Chaintech Technology Corporation
Parent Company Only Financial Statements and Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023
(Stock Code: 2425)

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Chaintech Technology Corporation

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

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Independent Auditors' Report

(114) Cai-Shen-Bao-Zi No. 24004891

To Chaintech Technology Corporation:

Opinions

The independent auditors have audited the accompanying parent company only balance sheets of Chaintech Technology Corporation (hereinafter referred to as "the Company") as of December 31, 2024 and 2023 and the related parent company only statements of comprehensive income, parent company only statements of changes in equity, and parent company only statements of cash flows for the years then ended, and the notes to the parent company only financial statements (including the summary of significant accounting policies).

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

Basis for Opinions

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

Key Points

As stated in Note VI(XI) of the parent company only financial statements, Chaintech resolved during a board meeting on May 24, 2024, to sell its equity in Sitonholy (Tianjin) Technology Co., Ltd. and its subsidiaries. The associated assets and liabilities of the company will be reclassified as assets held for sale. The relevant accounting treatment will be conducted in accordance with the provisions of IFRS No. 5, "Non-current Assets Held for Sale and Discontinued Operations." We did not modify the audit opinion as a result of this.

Key Audit Matters

Key audit matters refer to matters that, in our professional judgment, are of most significance in our audit of the parent company only financial statement of the Company for the year ended December 31, 2024. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statement of the Company for the year ended December 31, 2024 are stated as follows:

Existence of Sales Revenue

Description

Regarding the accounting policy for recognition of sales revenues, please refer to Note 4(27) to the parent company only financial statements. For the description of sales revenue, please refer to Note 6(13) to the parent company only financial statements.

The Company primarily engages in the trading and manufacturing of computer motherboards, graphics cards and computer peripheral products. Given the susceptibility of these products to customer demand, the Group must prioritize market expansion and the acquisition of new orders. Consequently, the customer base for sales may fluctuate from year to year. Consequently, we have thus listed the existence of sales revenue as the most important matter for this year's audit.

Corresponding audit procedures

We have performed the following key audit procedures for the matter mentioned above:

1. Conducted interviews with management to gain an understanding of the revenue recognition policy and to determine whether it has been consistently applied during the comparative periods of the financial statements.
2. Understand the internal control systems associated with sales transactions and perform sampling tests to assess the effectiveness of their design and implementation.
3. Obtain and sample the relevant vouchers for this year's sales revenue transactions to confirm that customers have gained control of the goods and assumed the associated risks before recognizing the revenue.

Assessment of impairment of investments accounted for using the equity method by Shenzhen Jinghong Digital R&D Service Co., Ltd. - investments accounted for using the equity method

Description

Regarding the accounting policy for assessment of impairment of investments accounted for using the equity method, please refer to Note 4(18) to the parent company only financial statements. For the estimation and assumption uncertainty in assessment of impairment of investments accounted for using the equity method, please refer to Note 5(2) to the parent company only financial statements.

In 2019, the Company had a 51% equity interest in Sitonholy (Tianjin) Technology Co., Ltd. through Shenzhen Jinghong Digital R&D Service Co., Ltd. Goodwill and customer relationships were recognized in investments accounted for using the equity method according to the equity purchase contract, based on the purchase price allocation assessment. This has a significant impact on the parent company only financial statements of the Company.

On May 24, 2024, the Board of Directors resolved to sell the equity of Sitonholy (Tianjin) Technology Co., Ltd. and its subsidiaries. Consequently, the assets and liabilities associated with this company and its subsidiaries have been reclassified as held for sale within the group. As a result, the auditor considers the impairment assessment of the investment in Shenzhen Jinghong accounted for under the equity method to be one of the most significant matters in this year's audit.

Corresponding audit procedures

We have performed the following key audit procedures for the matter mentioned above:

We have carried out the following audit procedures based on the group held for sale report issued by a third-party valuation expert appointed by management:

1. Assess the expertise, competence, and objectivity of the independent valuation experts appointed by management and verify their qualifications, and discuss with management the scope of work of the valuation experts and review the appointment conditions to verify that no conditions that may affect their objectivity or inhibit their work scope exist, and that the methods used by them are consistent with the IFRSs and industry regulations.
2. Understand and evaluate the process and the basis where management has made its projections of the growth rate of the future operations in terms of sales and profit margin.
3. Adopt the evaluation models and important assumptions (including discount rate, etc.) provided by financial experts of our firm, compare the data in assumptions made by management to market and historical data, and check the calculation to ensure the appropriateness of management's judgment.

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

To ensure that the Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

In preparing the parent company only financial statements, the responsibility of management includes assessing the Company's ability to continue as a going concern, disclosing going concern related matters, as well as adopting going concern basis of accounting unless the management intends to liquidate the Company or terminate the business, or has no realistic alternative but to do so.

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

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

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

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for 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. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditors' report. However, future events or circumstances may cause the Company to no longer continue as a going concern.

5. Evaluate the overall expression, structure, and contents of the parent company only financial statements (including related notes) and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence with regard to the financial information of the entities within the Company to express an opinion about the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

PwC Taiwan

Yang, Hui-Tzu

CPA

Lin, Ya-Hui

Financial Supervisory Commission

Approved Certification Number: Jin-Guan-Zheng-Shen-Zi No. 1130350413

Jin-Guan-Zheng-Shen-Zi No. 1070323061

March 14, 2025

Chaintech Technology Corporation
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Unit: NT$ thousands

	Assets	Notes	December 31, 2024			December 31, 2023		
				Amount	%		Amount	%
	Current Assets							
1100	Cash and cash equivalents	VI(I)	$	1,060,616	38	$	573,792	22
1136	Financial assets at amortized cost - current	VI(I) and VIII		-	-		9,252	-
1170	Accounts receivable, net	VI(III)		211,076	7		192,910	8
1180	Accounts receivable from related parties, net	VI(III) and VII		546,787	20		613,845	24
130X	Inventories	VI (IV)		56,627	2		199,703	8
1470	Other current assets	VII and VIII		4,692	-		9,384	-
11XX	**Total current assets**			1,879,798	67		1,598,886	62
	Non-current assets							
1517	Financial assets at fair value through other comprehensive income - non-current	VI(II)		54,029	2		227,325	9
1550	Investments Accounted for Using the Equity Method	VI(V)		742,694	27		673,115	26
1600	Property, plant, and equipment	VI(VI)		34,952	1		8,216	-
1755	Right-of-use assets	VI(VII)		9,066	1		13,485	1
1780	Intangible assets	VI(VIII)		3,728	-		4,208	-
1840	Deferred income tax assets	VI(XX)		30,399	1		34,841	1
1900	Other noncurrent assets			33,949	1		31,513	1
15XX	**Total non-current assets**			908,817	33		992,703	38
1XXX	**Total assets**		$	2,788,615	100	$	2,591,589	100

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Chaintech Technology Corporation
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Unit: NT$ thousands

	Liabilities and Equity	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current Liabilities					
2100	Short-term loans	VI(IX)	$ -	-	$ 45,290	2
2130	Current contract liabilities	VI(XIV)	100	-	100	-
2150	Notes payable		14	-	-	-
2170	Accounts payable		120,997	5	229,877	9
2180	Accounts payable - related parties	VII	83,222	3	-	-
2200	Other payables	VI(XI) and VII	53,880	2	52,047	2
2230	Current income tax liabilities		4,429	-	36,902	1
2280	Lease liabilities - current		4,126	-	5,656	-
2300	Other current liabilities		953	-	379	-
21XX	**Total current liabilities**		267,721	10	370,251	14
2570	Deferred income tax liabilities	VI(XX)	62,857	2	34,920	2
2580	Lease liabilities - non-current		5,135	-	7,966	-
25XX	**Total non-current liabilities**		67,992	2	42,886	2
2XXX	**Total liabilities**		335,713	12	413,137	16
	Equity					
	Capital stock					
3110	Capital stock - common shares	VI(XII)	964,988	35	964,988	37
	Capital surplus					
3200	Capital surplus		100	-	100	-
	Retained earnings	VI(XIII)				
3310	Legal reserve		207,761	7	191,571	7
3320	Special reserve		6,716	-	79,273	3
3350	Unappropriated earnings		1,268,157	46	949,236	37
	Other equity					
3400	Other equity		5,180	-	(6,716)	-
3XXX	**Total equity**		2,452,902	88	2,178,452	84
	Significant Contingent Liabilities and Unrecognized Contract Commitments	IX				
3X2X	**Total liabilities and equity**		$ 2,788,615	100	$ 2,591,589	100

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

Chairman: Kao, Shu-Jung | Manager: Kao, Shu-Jung | Accounting Supervisor: Lai, Yu-Nu

Chaintech Technology Corporation
Parent Company Only Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT$ thousands
(EPS in NT$)

Code	Item	Notes	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	VI(XIV) and VII	$ 2,989,709	100	$ 3,286,618	100
5000	Operating costs	VI(IV)(XVIII)(XIX) and VII	(2,777,717)	(93)	(3,022,797)	(92)
5950	Gross profit from operations		211,992	7	263,821	8
	Operating expenses	VI(XVIII)(XIX) and VII				
6100	Selling and marketing expenses		(43,603)	(1)	(39,316)	(1)
6200	General and administrative expenses		(30,712)	(1)	(31,327)	(1)
6300	Research and development expenses		(143,555)	(5)	(67,796)	(2)
6450	Gain on expected credit losses	XII(II)	17	-	6,655	-
6000	Total operating expenses		(217,853)	(7)	(131,784)	(4)
6900	Operating income (loss)		(5,861)	-	132,037	4
	Non-operating income and expenses					
7100	Interest income		23,038	1	13,218	-
7010	Other income	VI(XV)	12,029	-	18,765	1
7020	Other gains and losses	VI(XVI)	77,605	3	(4,049)	-
7050	Finance costs	VI(XVII)	(6,870)	-	(6,059)	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method	VI(V)	45,845	1	74,943	2
7000	Total non-operating income and expenses		151,647	5	96,818	3
7900	**Net income before tax**		145,786	5	228,855	7
7950	Tax expense	VI(XX)	(44,297)	(1)	(66,954)	(2)
8200	**Profit**		$ 101,489	4	$ 161,901	5
	Other comprehensive income, net					
	Items that will not be reclassified to profit or loss					
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	VI(II)	$ 199,882	6	$ 84,942	2
8349	Income tax related to components that will not be reclassified to profit or loss	VI(XX)	(7,231)	-	-	-
8310	Total amount of items that will not be reclassified to profit or loss		192,651	6	84,942	2
	Components that may be reclassified to profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations	VI(V)	23,734	1	(12,385)	-
8360	Total amount of items that may be reclassified subsequently to profit or loss		23,734	1	(12,385)	-
8300	**Other comprehensive income, net**		$ 216,385	7	$ 72,557	2
8500	**Total comprehensive income (loss)**		$ 317,874	11	$ 234,458	7
	Basic earnings per share					
9750	Profit	VI(XXI)	$ 1.05		$ 1.68	
	Diluted earnings per share					
9850	Profit	VI(XXI)	$ 1.05		$ 1.68	

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

Chairman: Kao, Shu-Jung　　Manager: Kao, Shu-Jung　　Accounting Supervisor: Lai, Yu-Nu

Chaintech Technology Corporation
Parent Company Only Statements of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT$ thousands

	Notes	Capital stock - common shares	Capital surplus - changes in the net worth of associates and joint ventures accounted for using equity method	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated earnings	Other equity: Exchange differences on translation of financial statements of foreign operations	Other equity: Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total Equity
2023									
Balance as of January 1, 2023		$ 964,988	$ 100	$ 159,534	$ 29,249	$ 946,595	($ 36,672)	($ 42,601)	$ 2,021,193
Profit		-	-	-	-	161,901	-	-	161,901
Other Comprehensive Income		-	-	-	-	-	(12,385)	84,942	72,557
Total comprehensive income (loss)		-	-	-	-	161,901	(12,385)	84,942	234,458
Appropriation and distribution of earnings for 111:	VI(XIII)								
Legal reserve		-	-	32,037	-	(32,037)	-	-	-
Special reserve appropriated		-	-	-	50,024	(50,024)	-	-	-
Cash dividends paid		-	-	-	-	(77,199)	-	-	(77,199)
Balance as of December 31, 2023		$ 964,988	$ 100	$ 191,571	$ 79,273	$ 949,236	($ 49,057)	$ 42,341	$ 2,178,452
2024									
Balance as of January 1, 2024		$ 964,988	$ 100	$ 191,571	$ 79,273	$ 949,236	($ 49,057)	$ 42,341	$ 2,178,452
Profit		-	-	-	-	101,489	-	-	101,489
Other Comprehensive Income		-	-	-	-	-	23,734	192,651	216,385
Total comprehensive income (loss)		-	-	-	-	101,489	23,734	192,651	317,874
Appropriation and distribution of earnings for 112:	VI(XIII)								
Legal reserve		-	-	16,190	-	(16,190)	-	-	-
Special reserve reversed		-	-	-	(72,557)	72,557	-	-	-
Cash dividends paid		-	-	-	-	(43,424)	-	-	(43,424)
Disposal of investments in equity instruments at fair value through other comprehensive income	VI(II)	-	-	-	-	204,489	-	(204,489)	-
Balance as of December 31, 2024		$ 964,988	$ 100	$ 207,761	$ 6,716	$ 1,268,157	($ 25,323)	$ 30,503	$ 2,452,902

