating needs or laws or regulations; (3) the remainder plus unappropriated earnings from prior years may be used to appropriate dividends or bonuses to shareholders after an earnings appropriation proposal is drafted by the Board of Directors and resolved in favor by the shareholders meeting. As required by Article 240 of the Company Act, if approved

by a majority vote at a Board of Directors' meeting attended by two thirds of directors, the Board of Directors may appropriate dividends or bonuses in cash with its existing legal reserve or capital surplus, and shall report to the shareholder's meeting. In such case, the requirements regarding resolution made by shareholders' meeting set out in the Company's Articles of Incorporation do not apply.

2. The Company's dividend policy determination factors include the industry's environment and the Company's growth stage, future capital needs, financial structure, capital budget, shareholders' interests, balanced dividends, and long-term financial planning. Each year shall remain within the range available for distribution. If the business development is in the active expansion stage, the profitability is expected to grow, and the stock dividend distribution will not significantly dilute the Company's profitability. The Board of Directors shall draft a distribution proposal according to law and report it to the shareholders' meeting. No less than 30% of annual earnings are appropriated to shareholders. Shareholder's bonuses may be appropriated in cash or in shares, provided, however, that the appropriation in cash shall not be less than 10% of the total appropriated amount.
3. Except being used to make up previous deficits or appropriate shares or cash to shareholders in proportion to their shareholding percentage, the legal reserve shall not be used. However, the amount of legal reserves used to appropriate new shares or cash shall be limited to the portion exceeding 25% of the paid-in capital.
4. (1) According to law, the Company may appropriate earnings only after it has provided special reserve under the debit balance of other equity on the balance sheet date. If subsequently the debit balance of other equity is reversed, the reversed amount may be used as appropriable earnings.  
(2) As for the special reserves provided upon initial application of IFRSs to satisfy the requirements specified in the official letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021, the Company may reverse them to the extent of their original provision ratio if subsequently the Company intends to use, dispose of or reclassify related assets. If the said related assets are investment property relating to land, such assets are reversed upon disposal or reclassification; if the said related assets are investment property other than land, such assets are reversed gradually over the use period.
5. On February 24, 2023, the Board of Directors passed a resolution to distribute an ordinary dividends of NT\$612,204 (NT\$6.0 per share) according to the 2022 surplus.
6. On February 26, 2024, the Board of Directors passed a resolution to distribute an ordinary dividends of NT\$459,153 (NT\$4.5 per share) according to the 2023 surplus.
7. On February 24, 2025, the Board of Directors passed a resolution to distribute an ordinary dividends of NT\$510,174 (NT\$5 per share) according to the 2024 surplus.

(XVII) Other Equity

	2024		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 356,690	( \$ 217,641 )	\$ 139,049
Valuation of financial assets at fair value through other comprehensive income			
The Company and its			
– subsidiaries	107,717	-	107,717
– Associate	155,561	-	155,561
Disposal of equity instruments by subsidiary adjusted and transferred to retained earnings (	158,609 )	-	( 158,609 )
Exchange differences:			
The Company and its			
– subsidiaries	-	221,389	221,389
– Associate	-	31,585	31,585
December 31	<u>\$ 461,359</u>	<u>\$ 35,333</u>	<u>\$ 496,692</u>

  

	2023		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 198,390	( \$ 134,642 )	\$ 63,748
Valuation of financial assets at fair value through other comprehensive income			
The Company and its			
– subsidiaries	192,848	-	192,848
– Associate	3,721	-	3,721
Accumulated gains and losses on disposal of equity instruments transferred to retained earnings (	38,269 )	-	( 38,269 )
Exchange differences:			
The Company and its			
– subsidiaries	-	( 69,198 )	( 69,198 )
– Associate	-	( 13,801 )	( 13,801 )
December 31	<u>\$ 356,690</u>	<u>( \$ 217,641 )</u>	<u>\$ 139,049</u>

(XVIII) Operating Revenue

	2024	2023
Revenue from contracts with clients	<u>\$ 3,776,269</u>	<u>\$ 3,093,378</u>

The Company's revenue derived from transfer of goods at a particular point of time are classified into the following categories:

	2024	2023
Wire-wound	\$ 3,048,464	\$ 2,371,941
Multilayer products	513,368	453,641
LAN transformer	86,162	117,472
Others	128,275	150,324
Total	<u>\$ 3,776,269</u>	<u>\$ 3,093,378</u>



(XIX) Other Income

	2024	2023
Rental income	\$ 4,523	\$ 10,129
Dividends income	5,176	7,129
Subsidies income	3,295	175
Miscellaneous income	2,295	605
Total	<u>\$ 15,289</u>	<u>\$ 18,038</u>

(XX) Other Gains and Losses

	2024	2023
Gains on disposal of property, plant and equipment	\$ 5,809	\$ 3,143
Loss on disposal of investment	( 2,985 )	-
Exchange gains, net	52,319	1,780
Gain on financial assets at fair value through profit or loss	6,916	1,672
Miscellaneous expenses	( 6,274 )	( 4,512 )
Total	<u>\$ 55,785</u>	<u>\$ 2,083</u>

(XXI) Financial Costs

	2024	2023
Interest expenses	\$ 23,144	\$ 25,430
Interest expense of corporate bonds payable	17,828	2,942
Other interest expenses	530	22
	<u>\$ 41,502</u>	<u>\$ 28,394</u>

(XXII) Additional Information on the Nature of Expenses

	2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 251,047	\$ 267,346	\$ 518,393
Depreciation expenses of property, plant and equipment	164,252	35,564	199,816
Depreciation of right-of-use assets	344	3,533	3,877
Amortization expenses	4,165	3,364	7,529

  

	2023		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 237,992	\$ 230,786	\$ 468,778
Depreciation expenses of property, plant and equipment	168,249	24,464	192,713
Depreciation of right-of-use assets	3,005	3,564	6,569
Amortization expenses	3,297	2,531	5,828

(XXIII) Employee Benefits Expense

	2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 212,741	\$ 232,408	\$ 445,149
Labor and health insurance expense	21,396	16,535	37,931
Pension expense	5,657	8,796	14,453
Other personnel expense	11,253	9,607	20,860
	<u>\$ 251,047</u>	<u>\$ 267,346</u>	<u>\$ 518,393</u>
	2023		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 196,808	\$ 198,500	\$ 395,308
Labor and health insurance expense	23,033	16,096	39,129
Pension expense	6,154	7,356	13,510
Other personnel expense	11,997	8,834	20,831
	<u>\$ 237,992</u>	<u>\$ 230,786</u>	<u>\$ 468,778</u>

1. Where there are earnings in the final account, no less than 6% shall be allocated as employee compensation, either in cash or in shares, as resolved by the Board of Directors - employees qualified for such compensation include employees from affiliated companies who meet certain criteria; and no more than 2% of the above earnings shall be allocated as remuneration for directors and supervisors.
2. The estimated amount of employee remuneration in 2024 and 2023 was NT\$51,631 and NT\$41,349, respectively; the estimated amount of director/supervisor remuneration was NT\$12,907 and NT\$10,337, respectively, and the aforementioned amount was booked in salaries.

The remuneration to employees and directors/supervisors for 2024 is estimated at 6% and 1.5% of the profit, respectively for 2023. The actual distribution amounts resolved by the Board of Directors were \$51,631 and \$12,907, of which employee remuneration was be paid in cash.

The amount of the accrued employee compensation and directors' and supervisors' remuneration for 2023 as had been resolved by the Board of Directors was the same as the amount recognized in the financial statements for 2023.

The amounts of employee compensation and directors' and supervisors' remuneration approved by the Board of Directors and resolved by the shareholders' meeting can be found on the Market Observation Post System of TWSE.

(XXIV) Income Tax

1. Income tax expense

(1) Income tax components:

	2024	2023
Current tax:		
Tax attributable to taxable income of the period	\$ 40,170	\$ 41,052
Additional levy on unappropriated earnings	5,467	9,753
Underestimation (overestimation) of income tax in previous years	1,070	( 7,889 )
Total current tax	46,707	42,916
Deferred income tax:		
Deferred income tax on temporary differences originated and reversed	1,110	1,156
Income tax expenses	\$ 47,817	\$ 44,072

(2) Income tax associates with other comprehensive income: None.

(3) Income tax amount directly debited or credited to equity: None.