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

Chairman: Kao, Shu-Jung   Manager: Kao, Shu-Jung   Accounting Supervisor: Lai, Yu-Nu

Chaintech Technology Corporation
Parent Company Only Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NT$ thousands

	Notes	January 1 to December 31, 2024	January 1 to December 31, 2023
Cash flows from operating activities			
Profit before tax		$ 145,786	$ 228,855
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expenses	VI(VI)(XVIII)	8,002	3,032
Depreciation expenses on right-of-use assets	VI(VII)(XVIII)	7,262	5,575
Gain from reversal of expected credit losses	XII(II)	(17)	(6,655)
Amortization expenses	VI(VIII)(XVIII)	1,651	1,016
Interest income		(23,038)	(13,218)
Interest expenses	VI(XVII)	6,870	6,059
Dividend income	VI(XV)	(242)	(7,015)
Share of profit of subsidiaries accounted for using equity method	VI(V)	(45,845)	(74,943)
Changes in operating assets and liabilities			
Net changes in operating assets			
Accounts receivable (including related parties)		48,909	(84,018)
Inventories		143,076	(81,495)
Other current assets		4,692	(4,290)
Other noncurrent assets		(2,436)	(163)
Net changes in operating liabilities			
Notes payable		14	-
Accounts payable (including related parties)		(25,658)	129,202
Contract liabilities		-	(18)
Other payables		1,925	(22,272)
Other current liabilities		574	156
Cash flows generated from operations		271,525	79,808
Interest received		23,038	13,218
Dividends received		242	7,015
Interest paid		(6,962)	(5,967)
Income tax paid		(51,622)	(74,595)
Net cash flows generated from operating activities		236,221	19,479
Cash flows from investing activities			
Sale of financial assets at fair value through other comprehensive income		373,178	-
Acquisition of property, plant, and equipment	VI(VI)	(34,738)	(2,253)
Increase (decrease) in current financial assets measured at amortized cost		9,252	(4,631)
Acquisition of intangible assets	VI(VIII)	(1,171)	(3,002)
Decrease in prepayments for equipment		-	624
Net cash flows generated from (used in) investing activities		346,521	(9,262)
Cash flows from financing activities			
Increase (decrease) in short-term loans	VI(XXII)	(45,290)	45,290
Repayment of the principal portion of lease liabilities	VI(XXII)	(7,204)	(5,643)
Cash dividends paid	VI(XIII)	(43,424)	(77,199)
Net cash flows used in financing activities		(95,918)	(37,552)
(Decrease) increase in cash and cash equivalents		486,824	(27,335)
Cash and cash equivalents balance at beginning of period		573,792	601,127
Cash and cash equivalents balance at end of period		$ 1,060,616	$ 573,792

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

Chairman: Kao, Shu-Jung Manager: Kao, Shu-Jung Accounting Supervisor: Lai, Yu-Nu

Chaintech Technology Corporation
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 2024 and 2023

Unit: NT$ thousands
(Unless specified otherwise)

I. Company History

(I) The original East Chaintech Technology Co., Ltd. was established in November 1986 and was renamed as Chaintech Technology Corporation (hereinafter referred to as the "Company") in January 2013. Approved by the Securities and Futures Bureau as an OTC-listed company in December 1997, the Company was transferred to be a listed company and was listed at the stock exchange market on August 17, 2000. The Company is principally engaged in the business of buying and selling and manufacturing of motherboards, display cards, and computer peripherals.

(II) Colorful Group Ltd. (hereinafter referred to as "the Colorful Group") acquired 10% equity in the Company indirectly through Zhongjie Xingye Co., Ltd., and acquired 100% equity in Yicheng International Development Co., Ltd. (which held 36.2% equity of the Company) in June 2014. Therefore, Colorful Group held 46.2% equity in the Company indirectly, and obtained more than half of the seats in the Company's Board of Directors. In June 2017, Zhongjie Xingye Co., Ltd. sold all the equity of the Company it held. In July 2016, Yicheng International Development Co., Ltd. sold the equity of the Company to 26.11%. As of December 31, 2024, the Colorful Group indirectly held 25.40% of the equity in the Company through Yicheng International Development Co., Ltd.

II. Date of Authorization for Issuance of the Parent Company Only Financial Statements and Procedures for Authorization

The parent company only financial statements were approved by the Board of Directors on March 11, 2025.

III. Application of New and Amended Standards and Interpretations

(I) Effect of adopting new and amended International Financial Reporting Standards ("IFRSs") endorsed and issued by the Financial Supervisory Commission, R.O.C ("FSC")

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed and issued by the FSC that are applicable in 2024:

New/Revised/Amended Standards and Interpretations	Effective date issued by the International Accounting Standards Board
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classify 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 above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(II) Effect of new issuance of or amendments to the IFRSs and IASs endorsed by the FSC but not yet adopted by the Company

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2025:

New/Revised/Amended Standards and Interpretations	Effective date issued by the International Accounting Standards Board
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(III) Effect of the IFRSs and IASs issued by the IASB but not yet endorsed by the FSC

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

New/Revised/Amended Standards and Interpretations	Effective date issued by the International Accounting Standards Board
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"	Pending decision by the International Accounting Standards Board
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023

New/Revised/Amended Standards and Interpretations	Effective date issued by the International Accounting Standards Board
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

Excluding the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment:

1. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

   Updates through irrevocable election designate equity instruments measured at fair value through other comprehensive income (FVOCI) to disclose their fair value by category, eliminating the requirement to disclose fair value information for each individual asset. Additionally, the fair value gains and losses recognized in other comprehensive income during the reporting period should be disclosed. This disclosure must separately present the fair value gains and losses related to investments that were derecognized during the reporting period, as well as those related to investments still held at the end of the reporting period. Furthermore, the accumulated gains and losses transferred to equity from investments derecognized during the reporting period should also be reported.

2. IFRS 18 "Presentation and Disclosure in Financial Statements"

   IFRS 18 "Presentation and Disclosure in Financial Statements" supersedes IAS 1 and revises the structure of the comprehensive income statement. Additionally, it introduces new disclosures for measuring management performance and enhances the principles of aggregation and disaggregation as applied to the primary financial statements and accompanying notes.

IV. Summary of Significant Accounting Policies

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

(I) <u>Compliance declaration</u>

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

(II) <u>Preparation basis</u>

1. The parent company only financial statements have been prepared based on historical cost convention.
2. The financial statements prepared in accordance with IFRSs, international accounting standards, interpretations and interpretations (hereinafter referred to as the IFRSs) approved and issued by the FSC are required to be used for the preparation of financial statements. The financial statements of the Company shall also require the use of certain critical accounting estimates. Management requires the use of judgment in applying the Company’s accounting policies. For items involving a higher degree of judgment or complexity, or items where assumptions and estimates are significant to the parent company only financial statements, please refer to Note V for details.

(III) <u>Foreign currency translation</u>

The Company's items listed in the parent company only financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (i.e., functional currency).

1. Foreign currency transactions and balances
   (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
   (2) Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing at the balance sheet date. Exchange differences arising upon the re-transaction at the balance sheet date are recognized in profit or loss.
   (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are retranslated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and

liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(4) All exchange gains and losses are presented in the earnings statement of profit or loss within "other gains and losses."

2. Translation of foreign operations

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) Assets and liabilities for each balance sheet presented are re-translated at the closing rate prevailing at the balance sheet date;

(2) Income and expenses for each composite income sheet are re-translated at the average exchange rates for the period;

(3) All resulting exchange differences are recognized in other comprehensive income.

(4) When a foreign operation is partially disposed of or sold, the cumulative exchange differences that were recognized in other comprehensive income are reclassified to the non-controlling interests in the foreign operation. However, if the Company still retains partial interests in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(IV) <u>Standard of assets and liabilities being classified as current and non-current</u>

1. Assets that meet one of the following criteria are classified as current assets:

(1) Assets arising from operating activities that are expected to be realized or are intended to be sold or consumed within the normal operating cycle.

(2) Liabilities held mainly for trading purposes.

(3) Assets that are expected to be realized within twelve months from the balance sheet date.

(4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

Assets that do not meet the aforementioned conditions are classified as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:

(1) Liabilities that are expected to be paid off within the normal operating cycle.

(2) Liabilities held mainly for trading purposes.

(3) Liabilities that are to be paid off within twelve months from the balance sheet date.

(4) Liabilities for which the repayment date cannot be extended to more than twelve months after the reporting period.

Liabilities that do not meet the aforementioned conditions are classified as non-current.

(V) Cash equivalents

Cash equivalents are short-term investments with high liquidity, which can be easily converted into a fixed amount of cash at any time with minimal risk of value fluctuation. Time deposits that meet the aforementioned definition and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

1. Financial assets at fair value through profit or loss refer to financial assets not measured at amortized cost nor measured at fair value through other comprehensive income.

2. Financial assets at fair value through profit or loss that follow regular way purchase or sale are recognized by the Company using trade date accounting.

3. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

4. Dividend income is recognized in profit or loss when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividends can be measured reliably.

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

1. Changes in fair value of investments in equity instruments that are not held for trading purpose at initial recognition presented in other comprehensive income; or, financial assets meeting the criteria listed below are classified as debt instrument:

   (1) The financial asset is held for the purpose of obtaining the contractual cash flows and the sales of the contract.

   (2) Cash flow generated form the said contractual terms of the financial asset at specific date are solely payments of principal and interest on the principal amount outstanding.

2. The Company adopts trade date accounting for financial assets measured at fair value through other comprehensive income.

3. At initial recognition, the Company measures the financial assets at fair value plus transaction costs; the Company subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following derecognition of the investment. Dividend income is recognized in profit or loss when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividends can be measured reliably.

(VIII) Financial assets at amortized cost

1. Refers to an asset that meets all of the following conditions:

   (1) The financial asset is held for the purpose of obtaining the contractual cash flows.

   (2) Cash flow generated form the said contractual terms of the financial asset at specific date are solely payments of principal and interest on the principal amount outstanding.

2. The Company adopts trade date accounting for financial assets that follow regular way purchase or sale measured at amortized cost.

3. The Company measures financial assets at fair value plus transaction cost at initial recognition, and subsequently recognizes interest income and impairment loss during the circulation period using the effective interest method according to the amortization procedure, and recognizes any gains or losses upon derecognition in profit or loss.

(IX) Accounts receivable

1. Accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

2. Short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(X) Impairment of financial assets

Considering all reasonable and provable information (including forward-looking information), the Company measured the credit risk that increased insignificantly since original recognition vie the 12-month expected credit loss amount through financial debt instrument at fair value through other comprehensive income, financial asset at amortized cost and accounts receivable significant financial components. For those credit risk increased significantly since original recognition, the allowance loss is measured by the expected amount of credit loss during the existence period; for accounts receivable that do not contain significant financial components, the allowance loss is measured by the amount of expected credit losses during the duration of the period.

(XI) Derecognition of financial assets

Financial assets are de-recognized when the Company's contractual rights to receive cash flows from financial assets are lapsed.

(XII) Operating leases - lessor

Lease income from operating leases less any incentives given to lessees is recognized in profit or loss on a straight-line basis over the term of the lease.

(XIII) Inventories

Inventories are measured at the lower of cost and net realizable value, and cost is determined using the weighted average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production burden. It excludes borrowing costs. Goods on hand are stated at the lower of comparative cost and net realizable value. The item by item approach is used in applying the lower of comparative 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 the estimated cost necessary to make the sale.

(XIV) Investments accounted for using equity method - subsidiaries/associates

1. Subsidiaries refer to all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. Unrealized gains and losses resulting from transactions between the Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.
3. The share of gain or loss and other comprehensive income generated from the subsidiary was recognized as profit or loss of the period and other comprehensive income (loss), respectively. If the Company's share of loss recognized on the subsidiary is equal to or exceeds the equity interest in the subsidiary, the Company will not recognize further losses unless the Company has statutory obligations or deferred obligations or has paid for the subsidiary.
4. When the Company disposes its investment in an subsidiary and loses significant influence over the subsidiary, the amounts previously recognized in other

comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over the subsidiary, the amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

5. Associates are all entities over which the Company has significant influence but does not control. In general, it is presumed that the investor has significant influence if an investor holds directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

6. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

7. When an associate’s equity changes are not recognized in profit or loss or other comprehensive income of the associate, and such changes do not affect the Company’s ownership percentage of the associate, the Company recognizes the change in ownership interests in the associate in "capital surplus" in proportion to its ownership.

8. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are adjusted, when necessary, to remain consistent with those of the Company.

9. Where an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, the "capital surplus" and "investments accounted for under the equity method" shall be adjusted for the increase or decrease of its share of equity interest. Where its investment proportion decreases, in addition to the above adjustments, the profit or loss previously recognized in other comprehensive income due to decrease in its ownership interest and the profit or loss to be reclassified to profit or loss during the disposal of assets or liabilities shall be reclassified to profit or loss based on the proportion of decrease.

10. When the Company disposes of any related enterprise, and the significant impact on

the related enterprise is thereby lost, the accounting treatment provides that the Company directly dispose of the relevant assets or liabilities for all the amounts previously recognized in other comprehensive income related to the related enterprise, on the same basis, that is, if the interests or losses previously recognized as other comprehensive income are reclassified as profit or loss when the relevant assets or liabilities are disposed, then when the significant impact on the related enterprise is lost, the benefit or loss in equity is concomitantly reclassified as profit or loss. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

11. According to the "Rules Governing the Preparations of Financial Statements by Securities Issuers," profit for the current period and other comprehensive income for the current period reported in an entity's parent company only statement of comprehensive income shall be equal to profit for the current period and other comprehensive income attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements shall be equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

(XV) <u>Property, plant, and equipment</u>

1. Property, plant and equipment are recorded as the foundation of acquisition cost.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replacement is de-recognized. All other repairs and maintenance are recognized as current gain or loss when incurred.
3. Property, plant and equipment apply the cost model. Except for land, other property, plant and equipment are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is material, it is depreciated separately.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. 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:

Derivative instruments	3~5 years
Testing equipment	3 years
Other equipment	2~3 years

(XVI) Lease transaction in the capacity of a lessee - right-of-use assets/lease liabilities

1. A right-of-use asset and a lease liability are recognized for a leased asset on the date when it becomes readily available for the Company's use. 2.
2. On the commencement date, the Company measures lease liabilities by the present value of outstanding lease payments, using the Company's incremental borrowing rate. Lease payments include fixed payments less any lease incentives receivable. In subsequent periods, the Company measures lease liabilities at amortized cost using the effective interest method and recognizes interest expenses during the lease term. When a change in the lease term or lease payments occurs due to reasons other than lease modifications, lease liabilities are reassessed and the remeasurements are adjusted to the right-of-use assets.
3. Right-of-use assets are recognized at cost on the commencement date. Costs include the originally measured amount of lease liabilities. In subsequent periods, the Company measures right-of-use assets at cost and recognizes depreciation expenses at the earlier of the end of useful life of right-of-use assets or the end of the lease term. When a lease liability is reassessed, the right-of-use asset is adjusted for any remeasurements of the lease liability.
4. When a lease modification decreases the scope of a lease, the carrying value of the right-of-use asset is decreased to reflect partial of full termination of the lease liability, and any difference resulting therefrom is immediately recognized in profit or loss.

(XVII) Intangible assets

The computer software is amortized using the straight-line method over an estimated useful life of 3 years to recognize its cost.

(XVIII) Impairment of non-financial assets

The Company assesses on each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Where an impairment loss of assets recognized in previous years does not exist or decrease, the impairment loss is reversed. However, the carrying amount of the asset increased by the impairment loss shall not exceed the book value of the asset after abatement the depreciation or amortization if the impairment loss is unrecognized.

(XIX) Loans

Borrowings refer to short-term loans from banks. The initial recognition of loans measured at fair value less transaction cost. Any subsequent difference between the price and the redemption value after deducting the transaction cost shall be recognized as interest expense in gain and loss by applying amortization procedure of effective interest method during the circulation period.

(XX) Accounts payable

1. Accounts payable refer to the debts incurred by purchase of materials, goods, or services on credit, and the notes payable incurred by both operating and non-operating activities.
2. Short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XXI) Derecognition of financial liabilities

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

(XXII) Offset of financial assets and liabilities

Financial assets and liabilities are offset and reported in the net amount 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.

(XXIII) 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. Pensions

   For the defined contribution plan, the contributions are recognized as pension expenses when they are due on an accrual foundation.

3. Employees' compensation and directors' remuneration

   Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(XXIV) Income Tax

1. Income tax expense comprises current and deferred income tax. Income tax is recognized in gain 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 current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country domicile where the Company operates and generates taxable income. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities are recorded in tax liability. Undistributed earnings are subject to income tax credit. After the distribution of earnings is approved by the shareholders' meeting in the following year, the Company shall recognize the distribution of earnings and expenses, and recognize the earnings and expenses for the actual earnings.
3. Deferred income tax adopts the balance sheet approach, and is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheets. Deferred income tax is not recognized, if the temporary difference arises from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income (loss). Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income 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 income tax asset is realized or the deferred income 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.

(XXV) Capital stock

Ordinary shares are classified as equity. The incremental cost directly attributable to the issue of new shares or options is deducted from the equity in equity after deducting the income tax.

(XXVI) Dividend distribution

Dividends are recognized in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities. Stock dividends are recognized as stock dividends to be distributed and transferred to ordinary shares on the base date of issuance of new shares.

(XXVII) Revenue recognition

1. Sales of goods

(1) The Company manufactures and sells products related to motherboards, display cards, and computer peripherals. The sales revenue is recognized when the control of the products is transferred to customers. That is, when the product is delivered to the customer, the customer has discretion in the access and price of the product, and the Company has no outstanding performance obligations that may affect the customer's acceptance of the product. When the product is shipped to a designated location, the risk of obsolete and lost risks has been transferred to the customer, and the customer is required to obtain the products in accordance with the sales contract, or when there is objective evidence that all acceptance criteria have been met, the goods are delivered.

(2) Sales revenue is recognized the net amount of contract price minus estimated sales allowance. The amount of revenue recognition is limited to the extent that it is very unlikely to see a significant reversal in the future, and is updated on the balance sheet date. The terms of sales transactions are mainly due to the expiry of 30 to 90 days after the transfer date. It is consistent with the market practice. Therefore, it is judged that the contact does not contain significant financial component.

(3) Accounts receivable are recognized when the control right of commodities is transferred to the customs; that is because the Company has unconditional rights to the contract price since that point in time, and the Company can collect the consideration from the customer once upon the contractual time is expired.

2. Financial composition

The duration of commitment to transfer commodities or services to customer and the payment period in the contracts between the Company and customers are all less than one year. Therefore, the Company has not adjusted the transaction price to reflect the time value of money.

3. Costs to acquire contracts from customers

The Company recognizes the incremental costs incurred in the contracts with the customers and that are expected to be recoverable. However, such costs are recognized in expense as incurred since the contracts are less than one year.

V. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

The preparation of the Company's parent company only financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events according to the conditions on balance sheet date. Material accounting assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such estimates and assumptions possess a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Uncertainties in material accounting judgments, estimates, and assumptions are addressed below:

(I) Significant judgments in applying accounting policies

None.

(II) Significant accounting estimates and assumptions

Assessment of impairment of investments accounted for using the equity method by Shenzhen Jinghong Digital R&D Service Co., Ltd. - investments accounted for using the equity method

The assessment process for the impairment of investments accounted for using the equity method relies on the subjective judgment of the Company. On May 24, 2024, the Board of Directors resolved to sell the equity of Sitonholy (Tianjin) Technology Co., Ltd. and its subsidiaries. Due to this, Shenzhen Jinghong Digital R&D Service Co., Ltd., an investment accounted for using the equity method, along with the assets and liabilities associated with Sitonholy (Tianjin) Technology Co., Ltd., will be reclassified to the assets held for sale group. The relevant accounting treatment is conducted in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The fair value of the assets held for sale group is assessed, and it is measured at the lower of its carrying amount and fair value less costs to sell.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and working capital	$ 100	$ 77
Checking deposits and demand deposits	637,666	521,557
Time deposits	422,850	61,410
	1,060,616	583,044
Transferred to financial assets measured at amortized cost - current	-	(9,252)
	$ 1,060,616	$ 573,792

1. The Company associates with a variety of financial institutions, all with high credit quality to disperse credit risk, so it is expected that the probability of counterparty default is extremely low.
2. The demand deposits as of December 31, 2023 provided as security, have been transferred to the "current financial assets measured at amortized cost" title according to their nature.
3. For more information on the Company's cash and cash equivalents provided as collateral, please refer to Note VIII.

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

Item	December 31, 2024	December 31, 2023
Non-current items:		
Equity instruments		
Stocks of listed companies	$ 945	$ 169,634
Non-listed, non-public, emerging stocks	15,350	15,350
	16,295	184,984
Valuation adjustment	37,734	42,341
Total	$ 54,029	$ 227,325

1. The Company elects to classify the strategic investments in equity as financial assets at fair value through other comprehensive income. The fair value of such investments was NT$54,029 and NT$227,325, respectively, for the years ended December 31, 2024 and 2023.

2. The breakdown in profit or loss and other comprehensive income of financial assets at fair value through other comprehensive income is as follows:

	2024	2023
Equity instruments measured at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	$ 199,882	$ 84,942
Cumulative profit or loss reclassified to retained earnings due to derecognition	$ 204,489	$ -
Dividend income recognized in profit or loss		
Held at end of period	$ 242	$ 7,015

3. For more information on the price risk and fair value of financial assets at fair value through other comprehensive income, please refer to Note XII(II) and (III).

(III) Accounts receivable

	December 31, 2024		
	Total	Loss allowances	Net amount
Accounts receivable	$ 211,160	($ 84)	$ 211,076
Accounts receivable - related parties	547,006	(219)	546,787
	$ 758,166	($ 303)	$ 757,863

	December 31, 2023		
	Total	Loss allowances	Net amount
Accounts receivable	$ 192,984	($ 74)	$ 192,910
Accounts receivable - related parties	614,091	(246)	613,845
	$ 807,075	($ 320)	$ 806,755

1. Aging analysis of accounts receivable is stated as follows:

	December 31, 2024	December 31, 2023
Not Past Due	$ 758,166	$ 800,097
Overdue for 1-90 days	-	6,978
	$ 758,166	$ 807,075

The aging analysis above is based on past due date.

2. The balance of receivables on contracts with customers as of December 31, 2024, December 31, 2023, and January 1, 2023 was NT$758,166, NT$807,075, and NT$723,057, respectively.

3. Without consideration of the collateral held or other credit enhancements, the maximum credit risk that best represent the Company's accounts receivable as of

December 31, 2024 and 2023 amounted to NT$757,863 and NT$806,755, respectively.

4. For more information on the credit risk of accounts receivable, please refer to Note XII(II).

(IV) Inventories

	December 31, 2024		
	Cost	Allowance for price decline	Carrying amount
Raw materials	$ 9,471	($ 2,632)	$ 6,839
Work in process	48,150	(1,183)	46,967
Finished good	3,527	(706)	2,821
	$ 61,148	($ 4,521)	$ 56,627

	December 31, 2023		
	Cost	Allowance for price decline	Carrying amount
Raw materials	$ 74,129	($ 1,968)	$ 72,161
Finished good	81,743	(140)	81,603
Raw materials in transit	45,939	-	45,939
	$ 201,811	($ 2,108)	$ 199,703

Cost of inventories is recognized by the Company as expenses in the current period:

	2024	2023
Cost of inventories sold	$ 2,775,304	$ 3,025,609
(Gain from price recovery) loss on price decline of inventory (Note)	2,413	(2,812)
	$ 2,777,717	$ 3,022,797

Note: The Company reported the gain on inventories in 2023 as a result of de-stocking.