2. Relationship between income tax expenses and accounting profit

	2024	2023
Income tax derived from applying the statutory tax rate to income before tax	\$ 159,194	\$ 127,491
Impacts on income tax items that must be adjusted according to the tax law	( 100,714 )	( 80,739 )
Temporary differences not recognized as deferred tax assets	-	1,953
Tax effects of investment deductibles	( 5,803 )	( 5,432 )
Tax effects of temporary differences	( 786 )	( 1,065 )
Change in estimation of probability of realizing deferred tax assets	( 10,611 )	-
Income tax under (over) estimates of previous years	1,070	( 7,889 )
Additional levy on unappropriated earnings	5,467	9,753
Income tax expenses	\$ 47,817	\$ 44,072

3. The amount of each deferred income tax asset or liability arising from temporary differences is as follows:

	2024		
	January 1	Recognized in P/L	December 31
Deferred tax assets			
-Temporary differences:			
Unrealized gains from disposal	\$ 3,201	( \$ 1,110 )	\$ 2,091
Deferred tax liabilities			
Reserve for land revaluation increment tax	( \$ 28,572 )	\$ -	( \$ 28,572 )
Total	( \$ 25,371 )	( \$ 1,110 )	( \$ 26,481 )

	2023		
	January 1	Recognized in P/L	December 31
Deferred tax assets			
-Temporary differences:			
Unrealized gains from disposal	\$ 4,357	( \$ 1,156 )	\$ 3,201
Deferred tax liabilities			
Reserve for land revaluation increment tax	( \$ 28,572 )	\$ -	( \$ 28,572 )
Total	( \$ 24,215 )	( \$ 1,156 )	( \$ 25,371 )

4. Deductible temporary differences that are not recognized as deferred income tax assets

	December 31, 2024	December 31, 2023
Deductible temporary differences:	\$ 35,009	\$ 18,047

5. The Company did not recognize deferred tax liabilities for the taxable temporary differences in relation to subsidiaries' investment. As of December 31, 2024 and 2023, the amounts of temporary differences for which deferred assets had not been recognized were NT\$725,844 and NT\$613,807, respectively.

6. The Company's income tax up to 2022 has been approved by the tax authority.

(XXV) Earnings Per Share

	2024		
	Post-tax amount	Weighted average number of outstanding shares (In Thousands of Shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 748,155	102,035	\$ 7.33
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 748,155	102,035	
Dilutive effects of the potential common shares			
Employee compensation	-	479	
Convertible corporate bonds	17,828	9,691	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 765,983	112,205	\$ 6.83

	2023		
	Post-tax amount	Weighted average number of outstanding shares (In Thousands of Shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 593,383	102,034	\$ 5.82
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 593,383	102,034	
Dilutive effects of the potential common shares			
Employee compensation	-	472	
Convertible corporate bonds	2,942	1,554	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 596,325	104,060	\$ 5.73

(XXVI) Additional Information on Cash Flows

Investing activities partially involving cash payments:

	2024	2023
Acquisition of property, plant, and equipment	\$ 377,711	\$ 183,912
Plus: Equipment payable at the beginning of the period	43,299	26,313
Plus: Notes payable at the beginning of the period	5,565	37,028
Add: Prepayments for construction and equipment - ending	29,475	2,330
Plus: Equipment payable at the end of the period	( 36,952 )	( 43,299 )
Less: Notes payable at the end of the period	( 4,879 )	( 5,565 )
Less: Prepayments for construction and equipment - opening	( 2,330 )	( 19,239 )
Cash paid in the period	\$ 411,889	\$ 181,480

(XXVII) Changes in Liabilities Arising from Financing Activities

	Short-term borrowing s	Long-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities arising from financing activities - Total
January 1, 2024	\$ 100,000	\$ 1,542,445	\$ 11,233	\$ 1,048,695	\$ 2,702,373
Changes from financing cash flows	230,000	( 37,733 )	( 4,046 )	-	188,221
Changes in amortized interest of corporate bonds payable	-	-	-	17,828	17,828
Other non-cash changes	-	-	500	( 97 )	403
December 31, 2024	\$ 330,000	\$ 1,504,712	\$ 7,687	\$ 1,066,426	\$ 2,908,825

	Short-term borrowing s	Long-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities arising from financing activities - Total
January 1, 2023	\$ -	\$ 1,126,179	\$ 7,624	\$ -	\$ 1,133,803
Changes from financing cash flows	100,000	416,266	( 6,524 )	1,100,502	1,610,244
Changes in amortized interest of corporate bonds payable	-	-	-	2,942	2,942
Other non-cash changes	-	-	10,133	( 54,749 )	( 44,616 )
December 31, 2023	<u>\$ 100,000</u>	<u>\$ 1,542,445</u>	<u>\$ 11,233</u>	<u>\$ 1,048,695</u>	<u>\$ 2,702,373</u>

## VII. Related Party Transactions

### (I) Name and Relationship of Related Party

<u>Name of related party</u>	<u>Relationship with the Company</u>
BEST BLISS INVESTMENTS LIMITED	Being the Company's subsidiary
NORTH STAR TINTERNATIONAL LIMITED	Being the Company's subsidiary
FIXED ROCK HOLDING LTD.	Being the Company's subsidiary
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Being the Company's subsidiary
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Being the Company's subsidiary
TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Being the Company's subsidiary
TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Subsidiary of the Company (Note 1)
TECHWORLD ELECTRONICS (M) SDN. BHD.	Subsidiary of the Company (Note 2)
JDX Technology Co., Ltd.	Subsidiary of the Company (Note 3)
Superworld Electronics (S) Pte Ltd.	Other related parties and associates (Note 5)
TAI-TECH ADVANCED ELECTRONICS (S) PTE LTD	Other related parties and associates (Note 5)
Superworld Electronics Co., Ltd.	Other related parties and associates (Notes 4 and 5)
SFI Electronics Technology Inc.	Other related party
APAQ Technology Co., Ltd.	Associate
Jui-hsia Tai	Immediate family member of the major management
Chang-i Hsieh	Immediate family member of the major management
Chairman, Supervisor, President, and Vice President	Major management of the Company

Note 1 : Incorporated in June 2023.

Note 2 : Incorporated in July 2023.

Note 3 : Since November 2024, the company's relations with the Company have been changed from an associate to a subsidiary of the Company.

Note 4 : In December 2024, Chenghan Technology Co., Ltd. was renamed Superworld Electronics Co., Ltd.

Note 5 : Since October 2024, the Company's relations with the Group have been changed from the category of other related parties to that of associates.

## (II) Significant Transactions with Related Party

### 1. Operating revenue

	2024	2023
Sale of goods:		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 401,620	\$ 354,986
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	25,415	83,272
Subsidiary	7	-
Associate	85,571	-
Other related party	311,538	286,990
Total	<u>\$ 824,151</u>	<u>\$ 725,248</u>

When selling goods to a related party, the price is the same as that for an arm's length transaction, except the price for sales to a subsidiary, in which case the price is negotiated by the Company and the subsidiary. The payment terms also approximate those for ordinarily clients.

### 2. Purchase

	2024	2023
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 2,051,606	\$ 1,382,432
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	264,319	436,510
Other related party	13	960
Total	<u>\$ 2,315,938</u>	<u>\$ 1,819,902</u>

- (1) The price of commodities purchased by the Company from related parties shall be handled according to general transaction procedures except unless otherwise negotiated by both parties. The payment terms shall be similar to those of general suppliers.
- (2) In 2024, the Company indirectly purchased inventories from TAIPAQ Electronic Components (Si-Hong) Co., Ltd. and TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd., of which NT\$84,922 and NT\$21,128 were sold by the Company to TAIPAQ Electronic Components (Si-Hong) Co., Ltd. and TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd., respectively. But these parts are not included in the sales revenue and cost of the Company.
- (3) In 2023, the Company indirectly purchased inventories from TAIPAQ Electronic Components (Si-Hong) Co., Ltd. and TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd., of which NT\$87,194 and NT\$106,311 were sold by the Company to TAIPAQ Electronic Components (Si-Hong) Co., Ltd. and TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd., respectively. But these parts are not included in the sales revenue and cost of the Company.

### 3. Other costs

	2024	2023
Subsidiary	\$ 67	\$ -
Other related party	-	1,075
	<u>\$ 67</u>	<u>\$ 1,075</u>

### 4. Lease transactions - lessee

- (1) The Company leases buildings from close relatives of key management personnel. The lease contract period is 2023 to 2028. The rent is paid on a monthly basis.

(2) Lease liabilities

Balance at the end of the period:

	December 31, 2024	December 31, 2023
Jui-hsia Tai	\$ 4,133	\$ 5,444
Chang-i Hsieh	2,791	3,676
	<u>\$ 6,924</u>	<u>\$ 9,120</u>

5. Accounts receivables due from related party

	December 31, 2024	December 31, 2023
Accounts receivable:		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 181,588	\$ 156,844
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	16,028	26,276
Subsidiary	8	-
Associate	129,446	-
Other related party	-	94,778
Sub-total	<u>327,070</u>	<u>277,898</u>
Other receivables:		
Subsidiary	3,264	-
Total	<u>\$ 330,334</u>	<u>\$ 277,898</u>

6. Accounts payables due to related party

	December 31, 2024	December 31, 2023
Accounts payable:		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 768,883	\$ 491,585
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	90,308	96,587
Other related party	1	-
Sub-total	<u>859,192</u>	<u>588,172</u>
Other payables:		
Subsidiary	520	-
Associate	593	-
Other related party	-	100
Sub-total	<u>1,113</u>	<u>100</u>
Total	<u>\$ 860,305</u>	<u>\$ 588,272</u>

7. Asset transactions

(1) Disposal of real estate, plant, and equipment:

	2024		2023	
	Disposal proceeds	Disposal gain (loss)	Disposal proceeds	Disposal gain (loss)
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 87,217	( \$ 77 )	\$ 107,785	( \$ 2,530 )
Subsidiary	2,665	16	-	-
Total	<u>\$ 89,882</u>	<u>( \$ 61 )</u>	<u>\$ 107,785</u>	<u>( \$ 2,530 )</u>



(2) Acquisition of property, plant, and equipment:

	2024	2023
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 1,538	\$ 15,222
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	-	11,046
Total	\$ 1,538	\$ 26,268

(3) Acquisition of financial assets (no such transaction in 2023)

				2024
	Accounting items	Number of share transactions	Transaction targets	Acquisition prices
APAQ Technology Co., Ltd.	Investment accounted for using the equity method	700 thousand shares	JDX Technology Co., Ltd.	\$ 2,202

8. Loaning of funds to others

Borrowings from related parties

(1) Ending balance

	December 31, 2024	December 31, 2023
NORTH STAR INTERNATIONAL LIMITED	\$ 96,716	\$ -

(2) Interest expenses

	2024	2023
NORTH STAR INTERNATIONAL LIMITED	\$ 516	\$ -

The conditions for borrowings from subsidiaries are to pay interest quarterly within three years after a borrowing is granted and repay the principal in one lump sum upon maturity. The interest for 2024 is calculated at an annual interest rate of 1.68%.

9. Status of endorsement guarantee for related parties

	December 31, 2024	December 31, 2023
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ -	\$ 153,525
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	-	61,410
Total	\$ -	\$ 214,935

(III) Remuneration to Major Management

	2024	2023
Short-term employee benefits	\$ 75,450	\$ 64,640
Post-retirement benefits	1,769	1,575
Total	\$ 77,219	\$ 66,215

### VIII. Pledged Assets

Assets pledged as collaterals were as follows:

Type of asset	December 31, 2024	December 31, 2023	Purpose of collateral
Property, plant and equipment			
Land	\$ 766,893	\$ 766,893	Short and long-term borrowings
- Buildings and structures	40,716	59,571	Short and long-term borrowings
- Machinery	349,638	401,327	Long-term borrowings

### IX. Significant Commitments or Contingencies

#### (I) Contingency

None.

#### (II) Commitments

Capital expenditures committed but not yet incurred

	December 31, 2024	December 31, 2023
Property, plant and equipment	\$ 44,632	\$ 59,465
Computer software	\$ 8,040	\$ 1,327

### X. Significant Disaster Losses

None.

### XI. Significant Subsequent Events

None.

### XII. Others

#### (I) Capital Management

The purposes of the Company's capital management are to ensure that the Company continues as a going concern, to maintain an optimal capital structure to lower financing costs, and to provide returns of investment to shareholders. For the purpose of maintaining an optimal capital structure, the Company may adjust the amount of dividends paid to shareholders, or may issue new shares.

## (II) Financial Instrument

### 1. Type of financial instrument

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial Assets</u>		
Financial assets at fair value through profit or loss		
Financial assets compulsorily measured at fair value through profit or loss - current increase	<u>\$ 770</u>	<u>\$ 880</u>
Financial assets at fair value through other comprehensive income		
Financial assets in equity instruments investment of which the fair value is designated to be recognized in other comprehensive income	<u>\$ 486,361</u>	<u>\$ 234,936</u>
Financial assets at amortized cost		
Cash and cash equivalents	\$ 368,403	\$ 901,740
Notes receivable, net	10,540	15,894
Accounts receivable, net (including those due from related party)	1,327,409	1,004,440
Other receivables (including those due from related party)	35,923	9,363
Refundable deposits (recognized under other noncurrent assets)	5,841	2,341
	<u>\$ 1,748,116</u>	<u>\$ 1,933,778</u>
<u>Financial Liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 330,000	\$ 100,000
Notes payable	16,011	17,459
Accounts payable (including related party)	959,846	662,669
Other payables (including those due to related party)	388,614	286,151
Corporate bonds payable (including those due within one year or one operating cycle)	1,066,426	1,048,695
Long-term borrowings (including the portion with maturity in one year)	1,504,712	1,542,445
Guarantee deposits (recognized under other non-current liabilities)	600	1,640
	<u>\$ 4,266,209</u>	<u>\$ 3,659,059</u>
Lease liabilities	<u>\$ 7,687</u>	<u>\$ 11,233</u>

### 2. Risk management policy

- (1) The Company's daily operations are subject to several financial risks, including market risks (including exchange rate, interest rate, and price risks), credit risks, and liquidity risks. The Company's risk management policy focuses on the unpredictable market events in order to minimize their potentially adverse impacts on the Company's financial position and financial performance.
- (2) The Board of Directors shall review important financial activities of the Company according to the relevant norms and internal control systems. The Company strictly abides by relevant financial operating procedures during the implementation of

financial plans.

### 3. Nature and degree of significant financial risks

#### (1) Market risk

##### Foreign exchange risks

- A. The Company operates internationally and so is subject to the exchange rate risk of different currencies, particularly the USD and RMB. Relevant exchange rate risk arises from future business transactions and the recognized assets and liabilities.
- B. The management level of the Company has established policies to regulate each company's exchange rate risk concerning its functional currency. Foreign exchange risk arises when future business transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional currency.
- C. The Company's business involves a number of non-functional currencies (the Company's functional currency is NTD, and the functional currency of some subsidiaries is either RMB or USD). So the information on foreign currency assets and liabilities affected by major exchange rate fluctuations due to the exchange rate fluctuation is as follows:

December 31, 2024			
	Foreign currency (in thousands)	Exchange rate	Carrying amount (New Taiwan Dollars)
<b>(Foreign currency: functional currency)</b>			
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 39,680	32.79	\$ 1,301,107
RMB : NTD	45,713	4.56	208,451
<u>Non-monetary items</u>			
USD:NTD	157,403	32.79	5,161,254
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 30,047	32.79	\$ 985,241
RMB : NTD	4,037	4.56	18,409

December 31, 2023			
	Foreign currency (in thousands)	Exchange rate	Carrying amount (New Taiwan Dollars)
<b>(Foreign currency: functional currency)</b>			
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 30,482	30.71	\$ 936,102
RMB : NTD	84,651	4.34	367,385
<u>Non-monetary items</u>			
USD:NTD	138,190	30.71	4,243,822
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 19,764	30.71	\$ 606,952
RMB : NTD	706	4.34	3,064

D. The aggregate amount of all exchange gains and losses (including realized and unrealized) recognized as of January 1 to December 31, 2024 and 2023 for monetary items of the Company that are materially affected by exchange rate fluctuations was NT\$52,319 and gain on exchange amounted to NT\$1,780. Since the Company's transactions involve multiple currencies that have significant foreign exchange impacts, they are disclosed as a whole.