(V) Investments Accounted for Using the Equity Method

	2024	2023
January 1	$ 673,115	$ 610,557
Share of profit or loss of investments accounted for using the equity method	45,845	74,943
Change in other equity	23,734	(12,385)
December 31	$ 742,694	$ 673,115

	December 31, 2024		December 31, 2023	
	Listed Amount	Shareholding Ratio (%)	Listed Amount	Shareholding Ratio (%)
Subsidiaries				
Shenzhen Jinghong Digital R&D Service Co., Ltd.	$ 742,694	100	$ 673,115	100
Associate				
uSenlight Corporation	-	6.13	-	6.13
	$ 742,694		$ 673,115	

1. The share of profit and loss of subsidiaries (losses) recognized by the Company using the equity method is derived from the evaluation of the financial report data from the audited financial statement for the same period. The breakdown is as follows:

	2024	2023
Shenzhen Jinghong Digital R&D Service Co., Ltd.	$ 45,845	$ 74,943
uSenlight Corporation	-	-
	$ 45,845	$ 74,943

2. For information on the Company's subsidiaries, please refer to Note IV(III) to the consolidated financial statements for the year ended December 31, 2024.

3. On May 24, 2024, the Board of Directors resolved for its subsidiary, Shenzhen Jinghong Digital R&D Service Co., Ltd., to sell shares of Sitonholy (Tianjin) Technology Co., Ltd. and its subsidiaries. Assets and liabilities related to this company will be reclassified to the disposal group held for sale. The relevant accounting treatment will be conducted in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

   Revised Text: "Assets and liabilities associated with the company will be reclassified as held for sale within the group. The applicable accounting treatment will be carried out in accordance with International Financial Reporting Standard No. 5, 'Non-current Assets Held for Sale and Discontinued Operations.'"

4. On January 21, 2020, the Board of Directors resolved to pass the investment in uSenlight Corporation, and acquire a 13.70% equity interest in uSenlight Corporation at the amount of NT$150,000 in April 2020. As the Company has significant influence on uSenlight Corporation in terms of business decision-making, such investment is accounted for using equity method. As of December 31, 2024, the Company held a 6.13% equity interest in uSenlight Corporation, making the Company its single largest shareholder. As the other two largest shareholders (not the Company's related parties)

held more than the Company's shares, the Company had no ability to direct the relevant business activities of uSenlight Corporation. Accordingly, the Company had significant influence but had no control over uSenlight Corporation.

5. The basic information of the associates that are material to the Company is as follows:

Name of Company	Principal place of business	Shareholding ratio December 31, 2024	Shareholding ratio December 31, 2023	Measurement method
uSenlight Corporation	Republic of China	6.13%	6.13%	Equity method

(1) uSenlight Corporation compensated for losses due to capital reduction and issued new shares for capital increase in 2022. However, the Company did not subscribe according to the shareholding ratio, resulting in our shareholding ratio decreasing from 13.05% to 6.13%. Additionally, the Company has made a full reduction on the loss of $97,765 to the book amount of $0 for the investment target in 2021, and we do not intend to continue supporting uSenlight Corporation in the future.

(2) uSenlight Corporation held a board resolution on April 7, 2022 and passed a dissolution proposal for the company. It was established that April 26, 2022 would be the dissolution date, and the dissolution registration was made on May 20, 2022. The assets were publicly auctioned on November 16, 2022, as notified by the court. The Company is currently undergoing dissolution procedures.

(VI) Property, plant, and equipment

	Derivative instruments	Testing equipment	Others	Total
January 1, 2024				
Cost	$ 6,041	$ 2,409	$ 7,205	$ 15,655
Accumulated depreciation	(4,175)	(520)	(2,744)	(7,439)
	$ 1,866	$ 1,889	$ 4,461	$ 8,216
2024				
January 1	$ 1,866	$ 1,889	$ 4,461	$ 8,216
Addition	576	32,441	1,721	34,738
Depreciation expenses	(825)	(5,044)	(2,133)	(8,002)
December 31	$ 1,617	$ 29,286	$ 4,049	$ 34,952
December 31, 2024				
Cost	$ 6,617	$ 34,850	$ 8,926	$ 50,393
Accumulated depreciation	(5,000)	(5,564)	(4,877)	(15,441)
	$ 1,617	$ 29,286	$ 4,049	$ 34,952

	Derivative instruments	Testing equipment	Others	Total
January 1, 2023				
Cost	$ 6,525	$ 68,769	$ 8,592	$ 83,886
Accumulated depreciation	(3,913)	(68,626)	(2,352)	(74,891)
	$ 2,612	$ 143	$ 6,240	$ 8,995
2023				
January 1	$ 2,612	$ 143	$ 6,240	$ 8,995
Addition	-	2,253	-	2,253
Depreciation expenses	(746)	(507)	(1,779)	(3,032)
December 31	$ 1,866	$ 1,889	$ 4,461	$ 8,216
December 31, 2023				
Cost	$ 6,041	$ 2,409	$ 7,205	$ 15,655
Accumulated depreciation	(4,175)	(520)	(2,744)	(7,439)
	$ 1,866	$ 1,889	$ 4,461	$ 8,216

(VII) Lease transaction - lessee

1. The Company's leased underlying assets are buildings, of which the lease term is usually 3-5 years. Lease contracts are individually negotiated and include various terms and conditions. Except for the term where the leased assets cannot be used as collateral for loans, there are no other restrictions.
2. Below is the carrying amounts of right-of-use assets and their recognized depreciation expenses:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Buildings	$ 9,066	$ 13,485

	2024	2023
	Depreciation expenses	Depreciation expenses
Buildings	$ 7,262	$ 5,575

3. For the years ended December 31, 2024 and 2023, the Company's additions of right-of-use assets amounted to NT$2,843 and NT$8,027, respectively.
4. Profit or loss items in connection with lease contracts are stated as follows:

	2024	2023
Items affecting profit or loss for the period		
Interest expenses of lease liabilities	$ 380	$ 260
Expenses under short-term lease contracts	17	146

5. The cash flows used in the Company's leases for the years ended December 31, 2024 and 2023 totaled NT$7,601 and NT$6,049, respectively.

(VIII) Intangible assets

	2024	2023
	Computer Software	Computer Software
January 1		
Cost	$ 5,353	$ 2,351
Accumulated amortization and impairment	(1,145)	(129)
	$ 4,208	$ 2,222
January 1	$ 4,208	$ 2,222
Addition	1,171	3,002
Amortization expenses	(1,651)	(1,016)
December 31	$ 3,728	$ 4,208
December 31		
Cost	$ 6,524	$ 5,353
Accumulated amortization and impairment	(2,796)	(1,145)
	$ 3,728	$ 4,208

(IX) Short-term loans

Nature of loan	December 31, 2023	Interest Rate	Collateral
Bank loans			
Secured loans	$ 45,290	6.72%	Financial assets at amortized cost - current

1. No short-term loans as of December 31, 2024.

2. Interest expenses recognized in profit or loss as of December 31, 2024 and 2023 were NT$6,490 and NT$5,799, respectively.

(X) Pensions

1. The Company has established a defined contribution retirement plan ("the New Plan") in accordance with the Labor Pension Act, which is applicable to employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

2. The pension costs recognized by the Company in accordance with the aforesaid pension regulations for the years ended December 31, 2024 and 2023 were NT$4,301 and NT$2,150, respectively.

(XI) Other payables

	2024		2023	
Salaries payable	$	26,407	$	6,443
Directors' and supervisors' remuneration and employees' compensation		6,075		9,535
Advertising fees payable		5,563		4,694
Royalty payable		2,496		14,154
Labor payable		2,394		1,513
Others		10,945		15,708
	$	53,880	$	52,047

(XII) Capital stock

1. As of December 31, 2024, the Company's authorized capital was NT$2,500,000 (of which NT$100,000 was for the issuance of stock options, preferred shares or corporate bonds with warrants), with paid-in capital of NT$964,988 and the face value of NT$10 per share, and the number of outstanding shares was 96,499 thousand.

2. The adjustment of the number of common shares outstanding at the beginning and end of the period is detailed as follows:

	2024		2023	
January 1 (i.e. December 31)	$	96,499	$	96,499

(XIII) Retained earnings

1. Under the Company's Articles of Incorporation, if there is a surplus in the annual final accounts, in addition to the income tax payable according to law, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the earnings left over. However, when the accumulated legal capital surplus has equaled the total paid-up-capital of the Company, the said restriction does not apply. After the Company has set aside or reversed the special capital reserve in accordance with relevant laws or the competent authority, along with the earnings not distributed at the beginning of the period, and after retaining part of the surplus depending on the situation, the Board of Directors may propose a surplus distribution proposal and submit it to the shareholders' meeting to distribute bonus to the shareholders.

2. The Company is in stable growth and expands in line with sales development in the future. The future capital expenditures and capital requirement are necessary to be

considered first when the Company distribute the earnings. The Board of Directors proposes the distribution plan and distributes the earnings after being approved at the shareholders' meeting. In the annual distribution of shareholder dividends, cash dividend shall not be less than 5%, but if the cash dividend is less than NT$0.1 per share, it may not be issued, and the stock dividend will be distributed instead.

3. The legal reserve shall not be used except for offsetting the loss of the Company and issuing new shares or cash in proportion to the original number of shares held by the shareholders. However, if it is issued to issue new shares or cash, the said legal reserve shall only exceed 25% at most of the paid-up capital.

4. (1) When the Company distributes the surplus, it is required by law to provide a special surplus reserve for the debit balance of other equity items on the balance sheet date of the current year. After that, when the debit balance of other equity projects is reversed, the amount of revolving will be included in the surplus available for distribution.

   (2) When the Company adopted the IFRSs at first time, for the special reserve listed in the Official Letter of the Financial Management Certificate No. 1010012865 issued on April 6, 2012, the Company reversed the original portion of the said special reserve, and when the Company subsequently uses, disposes of, or reclassifies related assets, they are reversed according to the ratio of the recognized special reserve.

5. By a resolution in the shareholders' meetings on June 14, 2024, respectively, the Company adopted the earnings distribution plan for the year ended June 16, 2024 and 2023 as follows:

	2023		2022	
	Amount (NT$ thousand)	Dividends Per Share (NT$)	Amount (NT$ thousand)	Dividends Per Share (NT$)
Legal reserve	$ 16,190		$ 32,037	
Special reserve (Reversal)	(72,557)		50,024	
Cash dividends	43,424	$ 0.45	77,199	$ 0.80

6. Please refer to Note VI(XIX) for information on employees' compensation and directors' remuneration.

7. As of March 11, 2025, the Company's Board of Directors was yet to propose the earnings distribution plan for the year ended December 31, 2024.

(XIV) Operating revenue

	2024	2023
Revenue from Contracts with Customers:	$ 2,989,709	$ 3,286,618

1. Breakdown of revenue from contracts with customers

The Company derives revenue from the transfer of goods over time and at a point in time as follows:

	2024	2023
Sales revenue:		
Consumer Goods	$ 2,989,709	$ 3,286,618

2. Contract liabilities

The contract liabilities in relation to revenue from contracts with customers recognized by the Company are as follows:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities:			
Unearned sales revenue	$ 100	$ 100	$ 118

(XV) Other income

	2024	2023
Dividend income	$ 242	$ 7,015
Other income	11,787	11,750
	$ 12,029	$ 18,765

(XVI) Other gains and losses

	2024	2023
Net foreign exchange gains (losses)	$ 77,609	($ 4,047)
Other losses	(4)	(2)
	$ 77,605	($ 4,049)

(XVII) Finance costs

	2024	2023
Interest expenses:		
Bank loans	$ 6,490	$ 5,799
Lease liabilities	380	260
	$ 6,870	$ 6,059

(XVIII) Expenses by nature

	2024	2023
Employee benefits	$ 133,419	$ 68,097
Depreciation expenses of property, plant and equipment	8,002	3,032
Depreciation expenses of leased assets	7,262	5,575
Amortization expenses of intangible assets	1,651	1,016
	$ 150,334	$ 77,720

(XIX) Employee benefits

		2024		2023
Payroll expenses	$	118,111	$	59,537
Labor and health insurance expenses		6,946		3,463
Pension expenses		4,301		2,150
Other employment expenses		4,061		2,947
	$	133,419	$	68,097

1. According to the Company's Articles of Incorporation, after deducting the accumulated losses based on the profitability of the current year, if there are still some earnings left, the employee shall be granted no less than 0.1% as compensation, and the directors shall not be paid more than 6% as remuneration.