E. The Company's analysis of the foreign currency market affected by significant exchange rate fluctuations is as follows:

2024			
Sensitivity Analysis			
	Fluctuation	Effects on P/L	Effects on other comprehensiv e income (OCI)
<b>(Foreign currency: functional currency)</b>			
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 13,011	\$ -
RMB : NTD	1%	2,085	-
<u>Non-monetary items</u>			
USD:NTD	1%	-	51,613
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	9,852	-
USD : RMB	1%	184	-

	2023		
	Sensitivity Analysis		
	Fluctuation	Effects on P/L	Effects on other comprehensive income (OCI)
<b>(Foreign currency: functional currency)</b>			
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 9,361	\$ -
RMB : NTD	1%	3,674	-
<u>Non-monetary items</u>			
USD:NTD	1%	-	42,438
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	6,070	-
USD : RMB	1%	31	-

#### Price risk

- A. Since the investments held by the Company are classified as financial assets measured at fair value through other comprehensive income in the balance sheet, the Company is exposed to equity instrument price risks.
- B. The Company mainly invests in equity instruments issued by domestic and foreign companies. The prices of these equity instruments will be affected by future investment target value uncertainties. If the price of such equity instrument goes up or down by 1%, held other variables constant, the post-tax profit or loss for January 1 through December 31, 2024 and 2023 will increase or decrease by NT\$4,864 and NT\$2,349 due to the increase or decrease in the fair value of financial assets measured at fair value through other comprehensive income.

#### Cash flow and fair value interest rate risk

- A. The company's interest rate risk mainly comes from short-term and long-term loans issued at floating rates. It exposes the Company to cash flow interest rate risks, part of which is offset by cash held at floating rates. For January 1 to December 31, 2024 and 2023, the Company's borrowings at floating interest rates were mainly denominated in NTD.
- B. When the interest rate of NT\$ borrowings increased or decreased by 1%, and all other factors remained unchanged, the net after tax for January 1 to December 31, 2024 and 2023 would decrease or increase by NT\$14,678 and NT\$13,140, respectively. This was mainly due to the changes in interest expense resulting from variable-rate borrowings.

#### (2) Credit risk

- A. The Company's credit risk refers to the risk of financial losses due to the failure of customers or counterparties of financial instrument transactions to fulfill contractual obligations. It mainly comes from the inability of counterparties to pay off accounts receivable in accordance with the collection terms of the collection agreements.
- B. The Company has established credit risk management from the Company's perspective. As the internal credit approval policy stipulates, an operating entity

within the Company shall manage and analyze the credit risk of a new client before proposing terms and conditions pertaining to payments and delivery of goods. Internal risk control is achieved by evaluating a client's credit quality against the client's financial position, credit records and other factors. The limit on individual risk is set by the management by referring to internal or external ratings. The status of utilization of credit lines is regularly monitored.

- C. The Company adopts IFRS 9 to provide prerequisite assumptions. When the contract payment is more than 30 days overdue according to the agreed payment terms, the financial asset credit risk is deemed to have increased significantly since the original recognition.
- D. When the counterparty has a significant delay in repayment, it is deemed to have breached the contract according to the Company's credit risk management procedures.
- E. The Company shall write off the amount of financial assets that cannot be reasonably expected to be recovered after the recourse procedure. The Company shall continue to execute legal recourse procedures to preserve the creditors' rights. The Company's written-off claims with recourses still active as of December 31, 2024 and 2023 were both NT\$0.
- F. The Company shall divide the clients' accounts receivable into groups based on rating features. The simplified method is to prepare a matrix to estimate the expected credit losses.
- G. The Company takes into account the future outlook and adjusts the loss rate based on historical and current information in a specific period to estimate the allowance for losses of accounts receivable. The allowance matrix as of December 31, 2024 and 2023 is as follows:

	Individual disclosure	Not yet due	Within 30 days past due	31-90 days past due	91-180 days past due	Total
<u>December 31, 2024</u>						
Expected loss (%)	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
Total carrying amount	\$ 1,252	\$ 1,323,631	\$ 13,336	\$ 1,865	\$ -	\$ 1,340,084
Loss allowance	\$ 1,252	\$ 737	\$ 138	\$ 8	\$ -	\$ 2,135
	Individual disclosure	Not yet due	Within 30 days past due	31-90 days past due	91-180 days past due	Total
<u>December 31, 2023</u>						
Expected loss (%)	100.00 %	0.07 %	5.44 %	0.00 %	100.00 %	
Total carrying amount	\$ 1,252	\$ 989,128	\$ 32,081	\$ -	\$ 8	\$ 1,022,469
Loss allowance	\$ 1,252	\$ 737	\$ 138	\$ -	\$ 8	\$ 2,135

H. The table of changes in the allowance for losses of accounts receivable adopted by the Company's simplified approach is as follows:

2024				
	Notes receivable	Accounts Receivable	Uncollectible overdue receivables	Total
January 1	\$ -	\$ 883	\$ 1,252	\$ 2,135
Impairment loss reversed	-	-	-	-
December 31	<u>\$ -</u>	<u>\$ 883</u>	<u>\$ 1,252</u>	<u>\$ 2,135</u>

  

2023				
	Notes receivable	Accounts Receivable	Uncollectible overdue receivables	Total
January 1	\$ -	\$ 883	\$ 1,252	\$ 2,135
Impairment loss reversed	-	-	-	-
December 31	<u>\$ -</u>	<u>\$ 883</u>	<u>\$ 1,252</u>	<u>\$ 2,135</u>

(3) Liquidity risk

- A. Cash flow forecasting is performed by individual operating entities within the Company and is aggregated by the Company's management department. Administration Department of the Company monitors the forecast of the Company's liquidity needs, so as to ensure that it has sufficient fund to meet operating needs and maintains sufficient unused loan commitments so that it won't default on any borrowing limits or terms. Such a forecast takes into account the Company's debt financing plan, compliance with provisions of debt instruments, fulfillment of the financial ratio targets on the balance sheet, and conformity with external regulatory requirements, such as foreign exchange control.
- B. The table below shows the Company's non-derivative financial liabilities groups according to the relevant maturity dates. The non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The table below disclosed the contractual cash flows not discounted.

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	1~2 years	2~5 years	Over than 5 years
Short-term borrowings	\$ 330,000	\$ -	\$ -	\$ -
Notes payable	16,011	-	-	-
Accounts payable	100,654	-	-	-
Accounts payables to related parties	859,192	-	-	-
Other payables (including those due to related party)	388,614	-	-	-
Lease liabilities (including the portion with maturity in one year)	2,311	2,205	3,171	-
Corporate bonds payable	-	1,099,900	-	-
Long-term borrowings (including the portion with maturity in one year)	262,839	369,273	672,243	275,787



Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	1~2 years	2~5 years	Over than 5 years
Short-term borrowings	\$ 100,000	\$ -	\$ -	\$ -
Notes payable	17,459	-	-	-
Accounts payable	74,497	-	-	-
Accounts payables to related parties	588,172	-	-	-
Other payables (including those due to related party)	286,151	-	-	-
Lease liabilities (including the portion with maturity in one year)	4,051	2,199	4,983	-
Corporate bonds payable	-	-	1,100,000	-
Long-term borrowings (including the portion with maturity in one year)	57,227	261,065	902,117	410,727

C. The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at a significantly different amount.

(III) Fair Value Information

- Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial assets.

- Level 1 : Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed shares is included.
- 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. The fair value of the Company's investment in non-active markets is included.

- Financial instruments not measured at fair values

- (1) Including cash and cash equivalents, notes receivable, accounts receivables, other receivables, short-term borrowings, notes payable, accounts payable, other payable, lease liability and long-term borrowings (including the portion with maturity in one year), is the reasonable approximation of their fair value, except for those listed in the table below.

	December 31, 2024			
	Carrying amount	Fair value per unit		
		Level 1	Level 2	Level 3
Financial liabilities:				
Corporate bonds payable	\$ 1,066,426	\$ -	\$ 1,289,633	\$ -

December 31, 2023				
	Carrying amount	Fair value per unit		
		Level 1	Level 2	Level 3
Financial liabilities:				
Corporate bonds payable	\$ 1,048,695	\$ -	\$ 1,274,900	\$ -

- (2) The methods and assumptions used by the Company to measure fair value are as follows: Corporate bonds payable are the corporate bonds issued by the Company. As their coupon rates are approximately equivalent to market rates, the most recent transaction prices and quotation data are used as the basis for assessing their fair value.
3. The Company classifies the financial and non-financial instruments measured at fair value based on the assets and liabilities' nature, characteristics, risks, and fair value levels. The relevant information is as follows:

- (1) The Company is classified according to the nature of its assets and liabilities. The relevant information is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value</u>				
Financial assets at fair value through other comprehensive income				
Equity-based securities	\$ 289,397	\$ -	\$ 196,964	\$ 486,361
Derivatives				
Right of redemption of convertible bonds	\$ -	\$ 770	\$ -	\$ 770
December 31, 2023	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value</u>				
Financial assets at fair value through other comprehensive income				
Equity-based securities	\$ 116,876	\$ -	\$ 118,060	\$ 234,936
Derivatives				
Right of redemption of convertible bonds	\$ -	\$ 880	\$ -	\$ 880

- (2) The methods and assumptions used by the Company to measure fair value are as follows:

- A. The company uses the market price as the fair value input value (i.e., Level 1) according to the features of the tool as follows:

Market quotation	Listed shares Closing price
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- B. Except for financial instruments with an active market, the fair value of other financial instruments is obtained either based on the valuation technique or by reference to the quotes from counter-parties. Fair value can be obtained by using a valuation technique that refers to the fair value of financial instruments having substantially the same terms and characteristics, or by using other valuation technique, e.g. the one that applies market information available on the balance

sheet date to a pricing model for calculation. The redemption right of convertible bonds is typically evaluated using a binomial tree convertible bond valuation model.