2. For the years ended December 31, 2024 and 2023, the estimated amount of employees' compensation was NT$1,519 and NT$2,384, respectively, and the estimated amount of directors' remuneration was NT$4,556 and NT$7,151, respectively; the aforesaid amounts were recognized as wages and salaries.

   For the year ended December 31, 2024, 1% and 3% were estimated according to the profitability of the year. The resolved amounts as approved by the Board of Directors were NT$1,519 and $4,556, respectively. The employees' compensation will be distributed in the form of cash.

   The employees' compensation, NT$2,384, and directors' and supervisors' remuneration, NT$7,151, for the year ended December 31, 2023 that had been resolved by the Board of Directors were the same as the amounts recognized in the financial statements for the year then ended.

3. Information regarding employees' compensation and directors' remuneration approved by the Board of Directors is available on the Market Observation Post System (MOPS).

(XX) Income Tax

1. Tax expense

(1) Components of tax expense:

	2024	2023
Current income tax:		
Income tax generated in the current period	$ 11,636	$ 30,111
Surtax on undistributed earnings	8,742	8,056
Overestimate provision of previous year's income tax	(1,229)	(132)
Total current income tax	19,149	38,035
Deferred income tax:		
The origination and reversal of temporary differences	25,148	28,919
Tax expense	$ 44,297	$ 66,954

(2) Income tax amounts associated with other comprehensive income:

	2024	2023
Changes in fair value of financial assets at fair value through other comprehensive income	$ 7,231	$ -

2. Tax expense and accounting profit

	2024	2023
Income tax calculated at the statutory rate	$ 29,158	$ 45,771
Expenses that should be excluded according to tax laws	(1,707)	(1,548)
Income exempt from taxation according to tax laws	(48)	(1,402)
Impact of temporary differences on income tax	9,381	16,209
Surtax on undistributed earnings	8,742	8,056
Overestimate provision of previous year's income tax	(1,229)	(132)
Tax expense	$ 44,297	$ 66,954

3. The amount of deferred tax assets that arise from temporary differences from the taxable financial assets are set out below:

	2024			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
Deferred income tax assets				
Allowance for inventory valuation and obsolescence losses	$ 102	$ 802	$ -	$ 904
Unrealized foreign exchange loss	5,244	(5,244)	-	-
Investment loss	9,547	-	-	9,547
Impairment loss	19,948	-	-	19,948
	34,841	(4,442)	-	30,399
Deferred income tax liabilities				
Investment income	(34,920)	(18,871)	-	(53,791)
Unrealized exchange gains	-	(1,835)	-	(1,835)
Gains on valuation of financial assets	-	-	(7,231)	(7,231)
	(34,920)	(20,706)	(7,231)	(62,857)
Total	($ 79)	($ 25,148)	($ 7,231)	($ 32,458)

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
Deferred income tax assets				
Allowance for inventory valuation and obsolescence losses	$ 664	($ 562)	$ -	$ 102
Unrealized foreign exchange loss	2,402	2,842	-	5,244
Investment loss	9,547	-	-	9,547
Impairment loss	19,948	-	-	19,948
	32,561	2,280	-	34,841
Deferred income tax liabilities				
Investment income	(3,721)	(31,199)	-	(34,920)
	$ 28,840	($ 28,919)	$ -	($ 79)

4. The amounts of deductible temporary differences not recognized as deferred tax assets are as follows:

	December 31, 2024	December 31, 2023
Deductible temporary difference	$ 33,796	$ 33,796

5. The revenue service authority has assessed the profit-seeking enterprise income tax of the Company through 111.

(XXI) Earnings per Share

	2024		
	After-tax amount	Weighted average shares outstanding (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Current net income attributable to ordinary shareholders	$ 101,489	96,499	$ 1.05
Diluted earnings per share			
Impact of potential ordinary shares with dilutive effect			
Employee compensation	-	55	
Current net income attributable to ordinary shareholders plus the impact of potential ordinary shares	$ 101,489	96,554	$ 1.05

	2023		
	After-tax amount	Weighted average shares outstanding (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Current net income attributable to ordinary shareholders	$ 161,901	96,499	$ 1.68
Diluted earnings per share			
Impact of potential ordinary shares with dilutive effect			
Employee compensation	-	77	
Current net income attributable to ordinary shareholders plus the impact of potential ordinary shares	$ 161,901	96,576	$ 1.68

(XXII) Changes in liabilities from financing activities

	2024		
	Short-term loans	Lease liabilities	Changes in liabilities from financing activities
January 1	$ 45,290	$ 13,622	$ 58,912
Changes in cash flows from financing	(45,290)	(7,204)	(52,494)
Changes in other non-cash	-	2,843	2,843
December 31	$ -	$ 9,261	$ 9,261

	2023		
	Short-term loans	Lease liabilities	Changes in liabilities from financing activities
January 1	$ -	$ 11,238	$ 11,238
Changes in cash flows from financing	45,290	(5,643)	39,647
Changes in other non-cash	-	8,027	8,027
December 31	$ 45,290	$ 13,622	$ 58,912

VII. Related Party Transactions

(I) Parent company and the ultimate controller

The Company is controlled by Yicheng International Development Co., Ltd. (incorporated in the Republic of China), which owns 25.4% of the shares of the Company. The rest is held by the public. The ultimate controller of the Company is the Colorful Group.

(II) Name of related party and relationship with the Company

Related Party	Relationship with the Company
Colorful Technology Co, Ltd (Colorful)	100% reinvestment business by Colorful Group
Shenzhen Jinghong Digital R&D Service Co., Ltd. (Jinghong)	The Company's subsidiary
Sitonholy (Tianjin) Technology Co., Ltd. (Sitonholy (Tianjin))	The Company's subsidiary
Beijing Sitonholy Technology Co., Ltd. (Sitonholy (Beijing))	The Company's subsidiary
Sitonholy (Shenzhen) Technology Co., Ltd. (Sitonholy (Shenzhen))	The Company's subsidiary
Baotou Yihui Information Technology Co., Ltd. (Baotou Yihui)	The Company's subsidiary
Shenzhen Colorful Yugong Technology and Development Co., Ltd. (Yugong)	The same person in charge as the Colorful Group
Hong Kong Colorful Yugong Technology Limited	The same person in charge as the Colorful Group

Related Party	Relationship with the Company
(Hong Kong Yugong)	
Huizhou Segotep Electronic Technology Co., Ltd. (Huizhou Segotep)	The same person in charge as the Colorful Group
Segotep Electronic Technology Co., Ltd. (Segotep)	The same person in charge as the Colorful Group
LeRain Technology Co., Ltd. (LeRain)	The chairman of the Company serves as this company's independent director
JDX Technology Co., Ltd. (JDX)	The chairman of the Company serves as this company's supervisor (Note)
uSenlight Corporation (uSen)	Associate

Note: As of October 18, 2024, the individual is no longer the supervisor of the company.

(III) Significant transactions with related parties

1. Operating revenue

	2024	2023
Sales of goods:		
Other related party		
Colorful	$ 1,648,450	$ 1,933,079
Others	43,653	-
	$ 1,692,103	$ 1,933,079

The Company's transaction prices to related parties are not significantly different from those of the unrelated parties. The payment terms are 30 days end of month and OA 45~125 days depending on the different product.

2. Purchase of goods

	2024	2023
Product purchase:		
Other related party		
Hong Kong Yugong	$ 829,536	$ -
Others	19,047	-
	$ 848,583	$ -

The transaction prices for purchases made by the Company from related parties are not significantly different from those of general suppliers. The payment terms are based on a monthly settlement of 30 to 90 days, with payment due 30 days after the goods are received.

3. Accounts receivable

	December 31, 2024	December 31, 2023
Colorful	$ 545,544	$ 614,091
Hong Kong Yugong	1,462	-
	547,006	614,091
Less: loss allowance	(219)	(246)
Total	$ 546,787	$ 613,845

Receivables from related parties mainly arise from sales transactions. Payment for sales transactions is made in accordance with the payment terms after the date of sale. The receivables are unsecured and not interest-bearing.

4. Payables to related parties

	December 31, 2024	December 31, 2023
Other related party		
Hong Kong Yugong	$ 82,580	$ -
Others	642	-
	83,222	-

The payables to related parties mainly arise from purchases, which are due 30 days after the end of the month. The payables are non-interest bearing.

5. Prepayments

	December 31, 2024	December 31, 2023
Other related party	$ -	$ 5,808

6. Operating expenses

	2024	2023
Subsidiaries		
Jinghong	$ 9,347	$ 9,821

The Company has commissioned a subsidiary to assist the Company in providing technical assistance such as market research and after-sales services and testing and business expansion. Expenses incurred in the aforementioned transactions shall be recorded in the operating expenses. The amounts not yet paid as of December 31, 2024 and 2023 were NT$2,394 and NT$1,513, respectively, and recognized as "other payables."

7. Advertising fees

After the launch of the products jointly developed by the Company and Colorful, both sides have agreed to pay no more than US$60,000 per month as advertising expenses for the related parties. The amounts of advertising expense incurred in 2024 and 2023 were NT$9,452 and NT$9,042, respectively; the amounts not yet paid as of December 31, 2024 and 2023 were NT$5,563 and NT$5,001, respectively, and recognized as "other payables."

8. Endorsements and guarantees made by related parties

	December 31, 2024	December 31, 2023
Subsidiaries		
Sitonholy (Tianjin)	$ 22,390	$ 21,635

(IV) Key management compensation information

	2024	2023
Wages and other short-term employee benefits	$ 18,348	$ 19,044

VIII. Pledged assets

The Company's assets pledged as collateral are as follows:

	Book value		
Assets title	December 31, 2024	December 31, 2023	Purpose of collateral
Financial assets at amortized cost - current	$ -	$ 9,252	Balance of short-term loans

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Contingencies

None.

(II) Commitments

As of December 31, 2024 and 2023, the Company issued promissory notes totaling NT$100,000 each for the purchase of goods as a guarantee for the purchase of loan claims.

X. Significant Disaster Loss

None.

XI. Significant Events after the Balance Sheet Date

None.

XII. Others

(I) Capital management

The Company's objectives in capital management are to safeguard its ability to continue as a going concern in order to maintain optimal capital structure in order to minimize the cost of funding and to provide remuneration for its shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(II) Financial instruments

1. Category of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at fair value through other comprehensive income	$ 54,029	$ 227,325
Financial assets at amortized cost		
Cash	$ 1,060,616	$ 573,792
Accounts receivable (including related parties)	757,863	806,755
Financial assets at amortized cost - current	-	9,252
Refundable deposits (other noncurrent assets)	1,159	755
	$ 1,819,638	$ 1,390,554

	December 31, 2024	December 31, 2023
Financial liabilities		
Financial assets at amortized cost		
Short-term loans	$ -	$ 45,290
Notes payable	14	-
Accounts payable (including related parties)	204,219	229,877
Other payables	53,880	52,047
	$ 258,113	$ 327,214
Lease liabilities	$ 9,261	$ 13,622

2. Risk management policies

(1) The Company's daily operations are affected by a number of financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.

(2) The risk management is carried out by the Company's finance department according to the policies approved by the Board of Directors. The Company's finance department identifies, evaluates and hedges financial risks in close

cooperation with the Company's internal operating units. The Board of Directors has established written principles for overall risk management, and provides written policies for specific areas and matters such as exchange rate risk, interest rate risk, credit risk, and investment of the remaining current capital.