C. Outputs from the valuation models are estimates, and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Company. Therefore, when needed, estimates from the valuation model would be adjusted for additional parameters, e.g. model risk or liquidity risk.

4. There has been no transfer between the Level 1 and the Level 2 in 2024 and 2023.

5. The following table reflects Level 3 changes in 2024 and 2023.

	2024	2023
	Equity-based securities	Equity-based securities
January 1	\$ 118,060	\$ 58,280
Unrealized valuation gains and loss from equity instrument investments measured at fair value through other comprehensive income recognized in the profit or loss of other comprehensive income	59	18,695
Purchase of current period	78,845	41,085
December 31	\$ 196,964	\$ 118,060

6. There was no transfer in or out from Level 3 in 2024 and 2023.

7. The management department is responsible for the independent fair value verification of the Company's financial instruments to evaluate the fair value classified as Level 3. Independent source materials allow the evaluation results to closely reflect the market status. The source of the verification data must be independent, reliable, consistent with other resources, and implement any other necessary fair value adjustments to ensure that the valuation results are reasonable.

8. The quantitative information on, changes in, and sensitivity analysis of significant unobservable inputs used in Level 3 fair value measurement are stated as follows:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 172,244	Public company comparables	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
TWSE/TPEX-listed companies' privately placed shares	\$ 24,720	Market approach	Discount for lack of marketability	N/A	The higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2023	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 118,060	Public company comparables	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value

9. The Company has carefully evaluated and selected the evaluation model and evaluation parameters. However, using different evaluation models or parameters may result in different evaluation results. If valuation parameters change, financial assets classified as Level 3 will have effects on other comprehensive income, stated as follows:

December 31, 2024						
	Inputs	Changes	Recognized in P/L		Recognized in other comprehensive income (OCI)	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial Assets						
Equity instruments	\$ 221,928	±1%	\$ -	\$ -	\$ 1,224	( \$ 1,224 )

  

December 31, 2023						
	Inputs	Changes	Recognized in P/L		Recognized in other comprehensive income (OCI)	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial Assets						
Equity instruments	\$ 143,786	±1%	\$ -	\$ -	\$ 1,280	( \$ 1,280 )

- (IV) As of December 31, 2024 and 2023, there were no open-ended financial derivatives for trading purposes. In 2024 and 2023, the Company's net gains from financial derivatives generated were NT\$0 and NT\$1,672, respectively.

### XIII. Additional Disclosures

#### (I) Information on Significant Transactions

1. Loaning Funds to Others: Refer to Table 1.
2. Provision of Endorsements and Guarantees: Refer to Table 2.
3. Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates, and the Control Portion in a Joint Venture): Refer to Table 3.
4. Accumulative Purchase or Disposal of the Same Marketable Securities that Reaches NT\$300 Million or 20% or More of Paid-in Capital: Refer to Table 4.
5. Acquisition of Real Property That Reaches NT\$300 Million or 20% or More of Paid-in Capital: Refer to Table 5.
6. Disposal of Real Property That Reaches NT\$300 Million or 20% or More of Paid-in Capital: None.
7. Transaction with Related Party That Reaches NT\$100 Million or 20% or More of Paid-in Capital: Refer to Table 6.
8. Receivables Due from Related Party That Reach NT\$100 Million or 20% or More of Paid-in Capital: Refer to Table 7.
9. Engagement in derivative transactions: See Note 12 (3).

10. Significant Inter-company Transactions during the Reporting Period. Refer to Table 8.

(II) Information on Indirect Investment

Names and Location of Investees (Excluding Those in Mainland China): Refer to Table 9.

(III) Investment in Mainland China

1. Basic Information: Refer to Table 10.

2. Significant transactions that occurred directly or indirectly through third-region enterprises and investee companies and were reinvested in mainland China: refer to Table 8.

(IV) Major Shareholder Information

Major Shareholder Information: Refer to Table 11.

XIV. Segment Information

Not applicable.

Tai-Tech Advanced Electronics Co., Ltd.  
Loans of funds to others  
January 1 to December 31, 2024

Table 1

Unit: NT\$ thousand  
(unless otherwise specified)

No.	Lending company	Borrowing party	Transaction item	Whether or not a related party	Maximum balance amount	Ending balance	Amount actually drawn	Interest rate range	Nature of loaned funds	Business dealing amount	Reason for necessary short-term financing	Allowance for Impairment Loss	Collaterals		Limit of loans to individual borrowers (Note)	Total limit of loans (Note)	Remarks
1	FIXED ROCK HOLDING LTD.	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 49,178	\$ 49,178	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	-	\$ 5,984,804	\$ 5,984,804	
1	FIXED ROCK HOLDING LTD.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Other receivables	Yes	\$ 197,010	\$ 98,355	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	-	\$ 5,984,804	\$ 5,984,804	
2	NORTH STAR INTERNATIONAL LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 98,355	\$ 98,355	\$ 96,716	1.68%	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	-	\$ 5,984,804	\$ 5,984,804	
2	NORTH STAR INTERNATIONAL LIMITED	FIXED ROCK HOLDING LTD.	Other receivables	Yes	\$ 97,635	-	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	-	\$ 5,984,804	\$ 5,984,804	
3	BEST BLISS INVESTMENTS LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 98,355	\$ 98,355	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	-	\$ 5,984,804	\$ 5,984,804	

Note: The total amount of loaning of funds to others of the Company shall not exceed 40% of the net worth of the Company, and the amount of loaning of fund to an individual company or firm shall not exceed 20% of the net worth of the Company.  
Loaning of funds between subsidiaries wholly owned, directly and indirectly, by the Company, or between overseas companies wholly owned, directly and indirectly, by the Group's parent company and the Group's parent company, shall be limited to an aggregate and individual amount not exceeding 80% of the Group's parent company's net worth, over a term not exceeding three years.

Tai-Tech Advanced Electronics Co., Ltd.  
Endorsements/guarantees  
January 1 to December 31, 2024

Table 2

Unit: NT\$ thousand  
(unless otherwise specified)

		<u>Endorsed/guaranteed party name</u>													Ratio of the accumulated endorsement/guarantee amount to the net worth in the most recent financial reporting period	
Endorsements/guarantees		Provider	Relationship	Limits on endorsement/guarantee amount provided	Balance of maximum amount of endorsement/guarantee of the period	Ending balance of endorsement/guarantee	Amount actually drawn	Amount of endorsement/guarantee collateralized by properties	Maximum amount of endorsement/guarantee allowance (Note)	Endorsement/guarantee provided by parent company to subsidiary	Endorsement/guarantee provided by subsidiary to parent company	Endorsement/guarantee provided to Mainland China	Remarks			
No.	company name			(Note)	of the period											
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Subsidiary	\$ 2,992,402	\$ 262,680	\$ -	\$ -	\$ -	0.00%	\$ 3,740,503	Yes	No	Yes			
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Subsidiary	\$ 2,992,402	\$ 65,670	\$ -	\$ -	\$ -	0.00%	\$ 3,740,503	Yes	No	Yes			

Note: The total amount of endorsements/guarantees shall not exceed 50% of the net worth of the Company. The amount of endorsements/guarantees made for one single enterprise shall not exceed 40% of the net worth of the Company.