3. The nature and degrees of significant financial risks

(1) Market risk

Foreign exchange risk

A. The Company is a multinational operation and is exposed to exchange rate risk, which is mainly denominated in USD and CNY. The related exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

B. Business of the Company is involved in a number of non-functional currency (the functional currency of the Company is NTD) and deeply affected by the exchange rate fluctuation. The information of significant impact affected by exchange rate fluctuation for foreign assets and liabilities is as follow:

	December 31, 2024		
(Foreign currency: functional currency)	Foreign currency (NT$ thousands)	Exchange Rate	Carrying amount (NT$)
Financial assets			
Monetary items			
USD:NTD	$ 51,286	32.785	$ 1,681,412
Non-monetary items			
Investments Accounted for Using the Equity Method			
RMB:NTD	$ 165,854	4.478	$ 742,694
Financial liabilities			
Monetary items			
USD:NTD	$ 6,203	32.785	$ 203,365

	December 31, 2023				
(Foreign currency: functional currency)		Foreign currency (NT$ thousands)	Exchange Rate		Carrying amount (NT$)
Financial assets					
Monetary items					
USD:NTD	$	45,045	30.705	$	1,383,107
Non-monetary items					
Investments Accounted for Using the Equity Method					
RMB:NTD	$	155,562	4.327	$	673,115
Financial liabilities					
Monetary items					
USD:NTD	$	7,487	30.705	$	229,888

C. The Company's material monetary items affected by the exchange rate fluctuations were recognized as net exchange losses (including realized and unrealized), which amounted to NT$77,609 and (NT$4,047), respectively, for the years ended December 31, 2024 and 2023.

D. The Company's foreign currency market risk analysis due to significant exchange rate fluctuations is as follows:

	2024				
	Sensitivity analysis				
(Foreign currency: functional currency)	Degree of fluctuation		Impact on profit and loss		Impact on other comprehensive income
Financial assets					
Monetary items					
USD:NTD	1%	$	16,814	$	-
Non-monetary items					
Investments Accounted for Using the Equity Method					
RMB:NTD	1%	$	-	$	7,427
Financial liabilities					
Monetary items					
USD:NTD	1%	$	2,034	$	-

(Foreign currency: functional currency)	2023 Sensitivity analysis Degree of fluctuation	Impact on profit and loss	Impact on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 13,831	$ -
Non-monetary items			
Investments Accounted for Using the Equity Method			
RMB:NTD	1%	$ -	$ 6,731
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 2,299	$ -

Price risk

A. The Company's equity instruments exposed to price risk are financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage the price risk of investments in equity instruments, the Company diversifies its portfolio with its diversification method based on limits set by the Company.

B. The Company's equity instruments issued by the Company are mainly invested in equity instruments issued by the domestic companies, which are affected by the uncertainty of the future value of the investment underlying the investment target. If the prices of these equity instruments increase or decrease by 1%, with all other factors remaining unchanged, other comprehensive income for the years ended December 31, 2024 and 2023 will increase or decrease by NT$540 and NT$2,273, respectively due to the gain or loss on equity instruments at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

A. The Company's interest rate risk arises primarily from short-term borrowings issued at variable rates, which expose the Company to cash flow interest rate risk. For the years ended December 31, 2024 and 2023, the Company's borrowings issued at variable rates were mainly denominated in USD.

B. The Company's borrowings are measured at amortized cost and are re-priced at the contract annual rate every year. Therefore, the Company is exposed to the risk of changes in future market interest rates.

C. If the USD borrowing interest rate increases/decreases by 1%, with all other variables held constant, profit before tax for the years ended December 31, 2024 and 2023 will decrease or increase by NT$0 and NT$362, respectively. Changes in interest expense mainly result from floating-rate borrowings.

(2) Credit risk

A. The Company's credit risk is primarily attributable to the risk of financial loss from customers or the counterparty of financial instruments who are unable to fulfill the contract obligation. That credit risk is mainly from the fact that the counterparty is unable to pay off the accounts receivable payable on the terms of the payment and debt instruments classified as amortized cost being measured based on contract cash flows.

B. The Company manages their credit risk taking into consideration the Company's concern. For banks and financial institutions, only those with good credit rating can be accepted as our transaction counterparties. For credit policies established internally, the individual operating entities within the Company shall undergo management and credit risk analysis before setting the terms and proposing the shipment terms and conditions for each new customer. Internal risk control is evaluated by considering its financial position, historical experience and other factors to assess the credit quality of customers. Limits on individual risks are formulated by the Board of Directors based on internal or external ratings and regularly monitored by the Board of Directors.

C. The Company adopts IFRS 9 to make the following assumptions as to whether the credit risk on financial instruments since initial recognition has increased by the following:

(A) When the contract amount is overdue for more than 30 days in accordance with the agreed payment terms, the credit risk has been significantly increased since the original recognition of the financial assets.

(B) There are actual or expected significant changes in external credit ratings of financial instruments.

D. The Company adopts IFRS 9 to make assumptions that if the contract amount is overdue for more than 90 days in accordance with the agreed payment terms, it is regarded that a default has taken place.

E. The Company will group the customer's accounts receivable based on the characteristics of the customer's rating and customer type, and use the simplified method to estimate the expected credit loss based on the preparation matrix.

F. The Company conducts individual assessments for accounts receivable that have already defaulted, taking into account the collection status after the reporting period, and recognizes a provision for loss allowance of 0% to 30%. The remainder is estimated based on our credit conditions and forward looking considerations to adjust the loss rate established by historical and current information for a specific period so as to estimate the allowance loss for accounts receivable by the said loss rate. The provision matrix as of December 31, 2024 and 2023 is as follows:

	Individual	Not Past Due	Total
December 31, 2024			
Expected loss rate	-	0.04%	
Total book value	$ -	$ 758,166	$ 758,166
Loss allowances	$ -	$ 303	$ 303

	Individual	Not Past Due	Total
December 31, 2023			
Expected loss rate	-	0.04%	
Total book value	$ 6,978	$ 800,097	$ 807,075
Loss allowances	$ -	$ 320	$ 320

G. The statement of allowance loss for accounts receivable of the Company using simplified approach is as follows:

	2024	2023
	Accounts receivable	Accounts receivable
January 1	$ 320	$ 6,975
Reversal of impairment loss	(17)	(6,655)
December 31	$ 303	$ 320

(3) Liquidity risk

A. Cash flow prediction is performed by individual operating entities within the Group and are aggregated by the Group's finance department. The Group's finance department monitors the Group's liquidity requirements predict to ensure that it has sufficient funds to support its operational needs and maintains sufficient unencumbered borrowing commitments at all times so that the Group does not violate the relevant borrowing limits or terms.

B. The surplus cash held by each operating entity will be transferred back to the Group's finance department when it exceeds the management needs of the working capital. The Group's finance department invests the surplus funds in interest-bearing demand deposits and fixed deposits, and the selected instruments have appropriate maturity dates or sufficient liquidity to meet the above forecasts and provide sufficient water and effluents.

C. The following tables detail the Company's non-derivative financial liabilities grouped by the maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

December 31, 2024	Less than 1 year	Within 1-2 years	Within 2-5 years
Non-derivative financial liabilities:			
Lease liabilities	$ 4,328	$ 1,866	$ 3,504

December 31, 2023	Less than 1 year	Within 1-2 years	Within 2-5 years
Non-derivative financial liabilities:			
Lease liabilities	$ 5,987	$ 3,130	$ 5,256

Except as stated above, the Company's non-derivative financial liabilities are due within one year.

(III) Fair value information

1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) 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 stocks is included in level 1.

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 Company's investment in equity instruments without active market is included.

2. For financial instruments not measured at fair value, including cash, accounts receivable (including related parties), short-term borrowings, accounts payable, and other payables, their carrying amounts are a reasonable approximation of their fair value.

3. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(1) The Company classifies its assets and liabilities according to the nature of assets and liabilities as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring Fair Value				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 2,524	$ -	$ 51,505	$ 54,029
Total	$ 2,524	$ -	$ 51,505	$ 54,029

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring Fair Value				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 211,975	$ -	$ 15,350	$ 227,325
Total	$ 211,975	$ -	$ 15,350	$ 227,325

(2) Methods and assumptions the Company used to measure the fair value are as follow:

A. The instruments that the Company uses market-quoted prices as their fair values (i.e., Level 1) are listed below by characteristics:

	Stocks of public quoted entity
Quoted market price	Closing market prices

B. In addition to the aforementioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained by means of evaluation techniques or reference to counterparty quotes. The fair value obtained through evaluation techniques can refer to the current fair value of other substantial financial instruments with similar conditions and characteristics, discounted cash flow method or other evaluation techniques, including calculations based on the market information utilization model available on the date of the consolidated balance sheets (e.g., the reference yield curve offered by Taipei Exchange or the average offer price of Reuters commercial paper interest rate).

C. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value of the evaluation model will be adjusted according to additional parameters, such as model risk or liquidity risk. According to the Company's fair value evaluation model management policy and related control procedures, the management believes that the adjustment is appropriate and necessary to recognize the fair value of financial instruments and non-financial instruments in the consolidated balance sheet. The price information and parameter used in the valuation process are carefully evaluated and adjusted appropriately based on current market conditions.

D. The Company absorbs the adjustment of credit risk assessment into the fair value measurement of financial and non-financial instruments to reflect the credit risk of counterparties and the credit quality of the Company.

4. For the years ended December 31, 2024, and 2023, there were no transfers between Level 1 and Level 2.

5. The following chart indicates the movement of Level 3 for the years ended December 31, 2024, and 2023:

	2024	2023
	Equity instruments	Equity instruments
January 1	$ 15,350	$ 15,350
Reported in unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	36,155	-
December 31	$ 51,505	$ 15,350

6. For the years ended December 31, 2024, and 2023, there were no transfers into or out of Level 3.

7. The finance department of the Company is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable, and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model, and making any other necessary adjustments to the fair value.

8. Quantitative information and sensitivity analysis of significant unobservable inputs to the valuation models used in the valuation models for Level 3 fair value measurement and the sensitivity analysis of changes in significant unobservable inputs are as follows:

	December 31, 2024 Fair value	Valuation technique	Significant unobservable input values	Relationship between input value and fair value
Non-derivative equity instruments:				
Shares of non-pubicly quoted entity	$ 51,505	Market price method	Lack of market liquidity discount and expected volatility of equity value	The lack of market liquidity discount and higher expected volatility of equity value leads to lower fair values.

	December 31, 2023 Fair value	Valuation technique	Significant unobservable input values	Relationship between input value and fair value
Non-derivative equity instruments:				
Shares of non-pubicly quoted entity	$ 15,350	Market price method	Lack of market liquidity discount and expected volatility of equity value	The lack of market liquidity discount and higher expected volatility of equity value leads to lower fair values.

9. The Company carefully evaluates the valuation models and inputs used in selecting the valuation models and inputs that the valuation models may result in different valuation models. For financial assets classified as Level 3, if there are changes in evaluation parameters, the impact on other comprehensive gains and losses is as follows:

	Input value	Changes	December 31, 2024 Recognized in other comprehensive income Favorable changes	Adverse changes
Financial assets				
Equity instruments	Lack of market liquidity discount and expected volatility of equity value	±1%	$ 515	$ 515

	Input value	Changes	December 31, 2023 Recognized in other comprehensive income Favorable changes	Adverse changes
Financial assets				
Equity instruments	Lack of market liquidity discount and expected volatility of equity value	±1%	$ 154	$ 154

XIII. Supplementary Disclosures

(I) Information on Significant Transactions

1. Loans to others: Please refer to Table 1.
2. Endorsements and guarantees: Please refer to Table 2.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries): Please refer to Table 3.
4. Accumulated purchase or disposal of the same securities amount reaching NT$300 million or 20% of the paid-in capital: Please refer to Table 4.
5. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.
6. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.
7. Purchases and sales with related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to Table 5.
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to Table 6.
9. Derivatives transactions: None.

10. Parent-subsidiary and subsidiary-subsidiary business relations and significant transactions and amounts thereof: Please refer to Table 7.

(II) Information on Invested Companies

Information on investees (not including investees in Mainland China): Please refer to Table 8.

(III) Information on Investments in Mainland China

1. Basic information: Please refer to Table 9.

2. Significant transactions between the Company and investees in Mainland China directly or indirectly through entities in a third area: Please refer to Table 7.

(IV) Information on Major Shareholders

Information on major shareholders: Please refer to Table 10.

XIV. Segment Information

Exempt from disclosure.