Tai-Tech Advanced Electronics Co., Ltd.  
Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Affiliated Companies and the Control Portion in a Joint Venture)  
December 31, 2024

Table 3

Unit: NT\$ thousand  
(unless otherwise specified)

Holding company name	Marketable securities types and name	Relationship with issuer	Financial statement account	End of period				Remarks
				Number of shares (in thousands)	Carrying amount	Shareholdings Percentage	Fair value per unit	
Tai-Tech Advanced Electronics Co., Ltd.	Stock: All Ring Tech Co., Ltd.	None	Financial assets at fair value through other comprehensive income acquired - non-current	615	\$ 247,230	0.63%	\$ 247,230	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	Ample Electronic Technology Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	300	\$ 31,200	1.00%	\$ 31,200	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	AMIDA Technology	None	Financial assets at fair value through other comprehensive income acquired - non-current	187	\$ 10,967	0.43%	\$ 10,967	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	Enermax Technology Corporation	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500	\$ 24,720	2.46%	\$ 24,720	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	SFI Electronics Technology Inc.	Other related party	Financial assets at fair value through other comprehensive income acquired - non-current	5,320	\$ 99,969	11.64%	\$ 99,969	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	AZ Venture Investment II Limited	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500	\$ 16,455	12.50%	\$ 16,455	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	I-See Vision Technology Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	2,000	\$ 8,060	4.47%	\$ 8,060	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	e-Formula Technologies Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500	\$ 47,760	5.61%	\$ 47,760	Unpledged
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Xiamen Eisend Electronics Co., Ltd	None	Financial assets at fair value through other comprehensive income acquired - non-current	-	\$ 81,273	17%	\$ 81,273	Unpledged



Tai-Tech Advanced Electronics Co., Ltd.  
Accumulative Purchase or disposal of the same marketable securities that reaches NT\$300 million or 20% or more of paid-in capital  
January 1 to December 31, 2024

Table 4

Unit: NT\$ thousand  
(unless otherwise specified)

Buyer/Seller	Marketable securities types and name	Financial statement account	Transaction counterparty	Relationship	Beginning of period		Purchase		Disposal				End of period (Notes 2 and 3)	
					Number of shares (In Thousands of Shares)	Amount	Number of shares (In Thousands of Shares)	Amount	Number of shares (In Thousands of Shares)	Selling price	Book cost	Disposal gains or losses	Number of shares (In Thousands of Shares)	Amount
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Holdings (S) Pte. Ltd.	Note 1	Phua Teo Chye, Cycle Technologies Company Limited	Non-related party	-	\$ -	2,700	\$ 261,360	-	\$ -	\$ -	\$ -	2,700	\$ 269,451

Note 1: Presented under “Investments accounted for using the equity method”.

Note 2: The ending balance includes not only the gains and losses from investments accounted for using the equity method but also relevant adjustment items.

Note 3: It excludes the portion originally held by Best Bliss Investments Limited.

Tai-Tech Advanced Electronics Co., Ltd.  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
January 1 to December 31, 2024

Table 5

Unit: NT\$ thousand  
(unless otherwise specified)

Company acquiring real property	Property name	Date of occurrence (Note 2)	Transaction amount	Payment status	Transaction counterparty	Relationship	Where the transaction counterparty is a related party, information on the previous transfer is as follows:				Reference for price determination (Note 1)	Purpose of acquisition and state of use	Other agreements
							Owner	Relationship with the issuer	Date of transfer	Amount			
Tai-Tech Advanced Electronics Co., Ltd.	Industrial land and plant	113.7.10	\$ 245,000	\$ 245,000	Excellence Electronic Co., Ltd.	Non-related party	N/A	N/A	N/A	N/A	Appraisal amount of professional an appraisal institution and market price, etc.	For use by the R&D Center, it integrates the business, management, and logistics departments. It is still under renovation.	

Note 1: For assets acquired requiring appraisal, it is necessary to indicate the appraisal results in the “Reference basis for price determination.”

Note 2: The date of occurrence refers to the any one of the following dates of transaction contract signing date, payment day, commissioning date, transfer date, board resolution date or other dates where the transaction counterparty and transaction amount are confirmed.

Tai-Tech Advanced Electronics Co., Ltd.  
Transaction with related party that reaches NT\$100 million or 20% or more of paid-in capital  
January 1 to December 31, 2024

Table 6

Unit: NT\$ thousand  
(unless otherwise specified)

Transaction Details							Abnormal Transaction and Reason		Notes/Accounts receivable (payable)		Remarks
Purchaser/Seller	Transaction party name	Relationship	Purchase (sale)	Amount	Percentage of total purchase (sale)	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)	
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsiidiary	Sales	(401,620)	11%	Note 1	Note 1	-	181,588	14%	
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Electronics (S) Pte Ltd.	(Note 3)	Sales	(291,109)	8%	Note 2	Note 2	-	88,675	7%	
Tai-Tech Advanced Electronics Co., Ltd.	Tai-tech Advanced Electronics (S) Pte . Ltd.	(Note 3)	Sales	(104,162)	3%	Note 2	Note 2	-	39,993	3%	
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsiidiary	Sales	(264,319)	39%	Note 1	Note 1	-	90,308	34%	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsiidiary	Sales	(2,051,606)	52%	Note 1	Note 1	-	768,883	46%	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Associate	Sales	(109,200)	3%	Note 1	Note 1	-	38,352	2%	

Note 1: Transaction price adopts the general rules for the payment receipt period agreed by both parties.  
Note 2: Transaction price and the payment receipt period adopts the general rules.  
Note 3: Since October 2024, the Company's relations with the Group have been changed from the category of other related parties to that of associates.

Tai-Tech Advanced Electronics Co., Ltd.  
Receivables due from related party that reach NT\$100 million or 20% or more of paid-in capital  
December 31, 2024

Table 7

Unit: NT\$ thousand  
(unless otherwise specified)

Company of accounts receivable recognized	Transaction party name	Relationship	Balance of accounts receivables due from related party		Turnover rate	Overdue amount of accounts receivable from related party		Amounts received from related parties in subsequent period	Allowance for Impairment Loss
						Amount	Treatment method		
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsidiary	Accounts Receivable	\$ 181,588	2.88	\$ -	-	\$ 25,986	-
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Accounts Receivable	768,883	3.26	-	-	364,250	-

Tai-Tech Advanced Electronics Co., Ltd.  
The Business Relationship, Significant Transactions, and Significant Transaction Amount between Parent company and Subsidiaries or among Subsidiaries  
January 1 to December 31, 2024

Table 8

Unit: NT\$ thousand  
(unless otherwise specified)

No. (Note 1)	Name of transaction party	Transaction party	Relationship with transaction party (Note 2)	Transaction details			
				Item	Amount	Transaction terms	Percentage of consolidated total revenue or total assets
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Sales revenue	401,620	Note 3	7%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts Receivable	181,588		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Sale of fixed Asset	87,217	Note 3	1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts payable	768,883		6%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Purchase	2,051,606	Note 3	37%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	1	Purchase	264,319	Note 3	5%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	1	Accounts payable	90,308		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	NORTH STAR INTERNATIONAL LIMITED	1	Other payables	96,716		1%
2	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Sales revenue	71,963	Note 3	1%
2	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Purchase	109,200	Note 3	2%
2	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Accounts payable	38,352		0%

Note 1: The business dealing information between the parent company and subsidiary shall be, respectively, indicated in the numbering column and there are two types of number filling methods as follows:

- (1) Fill in “0” for the parent company.
- (2) Subsidiaries are listed in sequential order starting from Arabic number of “1”

Note 2: There are two types of relationship with the transaction party as follows:

- (1) Parent company to subsidiary
- (2) Subsidiary to parent company

Note 3: Transaction price adopts the general rules for the payment receipt period agreed by both parties.

Note 4: The disclosure standard of the business relationship and important transactions between the parent and subsidiary companies from January 1 to December 31, 2024 is NT\$30 million or more

Tai-Tech Advanced Electronics Co., Ltd.  
Names and Location of Investees (Excluding those in Mainland China)  
January 1 to December 31, 2024

Table 9

Unit: NT\$ thousand  
(unless otherwise specified)

Name of Investor	Name of Investee	Location	Main business	Initial investment amount		End of term holding					Remarks
				End of current period	End of last year	Number of shares (In Thousands of Shares)	ratio	Carrying amount	Current profit/loss of investee	Current investment profit/loss recognized	
Tai-Tech Advanced Electronics Co., Ltd.	NORTH STAR INTERNATIONAL LIMITED	Samoa	Re-invested business	3,459	3,459	100	100%	97,591	1,589	1,589	
Tai-Tech Advanced Electronics Co., Ltd.	BEST BLISS INVESTMENTS LIMITED	Cayman Islands	Re-invested business	1,075,284	1,075,284	34,250	100%	4,605,982	416,115	414,491	
Tai-Tech Advanced Electronics Co., Ltd.	TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Singapore	Reinvestment and trading business	191,931	96,045	6,000	60%	188,230	(2,870 )	(1,722 )	
Tai-Tech Advanced Electronics Co., Ltd.	APAQ Technology Co., Ltd.	Taiwan	Electronic components	1,450,000	1,450,000	25,000	28.10%	1,717,727	534,394	124,725	Note 1
Tai-Tech Advanced Electronics Co., Ltd.	JDX Technology Co., Ltd.	Taiwan	Electronic components	13,347	8,000	2,500	83.33%	7,258	(7,309 )	(2,360 )	
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Holdings (S) Pte. Ltd.	Singapore	Re-invested business	261,360	-	2,700	13.50%	269,451	226,125	8,091	
BEST BLISS INVESTMENTS LIMITED	FIXED ROCK HOLDING LTD.	Seychelles	Re-invested business	890,624	890,624	26,450	100%	2,687,347	221,597	221,597	
BEST BLISS INVESTMENTS LIMITED	Superworld Holdings (S) Pte. Ltd.	Singapore	Re-invested business	21,156	21,156	2,000	10%	191,355	226,125	5,994	
TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	TECHWORLD ELECTRONICS (M) SDN. BHD.	Malaysia	Electronic components	292,462	19,632	43,000	100%	299,210	(1,802 )	(1,802 )	

Note 1: Based on the audit reports issued by other CPAs during the same period.

Tai-Tech Advanced Electronics Co., Ltd.  
Information on Investments in Mainland China - Basic Information  
January 1 to December 31, 2024

Table 10

Unit: NT\$ thousand  
(unless otherwise specified)

Name of investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated outward remittance for investment from Taiwan at beginning of the current period	Outward remittance or repatriation for investment		Cumulative outward remittance of the investment amount from Taiwan in the period end (Note 8)	Current profit/loss of investee	Ownership percentage of direct or indirect investment	Current Investment profit/loss recognized (Note 4)	Carrying amount at end of the period (Note 4)	Accumulated repatriation of investment income as of end of current period	Remarks
					Outward remittance	Repatriation							
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Production, processing and sale of electronic components	384,904	Investment in Mainland China companies through a company invested and established in a third region (Note 1)	\$ 352,249	\$ -	\$ -	\$ 352,249	\$ 87,636	100%	\$ 87,636	\$ 775,333	\$ -	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	1,343,832	Investment in Mainland China companies through a company invested and established in a third region (Note 2)	600,232	-	-	600,232	299,308	100%	299,308	3,589,158	-	
TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Sales of electronic components	-	Investment through companies in mainland China (Note 3)	-	-	-	-	-	-	-	-	-	Note 3
Provider	Accumulated outward remittance for investment in China region at end of the period (Notes 5, 6, and 9)	Investment amount approved by Investment Commission, MOEA (Notes 7 and 9)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA										
Tai-Tech Advanced Electronics Co., Ltd.	\$ 1,412,662	\$ 1,453,785	\$ 4,564,630										

Note 1: 100% invested by Best Bliss Investments Limited 100%.

Note 2: Best Bliss Investments Limited and Fixed Rock Holding Ltd. hold 26.60% and 73.40%, respectively.

Note 3: The company is 100% invested by TAIPAQ Electronic Components (Si-Hong) Co., Ltd, but there was no capital injection as of December 31, 2024.

Note 4: The parent company's CPA in Taiwan audited the financial report.

Note 5: The Company liquidated TAI-TECH Advanced Electronics (Dongguan) in 2015 and the accumulated investment loss amount is USD 1,513 thousand.

Note 6: NTD is calculated based on the historical exchange rate.

Note 7: NTD is calculated based on rate of the balance sheet date

Note 8: The amount invested with a third place's self-owned funds is not included.

Note 9: At the end of the period, the accumulated investment amount remitted from Taiwan to mainland China was US\$44,343 thousand, and the investment amount approved by the Investment Commission, MOEA, was US\$44,343 thousand.

Tai-Tech Advanced Electronics Co., Ltd.  
Major Shareholder Information  
December 31, 2024

Table 11

Major shareholders	Shares	
	Number of shares held	Shareholdings Percentage
Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank	10,207,649	10.00%
Hengyang Investment Co., Ltd.	6,540,995	6.41%
Northwest Investment Co., Ltd.	6,121,718	5.99%

Explanation: The Company obtains the information of this table from the Taiwan Depository and Clearing Corporation:

(1)

This table is based on the information provided by the Taiwan Depository and Clearing Corporation for shareholders holding greater than 5% of the shares completed the process of registration and book-entry delivery in dematerialized form (including treasury stocks) of the Company at the last business date of each quarter.

There may be a discrepancy in the number of shares recorded on the Company’s financial statements and its dematerialized securities arising from the difference in basis of preparation.

(2)

For the table above, the shareholder who delivers the shares to the trust is disclosed by the individual trustee who opened the trust account. In accordance with the Security Exchange Act, the shareholders have to disclose the insider equity more than 10% of the shares, including their own shares and their delivery to the trust and have the right to make decisions on the trust property. Information on insider equity is available on the Market Observation Post System (MOPS) website. Information on equity is available on the MOPS of TWSE website.



Tai-Tech Advanced Electronics Co., Ltd.

Cash and cash equivalents

December 31, 2024

Schedule 1

Unit: NT\$ thousand

Item	Summary				Amount	Remarks
Petty cash					\$ 217	
Cash					149	
Bank deposits						
Time deposits - NTD					90,460	
Time deposits - Foreign currency	USD	NT\$7,482 thousand	Exchang e rate	32.79	245,300	
	RMB	NT\$6,823 thousand	Exchang e rate	4.56	31,119	
	Other s				1,158	
Total					\$ 368,403	

Tai-Tech Advanced Electronics Co., Ltd.

Accounts Receivable

December 31, 2024

Schedule 2

Unit: NT\$ thousand

Name of Clients	Amount	Remarks
<u>Accounts Receivable</u>		
B.I.	\$ 226,266	
G.T.	75,446	
Others	699,422	The balance pertaining to each individual client did not exceed 5% of this account's value.
	1,001,134	
Less: Allowance for bad debt	( 795 )	
	1,000,339	
<u>Accounts receivable due from related parties</u>		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	181,588	
Superworld Electronics (S) Pte Ltd.	88,732	
Others	56,838	The balance pertaining to each individual client did not exceed 5% of this account's value.
	327,158	
Less: Allowance for bad debt	( 88 )	
	327,070	
	<u>\$ 1,327,409</u>	

Tai-Tech Advanced Electronics Co., Ltd.

Inventory

December 31, 2024

Schedule 3

Unit: NT\$ thousand

Item	Amount		Remarks
	Cost	Market price	
Raw materials	\$ 50,532	\$ 48,238	
Supplies	4,253	4,067	
Work in process	76,475	123,402	
Finished products	34,463	49,593	
Goods	<u>202,372</u>	<u>274,725</u>	
Sub-total	368,095	<u>\$ 500,025</u>	
Less: allowance for loss for market price decline and obsolete and slow-moving inventories	( <u>19,243</u> )		Valued at the lower of costs and net realizable value using an item-by-item approach.
Total	<u>\$ 348,852</u>		

Tai-Tech Advanced Electronics Co., Ltd.  
Investment accounted for using the equity method  
January 1 to December 31, 2024

Schedule 4

Unit: NT\$ thousand

Name	Beginning balance		Increase		Decrease		Ending balance			Market price or net value	
	Number of shares (In Thousands of Shares)	Amount	Number of shares (In Thousands of Shares)	Amount	Number of shares (In Thousands of Shares)	Amount	Number of shares (In Thousands of Shares)	Shareholdin gs Percentage	Amount	Unit price (NT\$)	Total price
BEST BLISS INVESTMENTS LIMITED	34,250	\$ 4,062,920	-	\$ 543,062	-	\$ -	34,250	100%	\$ 4,605,982	134	\$ 4,605,982
NORTH STAR INTERNATIONAL LIMITED	100	89,880	-	7,711	-	-	100	100%	97,591	976	97,591
TECHWORLD ELECTRONICS SINGAPORE PTE.LTD.	3,000	91,022	3,000	97,208	-	-	6,000	60%	188,230	31	188,230
JDX Technology Co., Ltd.	800	7,256	1,700	7,863	-	( 7,861 )	2,500	83.33%	7,258	3	7,258
APAQ Technology Co., Ltd.	25,000	1,463,347	-	254,380	-	-	25,000	28.1%	1,717,727	148.5	3,712,500
Superworld Holdings (S) Pte. Ltd.	-	-	2,700	269,451	-	-	2,700	13.50%	269,451	100	269,451
		<u>\$ 5,714,425</u>		<u>\$ 1,179,675</u>		<u>( \$ 7,861 )</u>			<u>\$ 6,886,239</u>		

Tai-Tech Advanced Electronics Co., Ltd.