Chaintech Technology Corporation

Loans to others

For the Year Ended December 31, 2024

Table 1

Unit: NT$ thousands

(Unless specified otherwise)

No.	Lending company	Borrower	Transaction (Note 3)	Is a related party	Maximum balance for the period (Note 4)	Balance at end of period (Note 5)	Actual amount drawn (Note 6)	Interest Rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing (Note 9)	Allowances for losses	Collateral		Limit on loans granted to a single party (Note 10)	Ceiling on total loans granted (Note 10)	Remark
													Title	Value			
1	Sitonholy (Tianjin) Technology Co., Ltd.	Sitonholy (Shenzhen) Technology Co., Ltd.	Other receivables from related parties	Yes	$ 31,815	$ 31,346	$ -	3.00%	2	$ -	Operational turnover	$ -	None	$ -	$ 86,445	$ 86,445	

Note 1: In this report, the terms "balance" and "amount" refer to the funds lent to others or the amounts involved, as stipulated in Article 7 of the Processing Guidelines. These terms apply to the date of the event, which may include the date of the board of directors' resolution, the date of the transaction contract signing, the date of payment, or any other date that sufficiently confirms the transaction counterpart and transaction amount, whichever occurs first. This definition excludes the actual disbursed amount (Note 7), the business transaction amount (Note 9), and the amount reserved for bad debts.

Note 2: Explanations are as follows:
The issuer shall fill in 0
The investees are numbered in alphabetical order beginning with the Arabic numeral 1. The same company should be assigned the same number.

Note 3: Accounts receivable from associates, receivables from related parties, shareholder transactions, prepayments, temporary payments, and other similar accounts that are of a lending nature must be recorded in this field.

Note 4: This month's changes in the amounts of funds lent and borrowed are classified into two categories: amounts due to business transactions and short-term financing funds. Changes pertaining to the Company do not require entry.

Note 5: If a publicly issued company lends funds in accordance with Article 14, Section 1 of the Regulations Governing Establishment of Internal Control Systems by Public Companies, the amount resolved by the board of directors should be included in the announced balance, even if the funds have not yet been disbursed, to disclose the risks undertaken. However, following the repayment of the funds, the remaining balance after repayment should be disclosed to accurately reflect the adjustment of risks. If a publicly issued company authorizes the Chairman of the Board to allocate loans in installments or to utilize revolving funds within a specified limit and for a duration of one year, based on the resolution of the Board of Directors in accordance with Article 14, Section 2 of the Regulations Governing Establishment of Internal Control Systems by Public Companies, the remaining balance for public disclosure must still be based on the loan amount approved by the Board of Directors. Even if funds are subsequently repaid, consideration must be given to the potential for loan reallocation; therefore, the remaining balance for public disclosure should continue to reflect the loan amount approved by the Board of Directors.

Note 6: The borrower should enter the actual loan amount to be borrowed within the specified limit.

Note 7: Explanation of loans and nature are as follows:
Please input 1 for related parties with business engagement.
Please input 2 for parties for which short-term loans are necessary.

Note 8: For loans classified as Type 1, the business transaction amount should be recorded.

Note 9: For loans classified as Type 2, a detailed explanation for the required loan amount and the intended use of the funds by the borrowing party shall be provided. Examples of intended uses include loan repayment, equipment purchases, and operational turnover.

Note 10: The total amount of loans granted by the Company shall not exceed 10% of the Company's net worth. For companies engaged in business dealings with the Company, the individual loan amount shall not exceed the total value of transactions conducted between both parties. The term business transaction amount refers to the greater of the purchase or sales amount between the two parties over the most recent fiscal year; however, the maximum amount shall not exceed the aforementioned limit.

Chaintech Technology Corporation

Endorsements/Guarantees Provided for Others

For the Year Ended December 31, 2024

Table 2

Unit: NT$ thousands

(Unless specified otherwise)

		Endorsee/Guarantee												
No. (Note 1)	Endorser / Guarantor	Name of Company	Relationship (Note 2)	Ceiling limit on endorsements and guarantees for a single entity (Note 3)	Maximum balance of endorsements and guarantees for the period (Note 4)	Ending Balance	Actual Amount Drawn	Amount of Endorsements / Guarantees Collateralized by Property	Ratio of aggregated endorsements and guarantees to net value in the most recent financial statements	Ceiling limit on endorsements and guarantees (Note 3)	Parent providing endorsements and guarantees for subsidiary (Note 5)	Subsidiary providing endorsements and guarantees for parent (Note 5)	Endorsements and guarantees involving Mainland China (Note 5)	Remark
0	Chaintech Technology Corporation	Sitonholy (Tianjin) Technology Co., Ltd.	2	$ 1,226,451	$ 22,725	$ 22,390	$ 22,390	$ -	0.91%	$ 1,226,451	Y	N	Y	

Note 1: Explanations are as follows:
(1) For the issuer, fill in 0.
(2) The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: The relationships between endorsers/guarantors and endorsees/guarantees are categorized into the following 6 types. Please specify the type.
(1) Companies with which the Company conducts business.
(2) Subsidiaries in which the Group directly holds more than 50% of their common shares;
(3) Investee companies in which the Company and its subsidiaries collectively hold more than 50% of their common shares;
(4) The parent company which holds, directly or indirectly through a subsidiary, more than 50% of its outstanding common shares;
(5) Companies in same type of business and providing mutual endorsements/guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
(6) Shareholders making endorsements/guarantees for their mutually invested company in proportion to their shareholding ratio.

Note 3: The ceiling limit on endorsements and guarantees provided by the Company, on endorsements and guarantees for a single enterprise, and on endorsements and guarantees provided by the Company and its subsidiaries should be 50% of the net value in the most recent financial statements respectively.

Note 4: The maximum balance of endorsement/guarantee provided to others in the current year.

Note 5: Fill in Y if a listed parent company provides endorsements/guarantees for its subsidiary or if a subsidiary provides endorsements/guarantees for its listed parent company or if endorsements/guarantees involve mainland China.

Chaintech Technology Corporation

Marketable Securities Held at the End of the Period (excluding Subsidiaries, Associates, and Joint Ventures)
December 31, 2024

Table 3

Unit: NT$ thousands

(Unless specified otherwise)

Securities Holding Company	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Account	Ending Balance				Remark
				Number of Shares	Carrying amount	Percentage of Ownership	Fair value	
Chaintech Technology Corporation	Stocks_APAQ Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	17,000	$ 2,524	0.00%	$ 2,524	-
Chaintech Technology Corporation	Stocks_CloudMile Co., Ltd. (Cayman Islands)	-	Financial assets at fair value through other comprehensive income - non-current	510,204	51,505	1.70%	51,505	-
Baotou Yihui Information Technology Co., Ltd.	China Zheshang Bank Sheng Xin Ying No. B-1 RMB-denominated product	-	Financial assets at fair value through profit or loss - current	-	20,151	-	20,151	-

Chaintech Technology Corporation

Accumulated purchase or disposal of the same securities amount reaching NT$300 million or 20% of the paid-in capital

For the Year Ended December 31, 2024

Table 4

Unit: NT$ thousands

(Unless specified otherwise)

					Beginning of Period		Purchase (Note 3) (Note 4)		Sale				Ending Balance	
Company Name	Type and Name of Securities (Note 1)	Ledger Account	Counterparty (Note 2)	Relationship (Note 2)	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Selling Price	Carrying Cost	Gains (Losses) on Disposal	Number of Shares	Amount
Chaintech Technology Corporation	APAQ Technology Co., Ltd.	Investments in equity instruments at fair value through other comprehensive income - non-current	-	-	3,050,000	$ 211,975	-	$ -	3,033,000	$ 373,178	($ 168,689)	$ 204,489	17,000	$ 2,524

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.
Note 2: Investors who account for securities using the equity method are required to complete the two specified columns; all other columns may be left blank.
Note 3: The cumulative amounts of purchases and sales should be calculated separately at market value to determine whether they reach NT$300 million or 20% of the paid-in capital.
Note 4: The purchase price is subject to consideration.
Note 5: For "Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Income - Non-current" account items, gains and losses from disposals are directly reclassified from other comprehensive income to retained earnings.

Chaintech Technology Corporation

Purchases and Sales with Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More

For the Year Ended December 31, 2024

Table 5

Unit: NT$ thousands

(Unless specified otherwise)

			Transaction Situation				Unusual Transaction Terms and Reasons		Ratio of notes and accounts receivable (payable)		
Company	Counterparty	Relationship	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit Period	Unit price	Credit Period	Balance	to total notes and accounts receivable (payable)	Remark
Chaintech Technology Corporation	Colorful Technology Co.,Ltd.	100% reinvestment business by Colorful Group	Sales	$ 1,648,450	28%	OA 45~125 days	N/A	N/A	$ 545,544	53.87%	-
Chaintech Technology Corporation	Hong Kong Colorful Yugong Technology Limited	The same person in charge as the Colorful Group	Purchase of goods	829,536	15%	OA 30 days or end of month 60 days	N/A	N/A	82,580	12.88%	-

Chaintech Technology Corporation

Receivables from Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More

December 31, 2024

Table 6

Unit: NT$ thousands

(Unless specified otherwise)

Company	Counterparty	Relationship	Balance of receivables from related parties		Turnover rate	Overdue receivables from related parties		Receivables from related parties recoverable after period	Allowances for losses
						Amount	Handling method		
Chaintech Technology Corporation	Colorful Technology Co.,Ltd.	100% reinvestment business by Colorful Group	Accounts receivable	$ 545,544	2.84	$ -	$ -	$ 240,374	($ 219)

Chaintech Technology Corporation

Parent-subsidiary and Subsidiary-subsidiary Business Relations and Significant Transactions and Amounts Thereof

For the Year Ended December 31, 2024

Table 7

Unit: NT$ thousands

(Unless specified otherwise)

No. (Note 1)	Company	Counterparty	Relationship with counterparty (Note 2)	Description of Transactions: Ledger Account	Amount	Transaction Term	Percentage of consolidated total revenue or total assets
0	Chaintech Technology Corporation	Shenzhen Jinghong Digital R&D Service Co., Ltd.	Parent company to a subsidiary	Operating expenses	$ 9,347	Agreed by both parties	0.16%
0	Chaintech Technology Corporation	Shenzhen Jinghong Digital R&D Service Co., Ltd.	Parent company to a subsidiary	Other payables	2,394	Agreed by both parties	0.06%
1	Beijing Sitonholy Technology Co., Ltd.	Sitonholy (Tianjin) Technology Co., Ltd.	Subsidiaries to subsidiaries	Service revenue	102,028	Agreed by both parties	1.72%
2	Sitonholy (Shenzhen) Technology Co., Ltd.	Sitonholy (Tianjin) Technology Co., Ltd.	Subsidiaries to subsidiaries	Service revenue	12,584	Agreed by both parties	0.21%
3	Sitonholy (Tianjin) Technology Co., Ltd.	Beijing Sitonholy Technology Co., Ltd.	Subsidiaries to subsidiaries	Sales revenue	12,318	Agreed by both parties	0.21%
4	Sitonholy (Tianjin) Technology Co., Ltd.	Baotou Yihui Information Technology Co., Ltd.	Subsidiaries to subsidiaries	Sales revenue	47,361	Agreed by both parties	0.80%

Note 1: Information of business contacts between the parent company and subsidiaries shall be specified in No. column. Please fill in the No. column following the instruction:

(1) For the parent company, fill in 0.

(2) Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Regarding the percentage of transaction amount to consolidated total revenue or total assets, it is calculated based on the ending balance to consolidated total assets for balance sheet items; it is calculated based on interim accumulated amount to consolidated net revenue for profit or loss items.

Note 3: Transactions that do not exceed NT$2 million will remain undisclosed. Furthermore, income will serve as the basis for disclosure, and related transactions will not be disclosed further.

Chaintech Technology Corporation

Information on Investees (Not Including Investees in Mainland China)

For the Year Ended December 31, 2024

Table 8

Unit: NT$ thousands

(Unless specified otherwise)

				Initial Investment Amount		Ending Balance					
Name of Investor	Name of Investee	Location	Main Business Activities	Ending Balance for the Current Period	December 31, 2019	Number of Shares	Percentage	Carrying amount	Profit (Loss) of Investee for the Period	Gain (loss) on investment for the period	Remark
Chaintech Technology Corporation	uSenlight Corporation	Republic of China	Electronics, computers, and peripherals	$ 150,000	$ 150,000	1,250,000	6.13%	$ -	$ -	$ -	Note 1

Note 1: uSenlight Corporation held a board resolution on April 7, 2022 and passed a dissolution proposal for the company. It was established that April 26, 2022 would be the dissolution date, and the dissolution registration was made on May 20, 2022. The assets were publicly auctioned on November 16, 2022, as notified by the court. The Company is currently undergoing dissolution procedures.

Chaintech Technology Corporation

Information on Investments in Mainland China - Basic Information

For the Year Ended December 31, 2024

Table 9

Unit: NT$ thousands

(Unless specified otherwise)

Investee Company	Main Business Activities	Paid-in Capital	Investment Methods (Note 1)	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted from Taiwan at End of Period	Profit (Loss) of Investee for the Period	Percentage of ownership (direct or indirect)	Gain (loss) on investment for the period (Note 2)	Carrying Amount of Investments at End of Period	Accumulated Investment Income Repatriated at End of Period	Remark
					Remitted	Repatriated							
Shenzhen Jinghong Digital R&D Service Co., Ltd.	Technology research and development and trading of electronic products, computer hardware, and peripheral devices	$ 499,065	1	$ 499,065	$ -	$ -	$ 499,065	$ 45,845	100	$ 45,845	$ 742,694	$ -	-
Sitonholy (Tianjin) Technology Co., Ltd.	Wholesale of electronic products, communication products, household appliances, office supplies, computer hardware and software and related spare parts	110,630	3	-	-	-	-	87,345	51	44,546	603,891	-	-
Beijing Sitonholy Technology Co., Ltd.	Wholesale of electronic products, communication products, household appliances, office supplies, computer hardware and software and related spare parts	36,824	3	-	-	-	-	(1,602)	51	(817)	19,827	-	-
Baotou Yihui Information Technology Co., Ltd.	Electronic products, communication products, computer software and hardware, data processing, storage and support services	50,643	3	-	-	-	-	13,237	51	6,751	32,845	-	-
Sitonholy (Shenzhen) Technology Co., Ltd.	Wholesale of electronic products, communication products, household appliances, office supplies, computer hardware and software and related spare parts	13,160	3	-	-	-	-	1,960	51	1,000	6,998	-	-

Note 1: The method of investment in Mainland China includes the three following types:
(1) Direct investment;
(2) Investment in Mainland China through a company set up in a third area; or
(3) Other methods: Investment in Mainland China through an reinvestment in Mainland China

Note 2: The valuation is recognized in the financial statements audited by the CPAs of the parent company in Taiwan.

Name of Company	Accumulated investment amount remitted from Taiwan to Mainland China at end of period	Investment amount authorized by Investment Commission, M.O.E.A.	Ceiling on investment in Mainland China regulated by Investment Commission, M.O.E.A.
Chaintech Technology Corporation	$ 499,065	$ 544,794	$ 1,710,145

Note 3: The Group's investment in Shenzhen Jinghong Digital R&D Service Co., Ltd., which was approved by the Investment Commission, Ministry of Economic Affairs on November 26, 2015, at a total amount of US$5 million, was remitted in full.

Note 4: The Group's increase in capital of Shenzhen Jinghong Digital R&D Service Co., Ltd. by US$6.4 million, which was approved by the Investment Commission, Ministry of Economic Affairs on February 1, 2019, was remitted in full.

Chaintech Technology Corporation
Information on Major Shareholders
December 31, 2024

Table 10

Name of Major Shareholders	Shareholding	
	Number of shares	Percentage of Ownership
Yeland International Development Ltd.	24,517,000	25.40%

Note 1: Information on major shareholders listed above is based on the information on shareholders holding more than 5% of the ordinary shares and preferred shares that have completed non-physical registration and delivery on the last business day of each quarter as calculated by the Taiwan Depository & Clearing Corporation. In addition, share capital stated in the financial statements may vary from the actual number of traded shares with the completion of non-physical registration due to different calculation bases.

Note 2: If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For the shareholders' declaration of insiders holding more than 10% of the shares in accordance with the Securities and Exchange Act, the number of share held includes the shares held by the shareholders plus the shares delivered to the trust and having the right to decide on the use of trust property. For information on the declaration of insider equity, please refer to the Market Observation Post System.

Chaintech Technology Corporation
Cash Statement
December 31, 2024

Statement 1 Unit: NT$ thousands

Item	Summary	Amount
Cash on hand and revolving funds		$ 100
Checking deposits and demand deposits		
— NTD time deposit		41,553
— Foreign currency deposit	USD 18,160,158.16, exchange rate 32.785	595,380
	HKD 170,902.44, exchange rate 4.222	721
	RMB 2,583.89, exchange rate 4.478	12
Time deposits		
— NTD time deposit		95,000
— Foreign currency time deposit	USD 10,000,000, exchange rate 32.785	327,850
		$ 1,060,616

The aforementioned time deposit matures within one year, with an interest rate ranging from 1.23% to 4.92%.

Chaintech Technology Corporation
Statement of Accounts Receivable (Including Related Parties)
December 31, 2024

Statement 2 Unit: NT$ thousands

Client Name	Summary	Amount	Remark
Non-related party			
16N004		$ 73,376	
16C002		71,939	
16L002		65,845	
		211,160	More than 5% of the remaining balance for this subject.
Less: loss allowance		(84)	
		211,076	
Related parties			
Colorful Technology Co., Ltd		545,544	
Hong Kong Colorful Yugong Technology Limited		1,462	
Less: loss allowance		(219)	
		546,787	
		$ 757,863	

Chaintech Technology Corporation
Statement of Inventories
December 31, 2024

Statement 3 Unit: NT$ thousands

Item	Amount		Remark
	Cost	Market Price (Note)	
Raw materials	$ 9,471	$ 6,898	Measured at replacement cost
Work in process	48,150	55,088	Measured at net realizable value
Finished good	3,527	2,809	Measured at net realizable value
	61,148	$ 64,795	
Less: Allowance for inventory price decline	(4,521)		
	$ 56,627		

Note: The above mentioned net realizable value refers to the amount after deducting the allowance for slow-moving inventory of $4,521.

Chaintech Technology Corporation
Statement of Changes in Investments Accounted for Using Equity Method
For the Year Ended December 31, 2024
Unit: NT$ thousands

Statement 4

Title	Beginning balance		Increase for the period		Decrease for the period		Gain (loss) on investment for the period	Others (Note 1)	Ending balance			Market price or net equity		Guarantee or Pledge
	Number of Shares	Book value	Number of Shares	Amount	Number of Shares	Amount			Number of Shares	Equity %	Book value	Unit price (NT$)	Total	
Shenzhen Jinghong Digital R&D Service Co., Ltd.	-	$ 673,115	-	$ -	-	$ -	$ 45,845	$ 23,734	-	0%	$ 742,694	$ -	$ 742,694	None
uSenlight Corporation (Note 2)	5,000,000	-	-	-	-	-	-	-	-	6.13%	-	-	-	None
		$ 673,115		$ -		$ -	$ 45,845	$ 23,734			$ 742,694		$ 742,694	

Note 1: The components are as follows
(1) Share of other comprehensive income of subsidiaries accounted for using the equity method.
Note 2: The company was officially dissolved on May 20, 2022, and is currently undergoing the dissolution process.

Chaintech Technology Corporation
Statement of Accounts Payable (Including Related Parties)
December 31, 2024

Statement 5 Unit: NT$ thousands

Client Name	Summary	Amount	Remark
Non-related party			
005507		$ 49,063	
002887		27,638	
002801		18,753	
008074		13,030	
Others		12,513	The balance of each individual customer shall not exceed 5% of the total balance of this account.
		$ 120,997	
Related parties			
Hong Kong Colorful Yugong Technology Limited		$ 82,580	
Others		642	
		$ 83,222	

Chaintech Technology Corporation
Statement of Operating Revenue
For the Year Ended December 31, 2024

Statement 6 Unit: NT$ thousands

Item	Quantity	Amount	Remark
Operating revenue:			
Consumer goods	624,000 pcs	$ 3,083,009	
Less: Sales returns and allowances		(93,300)	
Net operating revenue		$ 2,989,709	

Chaintech Technology Corporation
Statement of Operating Costs
For the Year Ended December 31, 2024

Statement 7 Unit: NT$ thousands

Item	Amount
Raw materials and materials at beginning of period	$ 120,068
Add: Net amount of materials purchased in the current period	1,807,604
Less: Raw materials sold	(101,235)
Raw materials and materials at end of period	(9,471)
Raw materials consumed in this period	1,816,966
Manufacturing cost - processing cost	46,063
Total manufacturing costs	1,863,029
Add: Work in progress at beginning of period	-
Less: Work in progress at end of period	(48,150)
Finished good cost	1,814,879
Add: Finished good at beginning of period	81,743
Purchases in this period	781,641
Less: Finished good at end of period	(3,527)
Reclassified as operating expenses	(667)
Sales cost of finished good	2,674,069
Loss on inventory write-down	2,413
Raw materials sold	101,235
Total operating costs	$ 2,777,717

Chaintech Technology Corporation
Statement of Operating Expenses
For the Year Ended December 31, 2024

Statement 8 Unit: NT$ thousands

Item	Selling and marketing expenses	General and administrative expenses	Research and development expenses	Total
Salary expenses	$ 2,925	$ 16,590	$ 102,897	$ 122,412
Advertising fees	18,566	-	115	18,681
Services expenses	12,042	5,684	403	18,129
Royalty	3,028	-	1,755	4,783
Shipping expenses	3,967	11	188	4,166
Depreciation	803	1,169	13,292	15,264
Entertainment expenses	776	2,387	484	3,647
Miscellaneous purchases	13	90	3,785	3,888
Other expenses (Note)	1,483	4,781	20,636	26,900
	$ 43,603	$ 30,712	$ 143,555	$ 217,870

Note: The amount of each individual item does not exceed 5% of the total amount of this account.

Chaintech Technology Corporation
Summary Statement of Current Period Employee Benefits, Depreciation, Depletion and Amortization Expenses by Function
For the Year Ended December 31, 2024
Unit: NT$ thousands

Statement 9

Nature \ Function category	2024			2023		
	Operation Costs	Operation Expenses	Total	Operation Costs	Operation Expenses	Total
Employee benefits						
Payroll expenses	$ -	$ 113,269	$ 113,269	$ -	$ 52,078	$ 52,078
Labor and health insurance expenses	-	6,946	6,946	-	3,463	3,463
Pension expenses	-	4,301	4,301	-	2,150	2,150
Remuneration Paid to Directors	-	4,842	4,842	-	7,459	7,459
Other employment expenses	-	4,061	4,061	-	2,947	2,947
Depreciation expenses	-	15,264	15,264	-	8,607	8,607
Amortization expenses	-	1,651	1,651	-	1,016	1,016

Notes:

1. The number of employees for the current and previous years was 71 and 50, respectively, with 6 and 6 directors who are not employees.
2. Companies whose stocks have been listed on the stock exchange or traded on the OTC market shall disclose the following information:
   (1) The average employee benefits expense for the current year is NT$1,978 (the total employee benefits minus directors' remuneration for the current year, divided by the number of employees excluding the number of directors who are not employees for the current year).
   The average employee benefits expense for the previous year is NT$1,378 (the total employee benefits minus directors' remuneration for the previous year, divided by the number of employees excluding the number of directors who are not employees for the previous year).
   (2) The average employee salary expense for the current year is NT$1,743 (the total employee payroll expenses for the current year, divided by the number of employees excluding the number of directors who are not employees for the current year).
   The average employee salary expense for the previous year was NT$1,184 (the total employee payroll expenses for the previous year, divided by the number of employees excluding the number of directors who are not employees for the previous year).

Chaintech Technology Corporation
Summary Statement of Current Period Employee Benefits, Depreciation, Depletion and Amortization Expenses by Function
For the Year Ended December 31, 2024

Statement 9

Unit: NT$ thousands

(3) Change in average employee salary expense is 47.21% (average employee payroll expenses for the current year minus average employee payroll expenses for the previous year, divided by average employee payroll expenses for the previous year).

(4) The Company's remuneration policy:
The remuneration policy for directors and managers of the Company is submitted to the Remuneration Committee for review in accordance with the provisions of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange". The remuneration policy for managers mainly takes into account personal experience, performance, level of participation in company operations, value of contributions, and company performance; The remuneration policy for employees, directors, and supervisors shall be implemented in accordance with the Company's Articles of Incorporation for the year in which the Company has earnings. Employee remuneration includes basic salary, various allowances, job bonuses, and other bonuses. The basic salary is determined based on their academic experience, professional skills, and job value, taking into account the salary level of their peers. The distribution of bonuses depends on the company's annual operating earnings and the achievement of departmental and individual performance.