Accounts payable  
December 31, 2024

Schedule 5

Unit: NT\$ thousand

Supplier name	Amount	Remarks
<u>Accounts payable</u>		
Others	<div>\$100,654</div>	The balance pertaining to each individual vendor did not exceed 5% of this account’s value.
<u>Accounts payables to related parties</u>		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	768,883	
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	90,308	
Others	<div>1</div>	
	<div>859,192</div>	
	<div>\$959,846</div>	

Tai-Tech Advanced Electronics Co., Ltd.

Corporate bonds payable

December 31, 2024

Schedule 6

Unit: NT\$ thousand

Bond name	Trustee	Date of issue	Interest payment date	interest rate	Amount					Method of repayment	Guarantee status	Remarks
					Total issuance amount	Amount already repaid	Ending balance	Unamortized premium (discount)	Carrying amount			
1st unsecured convertible corporate bonds in 2023	E.SUN COMMERCIAL BANK,LTD.	112/10/31	None	0%	\$ 1,100,000	\$ 100	\$ 1,099,900	(\$ 33,474)	\$ 1,066,426	Repayable in cash at maturity in one lump sum based on the bond face value	None	

Tai-Tech Advanced Electronics Co., Ltd.

Operating revenue

January 1 to December 31, 2024

Schedule 7

Unit: NT\$ thousand

Item	Quantity	Amount	Remarks
Revenue from wire-wound products	2,851,725 thousand pieces	\$ 3,086,604	
Revenue from multilayer products	7,392,314 thousand pieces	519,009	
Revenue from LAN transformer	116,405 thousand pieces	90,692	
Others		<u>128,275</u>	
		3,824,580	
Less: returned goods		( 14,729 )	
Sales discount		<u>( 33,582 )</u>	
Total		<u>\$ 3,776,269</u>	

Tai-Tech Advanced Electronics Co., Ltd.

Operating costs

January 1 to December 31, 2024

Schedule 8

Unit: NT\$ thousand

Item	Amount
Goods at the beginning of the period	\$ 163,203
Plus: Current period cargo entry	2,328,235
Goods transferred in	7,132
Processing cost of goods	6,748
Less: Closing commodity	( 202,372 )
Transferred to expense	( 1,071 )
Inventory retired	( 842 )
Others	6
Cost of purchase	<u>2,301,039</u>
Raw materials at the beginning of the period	20,770
Plus: Current feed	252,336
Less: Transfer to expense	( 27,301 )
Costs to sale of raw materials	( 14,167 )
Goods transferred in	( 6,607 )
Inventory retired	( 9 )
Raw materials at the end of the period	( 50,532 )
Raw materials consumed	<u>174,490</u>
Supplies at the beginning of the period	3,672
Plus: Current feed	43,724
Less: Transfer to expense	( 35,299 )
Costs to sale of supplies	( 7,319 )
Goods transferred in	( 525 )
Supplies at the end of the period	( 4,253 )
Supplies consumed	<u>-</u>
Direct labor	<u>166,682</u>
Manufacturing overhead	<u>473,155</u>
manufacturing cost	814,327
Plus: Initial work in progress	121,273
Purchase of raw materials	-
Less: Transfer to expense	( 11,311 )
Costs to sale of work in progress	( 52,460 )
Inventory retired	( 223 )
Others	( 114,438 )
Work in progress at the end of the period	( 76,475 )
Cost of finished products	<u>680,693</u>



Tai-Tech Advanced Electronics Co., Ltd.

Operating costs (continued)

January 1 to December 31, 2024

Schedule 8

Unit: NT\$ thousand

Finished products at the beginning of the period		31,478
Less: Transfer to expense		354
Inventory retired	(	970 )
Others	(	39,170 )
Finished products at the end of the period	(	34,463 )
Cost of goods sold		<u>637,922</u>
Other operating costs		
Plus: Raw material sales costs	\$	14,167
Costs to sale of supplies		7,319
Costs to sale of work in progress		52,460
Inventory obsolescence and valuation loss	(	2,562 )
Scrapping		2,044
Others		80,177
Less: Scrape income	(	1,271 )
Other operating costs		<u>152,334</u>
Operating costs	\$	<u>3,091,295</u>

Tai-Tech Advanced Electronics Co., Ltd.

Operating expenses

January 1 to December 31, 2024

Schedule 9

Unit: NT\$ thousand

Item	Summary	Amount	Remarks
Selling and marketing expenses			
Salary and wages expense		\$ 111,003	
Lease expenses		15,031	
Freight expense		13,527	
Other expenses		91,010	
		<u>230,571</u>	
General and administrative expenses			
Salary and wages expense		84,919	
Professional service fees		12,024	
Depreciation		9,660	
Other expenses		36,204	
		<u>142,807</u>	
Research and development expenses			
Salary and wages expense		35,735	
Research and development expenses		32,082	
Depreciation		21,009	
Repair and maintenance expense		6,540	
Other expenses		17,281	
		<u>112,647</u>	
Expected credit impairment gain		-	
Total operating expenses		<u>\$ 486,025</u>	

Tai-Tech Advanced Electronics Co., Ltd.

Summary table by function of the occurred employee benefits, depreciation, depletion, and amortization

January 1 to December 31, 2024

Schedule 10

Unit: NT\$ thousand

Nature \ Function	2024			2023		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense						
Salary and wages	\$ 212,741	\$ 205,635	\$ 418,376	\$ 196,808	\$ 175,955	\$ 372,763
Labor and health insurance expense	21,396	16,535	37,931	23,033	16,096	39,129
Pension expense	5,657	8,796	14,453	6,154	7,356	13,510
Directors' remuneration	-	26,773	26,773	-	22,545	22,545
Other employee benefits expenses	11,253	9,607	20,860	11,997	8,834	20,831
Depreciation (including right-of-use assets)	164,596	39,097	203,693	171,254	28,028	199,282
Amortization expenses	4,165	3,364	7,529	3,297	2,531	5,828

- Note:
1. The Company has 509 and 523 employees, respectively for the current year and previous year, of which 9 and 9 employees, respectively, concurrently serve as a director.
  2. A company whose shares are traded on Taiwan Stock Exchange or Taipei Exchange shall disclose the following information:
    - (1) The average employee benefit expense for this year was \$983, calculated as: ("Total employee benefits expense this year - Total directors' remuneration" / "Number of employees this year - Number of employees not concurrently serving as a director"). The average employee benefit expense last year was NT\$868, calculated as: ("Total employee benefits expense last year - Total directors' remuneration" / "Number of employees last year - Number of employees not concurrently serving as a director").
    - (2) The average employee salary expense for this year was \$837, calculated as: ("Total salary expenses this year" / "Number of employees this year - Number of employees not concurrently serving as a director") The average employee salary cost in the previous year was NT\$725 (total salary cost in the previous year / "number of employees in the previous year - number of directors who did not serve as employees concurrently").
    - (3) The average employee salary cost adjustment change was 15% ("average employee salary expense for the current year - average employee salary expense for the previous year" / average employee salary expense for the previous year).
    - (4) The Company establishes the Audit Commit to replace the role of supervisors according to law. Supervisors' remuneration for this year and last year was both \$0.
    - (5) Please describe the company's remuneration policy (for directors, supervisors, managers, and employees).
      - A. Directors' and supervisors' remuneration include compensation, transportation fee, allowance for performing their duties, and remuneration from earnings appropriation. Remuneration from earnings appropriation is specified in the Company's Articles of Incorporation.
      - B. Remuneration for the president and vice presidents includes salary, bonus, and employee compensation, which are determined by referring to their post, the responsibilities they assume, the contribution they make to the Company, and the general industry standards among industry peers.
      - C. Tai-Tech's salary and remuneration policy for employees is subject to individual ability, contribution to the Company, performance, and the consideration for the Company's future operational risks. The Company abides by the Company Act and its Articles of Incorporation to appropriate a certain percentage of pre-tax income as employee compensation, which is distributed in the middle of the following year. The Company also appropriates a fixed percentage of post-tax earnings as employee bonuses, which are distributed before the Chinese New Year's Eve, and is reflective of the Company's business performance and outcomes.